



City of Westminster

# Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Wednesday 1st December, 2021**

Time: **6.30 pm**

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

Members: **Councillors:**

Ian Rowley (Chairman)  
David Boothroyd  
Danny Chalkley  
Antonia Cox

**Members of the public and press are welcome to attend the meeting and listen to the discussion of Part I of the Agenda.**

[Link to live meeting](#)

**This meeting will be livestreamed. To access the recording after the meeting, please revisit the link.**



**If you require any further information, please contact the Committee Officer, Artemis Kassi.**

**Email: [akassi@westminster.gov.uk](mailto:akassi@westminster.gov.uk)**

**Corporate Website: [www.westminster.gov.uk](http://www.westminster.gov.uk)**

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

## **AGENDA**

### **PART I (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 Committee's previous meeting on 29 September 2021.

**(Pages 5 - 12)**

**4. FINANCE AND PERFORMANCE MONITORING REPORT**

To monitor the City 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 2021/2022 business plans and to conduct a half-yearly overview of performance.

**(Pages 13 - 90)**

**5. INTERNAL AUDIT MONITORING REPORT**

To oversee and monitor the success in Quarter 2 of the Audit Service in planning and delivering outcomes, and in establishing an effective and robust internal control framework.

**(Pages 91 - 96)**

**6. INTERNAL AUDIT CHARTER**

To review the Council's Internal Audit Charter, which is maintained by the Shared Services Director for Internal Audit, Fraud, Risk and Insurance in accordance with the requirements

**(Pages 97 -  
110)**

of the Public Sector Internal Audit Standards (PSIAS).

**7. MID-YEAR COUNTER FRAUD MONITORING REPORT**

**(Pages 111 -  
132)**

To oversee and monitor the performance and success of the Counter Fraud Service.

**8. REVIEW OF ANTI-FRAUD POLICIES**

**(Pages 133 -  
156)**

To review and approve the following which are maintained by the Corporate Anti-Fraud Service: - Fraud Response Plan; - Anti-Bribery Policy; and - Anti-Money Laundering Policy (including procedures)

**9. VERBAL UPDATE**

**(Pages 157 -  
164)**

To update the Committee on progress since its meeting of 14 July 2021, following the thematic review undertaken on health and safety in schools as part of the Internal Audit Plan. The update will include information following the referral of this item to the Business and Children's Policy and Scrutiny Committee on 7 October 2021.

**10. RE-TENDER OF EXTERNAL AUDIT CONTRACT**

**(Pages 165 -  
172)**

To review and approve the arrangements for the retendering of the external audit contract.

**11. CORPORATE COMPLAINTS**

**(Pages 173 -  
232)**

To consider the corporate complaints annual review.

**12. TREASURY MANAGEMENT MID-YEAR STRATEGY**

**(Pages 233 -  
244)**

To review the Treasury Management Mid-Year Strategy.

**13. COUNCIL STAFF REMUNERATION**

**(Pages 245 -  
256)**

To review the Council's pay schemes, as per the Constitution.

**14. WORK PROGRAMME**

**(Pages 257 -  
270)**

To receive a report on and review the Committee's work programme for 2021 – 2022.

**15. ANY OTHER BUSINESS**

To review any other business which the Chairman considers urgent.

**Stuart Love  
Chief Executive  
19 November 2021**



CITY OF WESTMINSTER

## MINUTES

### Audit and Performance Committee

#### MINUTES OF PROCEEDINGS

Minutes of a hybrid meeting of the **Audit and Performance Committee** held in person in Rooms 18.01 – 18.03 at Westminster City Hall, 64 Victoria Street, Westminster and via Microsoft Teams at 18:30 on Wednesday, 29 September 2021.

**Members Present:** Councillors Ian Rowley (Chairman), David Boothroyd, Danny Chalkley and Antonia Cox.

**Also Present:** Stuart Love (Chief Executive), Gerald Almeroth (Executive Director, Finance and Resources), Jake Bacchus (Director of Corporate Finance, F&R), Joanne Brown (Grant Thornton), Bernie Flaherty (Executive Director, Adult Social Care and Public Health), Laurelin Griffiths (Grant Thornton), David Hughes (Tri-Borough Director, Audit, Risk and Fraud), Debbie Jackson (Executive Director, Growth, Planning and Housing), Artemis Kassi (Lead Scrutiny Advisor/Statutory Officer), Moira Mackie (Head of Internal Audit), Raj Mistry (Executive Director, Environment and City Management), Sarah Newman (Executive Director, Children's Services), Rikin Tailor (SFM Head of Corporate Finance, F&R), Lee Witham (Director, People Services), and Pedro Wrobel (Executive Director, Innovation and Change).

#### 1 MEMBERSHIP

1.1 There were no changes to membership.

#### 2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

#### 3. MINUTES

3.1 The Committee approved the minutes of its meetings on 17 June 2021 and 14 July 2021.

3.2 **RESOLVED:** That the Committee approve the minutes of 17 June 2021 and 14 July 2021.

#### 4. AUDITED ACCOUNTS

4.1 The Committee received the audited Statement of Accounts and Pension Fund report for the financial year ending 31 March 2021, and the reports of Grant Thornton, the Council's external auditors.

- 4.2 The Committee was provided an overview by Gerald Almeroth (Executive Director, Finance and Resources) who highlighted that, as a result of the audit, there had been some revisions to the draft accounts previously presented to the Committee in July. The Committee was advised that the recommendation was for agreement of the accounts and audit reports.
- 4.3 Gerald Almeroth noted that the Value for Money conclusion was on a different timescale and would be expected prior to the end of November 2021.
- 4.3 Jake Bacchus (Director of Corporate Finance) commented on the audit process, explaining there had been improvements to methodology including around valuations, the accuracy of which was considered particularly important as Westminster City Council had sizeable infrastructure assets. The Committee heard that historical audit recommendations had also been addressed, and the internal controls had been improved. The accounts were therefore considered robust.
- 4.4 Joanne Brown (Audit Partner, Grant Thornton) introduced the audit finding reports for the Council and its Pension Fund. The anticipated opinion was unmodified, subject to any upcoming concluding matters. Joanne Brown commented that the readiness of the accounts was reflective of the level of work put into those accounts by Council officers, and that Westminster was in a small minority of local authorities whose accounts were ready at this stage. She thanked officers for being receptive to feedback and implementing changes.
- 4.5 Laurelin Griffiths (Grant Thornton) explained that the regular Pension Fund audit was generally a smooth procedure and that this audit had been no different. The Committee was advised that the Council's Audit Findings Report had seen outstanding items addressed, and that final quality reviews were proceeding. The Committee also heard that this report included new significant risks, regarding revenue and expenditure recognition – which were noted as being risks for local authorities generally, not specifically Westminster, and were a result of the COVID-19 pandemic's impact on funding and expenditures.
- 4.6 The Committee discussed charges relating to new investments for the Pension Fund, and observed that the audit fee was yet to be confirmed. Gerald Almeroth and Joanne Brown confirmed that the fee was at that time disputed with the Public Sector Audit Appointments (PSAA) as the authority which appointed auditors for local authorities.
- 4.7 The Committee queried the significance of the reclassification of Luton Street Development LLP as a joint venture. This was confirmed as being significant in terms of difference in technical changes to accounting processes, but because no cost changes resulted from the reclassification, the change represented no overall significance in terms of costs to the Council.
- 4.8 **RESOLVED:** That the Committee note the accounts and audit report.

## 5. FINANCE AND PERFORMANCE MONITORING REPORTS

- 5.1 The Committee received the Finance and Performance Monitoring Reports, which were introduced by Gerald Almeroth.

### **Finance Monitoring Report**

- 5.2 For the Finance Report, it was noted that the Revenue budget (General Funds) showed a deficit of £3m against a £182m net budget; and that this was largely because of a shortfall in income resulting from the COVID-19 pandemic, though easing of pandemic restrictions had facilitated an increase in some income lines. The Committee was advised that difficulties forecasting budgets remained, but that clearer views were expected.
- 5.3 The Committee heard that no variations were reported on the Housing Revenue Account (HRA), though an underspend of £16m was noted for the general capital programme budget, overall £3m against a budget of £273m. For the Housing capital budget, an underspend of £31m was noted as due to issues with regeneration schemes, against a £197m budget.
- 5.4 The Committee complimented officers on ensuring that so few budget items were in shortfall given the impact of the COVID-19 pandemic. The Committee queried how the reduction in Government grants would have an impact on Council finances, and Gerald Almeroth confirmed that it remained of concern and that Westminster City Council had written to Government to request an extension. However, he advised that this request was not expected to be granted.
- 5.5 The Committee commented that the Environment and City Management Community Services spend was significantly down and queried why this was the case. Raj Mistry explained that this was due to the pandemic and connected to reduced use of leisure centres and of the Sayers Croft facility usually used by Westminster schools.
- 5.6 The Committee enquired about the underspend in the Public Health budget related to reduced numbers of health checks, and commented that this would be of concern in terms of disease prevention and early detection.
- 5.7 The Committee queried the circa 200 Westminster tenants in Temporary Accommodation (TA) whose homelessness applications had been refused. Debbie Jackson (Executive Director, Growth, Planning and Housing) explained that these tenants were to be moved out of TA in stages over the coming seven-month period, being supported to move into settled accommodation. There was an additional query from the Committee regarding the Government's Homelessness Prevention grant funding and whether it would adequately cover costs associated with TA. Gerald Almeroth commented that, in previous years, the entirety of the grant funding had not been used, meaning that there was a reserve to assist in managing fluctuating pressures on homelessness prevention.
- 5.8 The Committee noted in relation to the Westminster Employment Service that in previous years where a service had been funded externally, if external funding ceased, the service stopped. Debbie Jackson stated that the service

contributed to reduction in demand elsewhere, and its funding was therefore being reviewed.

- 5.9 The Committee requested information about the HRA underspend. Debbie Jackson stated that the Housing staffing restructure meant that posts were vacant and agency staffing had been used, but that this had clearly not managed to cover all the gaps, although she was hoping the service would stabilise and fill posts. Debbie Jackson commented that they had been intensively interviewing in recent weeks.
- 5.10 The Committee queried the Oxford Street piazza scheme's lack of inclusion in forecast spend; Debbie Jackson confirmed that any Oxford Street District spending was included in the discrete Oxford Street District budget, currently £150m.
- 5.11 The Committee noted that the 300 Harrow Road scheme was not using funding from the Affordable Housing fund, so clarity was requested from Debbie Jackson on whether it would still include affordable housing. Debbie Jackson reverted to Gerald Almeroth, who commented that the Affordable Housing fund was still being used, but was being applied differently through Westminster Builds.
- 5.12 The Committee questioned why the temporary structure of the Marble Arch Mound had been funded from Council Capital Budget, and whether the internal review report on the issues regarding the Marble Arch Mound would be made public. Gerald Almeroth explained that the Marble Arch Mound, since it would only be available to the Council for fewer than twelve months, would not be able to be considered for accounting purposes as a capital asset. He advised the Committee that the £150m budget provision for the Oxford Street District budget would partly be used, with some allocation as revenue spend. Stuart Love (Chief Executive) stated his intent that that the internal report in its entirety would be published, with the exception of specific names of contractors and those involved in staff disciplinary processes. Stuart Love confirmed that, other than those items, there was nothing in the draft report that he considered should be confidential.
- 5.13 The Committee commented, regarding the capital versus revenue aspect of budget spend, that clarity was required on this with regard to the Marble Arch Mound, because the Committee had repeatedly been assured that the expenditure would come from capital budget, yet the Marble Arch Mound was not a capital asset. The Committee questioned whether this would be explained in the internal review report into the Marble Arch Mound. Stuart Love commented that the internal report would not necessarily consider this distinction, but that there was a difference between two Cabinet Member Reports from March 2021 and May 2021 regarding the Marble Arch Mound financing, which would be covered in the internal review report. Stuart Love stated that the bulk of the Marble Arch Mound costs would be accounted for as revenue, not capital.
- 5.14 The Committee further queried whether £150m was still an appropriate sum to allocate for the regeneration of the Oxford Street District, given the time that had elapsed between the figure being profiled and the current date, and the

changed needs during this time. Stuart Love confirmed that this figure would be revisited in light of the pressures of the COVID-19 pandemic. The Committee questioned whether the Council should drive the regeneration of the Oxford Street District or instead act as facilitators for the private sector to lead regeneration, as it may be considered that the private sector had the appropriate skills and expertise, in addition to the ability to take risks which may not be appropriate for the Council to take.

### **Performance Monitoring Report Q1**

- 5.15 The Committee was presented with a brief overview of the 2021/22 Q1 Performance Report by Mo Rahman. It was noted that there were a number of new Key Performance Indicators (KPIs), particularly for Finance and Resources around procurement.
- 5.16 The Committee heard that key achievements in the report included continued delivery of statutory services throughout the pandemic context, and securing funding for vulnerable younger adults to support them into housing and employment.
- 5.17 The Committee also heard that key pressures noted in the report included poor mental health amongst residents, high youth unemployment, low uptake of the flu and COVID-19 vaccines, upcoming increased costs for materials for works, and increased pressure on SEND services.
- 5.18 The Committee commented that reported COVID-19 infections remained low in Westminster despite low vaccination rates locally. Committee members raised the possibility of residents being vaccinated outside the City, for example at second home locations or at boarding schools, and how this could be reflected in reporting, as well as accuracy of the infection rate as reported.
- 5.19 The Committee asked about confidence in national census responses being representative of local population figures, referring to a past national census having under-counted Westminster's population by as much as one third. Pedro Wrobel (Executive Director, I&C; attending virtually) commented that, because of the circumstances and date (during the COVID-19 pandemic) on which the census was carried out, an inaccurate population estimate was expected. Pedro Wrobel stated that there was an ongoing dialogue with the Office for National Statistics regarding this and expected challenge to the results of the census.
- 5.20 The Committee queried whether there was an updated estimate of the number of jobs which Westminster City Council's al fresco dining scheme was likely to have helped preserve. Mo Rahman commented that he would revert to the Committee regarding this.
- 5.21 The Committee enquired whether there was an estimated forecast of the impact of the Ultra-Low Emissions Zone (ULEZ) scheme on parking revenue in Westminster from October 2021. Raj Mistry (Executive Director, Environment and City Management) commented that this forecasting had not been carried out as it was difficult to predict how ULEZ would impact behaviour.
- 5.22 The Committee raised concerns about the City's youth unemployment figures

and commented that these figures were worrying.

- 5.23 The Committee queried why the draft Building Safety legislation was flagged as a risk from Q1 2020-21 when it was not expected to be implemented until 2023 at the earliest, and why it appeared any associated risk was not being managed down and thus reducing.
- 5.24 The Committee asked why Children's Services no longer used the KPI of children who had been on a child protection plan being re-referred within 24 months of being removed from the plan, as it considered this a useful metric of the effectiveness of intervention. Mo Rahman confirmed this KPI had been removed in the current and previous reports but could be reinstated per the Committee's request.
- 5.25 The Committee repeated a query from a prior meeting concerning how risk scores were calculated and again requested if guidance could be provided regarding their meaning in context.
- 5.26 **RESOLVED:** That the Committee note the reports.

## **6. INTERNAL AUDIT MONITORING REPORT**

- 6.1 The Committee received the Internal Audit Monitoring report, introduced by Moira Mackie (Head of Internal Audit).
- 6.2 The Committee enquired about resourcing for the Council's Food Safety team, and whether it was sufficient given Internal Audit's findings regarding the weaknesses in the Food Safety service. Raj Mistry stated that he had reviewed the Food Safety service, set targets, and recruited more Environmental Health Officers (EHOs), as well as planning procurement for a new IT system with guidance from the Food Standards Agency. He also advised the Committee that new businesses were being prioritised for inspections. The Committee queried whether so-called "dark kitchens" for food preparation were inspected. Raj Mistry stated that many were, as their locations were known, and that, although resourcing for their inspections had been an issue, the increased numbers of EHOs had assisted with this.
- 6.3 The Committee thanked Internal Audit officers for the report.
- 6.4 **RESOLVED:** That the Committee note the report.

## **7. VERBAL UPDATE**

- 7.1 The Committee received a verbal update from Moira Mackie (Head of Internal Audit), who explained that, following concerns raised at the previous Committee meeting, she had liaised with Children's Services, Property, and Health and Safety to investigate issues previously raised as a result of the Internal Audit thematic review into schools. The Committee was advised that Ian Heggs (Bi-Borough Director of Education) would be presenting a report to the Business and Children's Services Policy and Scrutiny Committee at its meeting in October. Moira Mackie advised the Committee that members would receive an update at the December meeting following the scrutiny committee referral.

7.2 **RESOLVED:** That the Committee note the verbal update.

## **8. POLICY ON OFFICERS RELATING TO GIFTS AND HOSPITALITY**

8.1 The Committee received a report about Council policy on officers relating to gifts and Hospitality from Lee Witham (Director, People Services). Lee Witham explained to the Committee that the policy had been clarified and re-launched. As a result of this re-launch, Council officers would only be permitted to accept minor gifts of token value, such as pens or notebooks, and hospitality could only be accepted if it were to take place in a venue within the City of Westminster, of modest value, and related to an event that contributed to relationship-building that had no connection with procurement or contracts. Lee Witham advised the Committee that the previous policy had been considered unclear and had incorporated management sign-off, whereas the new policy was considered clearer and placed responsibility on any individual officers who chose to accept any gifts or hospitality.

8.2 **RESOLVED:** That the Committee note the updated policy.

## **9. WORK PROGRAMME**

9.1 The Committee received a report on and discussed its future Work Programme for the remainder of the municipal year, with a focus on its December meeting.

9.2 The Committee discussed the agenda items proposed for its 1 December meeting, including the twice-yearly Performance Report, immunisations update, and Officers' remuneration.

9.3 **RESOLVED:** That the work programme report be noted.

## **10. PROCUREMENT CONTRACT PERFORMANCE (IN PRIVATE SESSION)**

10.1 The Chairman, Cllr Ian Rowley, advised the Committee that, in light of information before the Committee, Agenda Item 10 concerned matters under Section 100 (A) (4) and paragraph 3 of Part 1 of Schedule 12A to the Local Government Act (1972) (as amended). Agenda Item 10 featured a report, the contents of which were public, and an appendix, the contents of which were private.

10.2 The Chairman asked members to note the report and appendix, and invited the Committee to vote to conduct this portion of the meeting in private. Following this voting, the Committee unanimously voted to hold this portion of the meeting in private session. The Chairman directed the meeting to be conducted in private.

10.3 **RESOLVED:** That the Committee note the report and conduct this portion of the meeting in private session.

**11. TERMINATION OF MEETING**

11.1 The meeting closed at 20:19.

**CHAIRMAN:**

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**DATE**

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City of Westminster

## Audit and Performance Committee

<b>Decision Maker:</b>	<i>Audit and Performance Committee</i>
<b>Date:</b>	<i>1 December 2021</i>
<b>Classification:</b>	<i>General Release</i>
<b>Title:</b>	<i>Period 6 budget monitoring report 2021/22</i>
<b>Wards Affected:</b>	<i>All</i>
<b>Report of:</b>	<i>Gerald Almeroth – Executive Director of Finance and Resources</i>

### 1. Executive Summary

1.1 In March 2021 Full Council approved the 2021/22 budget which included £16.9m savings and £28.7m investment and pressures.

1.2 At the end of September (Period 6 – middle of the financial year) the following variances have been identified compared to the budget approved in March 2021:

- Revenue: General Fund - £4.6m overspend
- Revenue: Housing Revenue Account - £2.7m underspend
- Capital: General Fund – £52.4m underspend
- Capital HRA - £26.1m underspend

1.3. The General Fund revenue variances are due to several under and overspends across all directorates. Primarily the overspend is a result of reduced income in comparison to budget. The three income streams with the highest variances are:

- Planning - £2.1m
- Commercial Waste - £0.8m
- Parking (all streams) - £0.8m

1.4. The HRA is forecasting an underspend of £2.7m. Salaries are the main contributor to this underspend and further details are provided in section 4.

1.5. The General Fund and HRA capital programmes are forecasting a net variance compared to budget of £33.2m and £26.1m respectively. Further details on individual projects are provided in section 5.

1.6. Council tax and Business Rates collections are still below pre-pandemic levels. The Council's MTFP had made allowances for lower collection rates and the budgetary impact is limited or capped in the case of business rates. There are signs of improvement in collection rates compared to last year, in particular for Council Tax but still not at the levels we have seen before the pandemic. Business Rates collection rate is improving each month though not at the level seen before pandemic. However, improvements are likely towards year end as court-based recovery increases.

## 2. Spending Review 2021

2.1 On Wednesday 27 October, the Chancellor of the Exchequer announced the budget and spending review for the UK. Key highlights include:

- Core Spending Power (CSP) will increase by £8.5bn (3% real terms growth), of which £4.8bn is new grant and £3.7bn is from additional council tax (equivalent to an increase of 3.95% per year in Band D and taxbase).
- Local government in England will receive a £4.8bn increase in grant funding over the next 3 years (£1.6bn in each year).
- Additional funding will be made available for social care reform (£3.6bn over 3 years to implement “the cap on personal care costs and changes to the means test”).
- There is a transfer of funding for social care back to grant funding. The Chancellor has capped local authority’s ability to charge a social care precept at 1% and Council Tax increase is expected to be capped at 2%.
- Core Spending Power (CSP) will increase by £8.5bn (3% real terms growth), of which £4.8bn is new grant and £3.7bn from additional council tax (equivalent to increase of 3.95% per year in Band D and taxbase).
- Additional funding will also be provided for the UK’s commitment to welcome up to 20,000 Afghan citizens over the coming years, including £20,520 per person for local authorities who settle Afghan families, with an additional £17 million available to top-up housing costs and an extra £20 million pot of flexible funding.
- An additional £458 million by 2024-25 for asylum and refugee support will also be made available, helping protect vulnerable people in the asylum system.
- There has been no announcement about local government funding reforms (Fair Funding Review or business rates changes). We assume these have been pushed back to at least 2023-24.
- There are changes to business rates but no decision yet on their long-term future. There will be reliefs, discounts and cuts in the multiplier that will be worth £7bn over 3 years. The multiplier freeze and 50% discount for the hospitality sector will support many businesses that continue to experience financial difficulties post-Covid-19.
- From April 2023, there will be a new 100% business rates relief to support investment in property improvements. Any property improvement businesses make, will not lead to a rateable increase for 12 months. This is being pitched as supporting green investment, so could help our net zero targets.

### 3. Revenue

#### Overview

- 3.1 At period 6 the Council forecasts a gross variance of £4.6m against the budget after taking into account the Government's sales, fees and charges (SFC) compensation scheme. This was only in place for Q1 of 2021/22.
- 3.2 The General Fund shows a potential upper range variance of £9.750m which is inclusive of further identified risks and opportunities.
- 3.3 Excluding the SFC compensation scheme would create a variance of between £7m to £12.150m which highlights the continuing fragility of key income streams.
- 3.4 The main reasons for the forecast overspend are:
- Parking and commercial waste income (ECM)
  - Planning income (GPH)
  - Education and Covid-19 expenditure (Children's)

- 3.5 The table below summarises the General Fund revenue position

#### General Fund

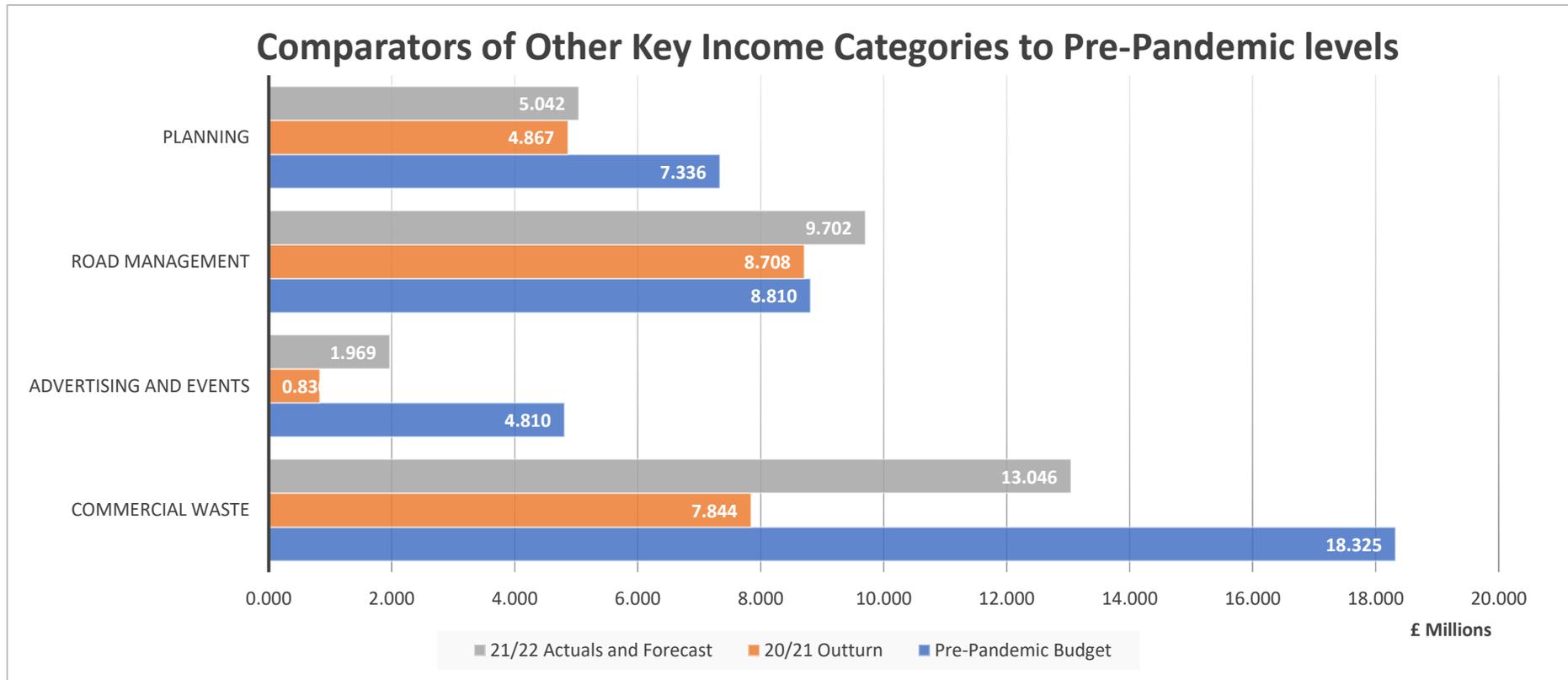
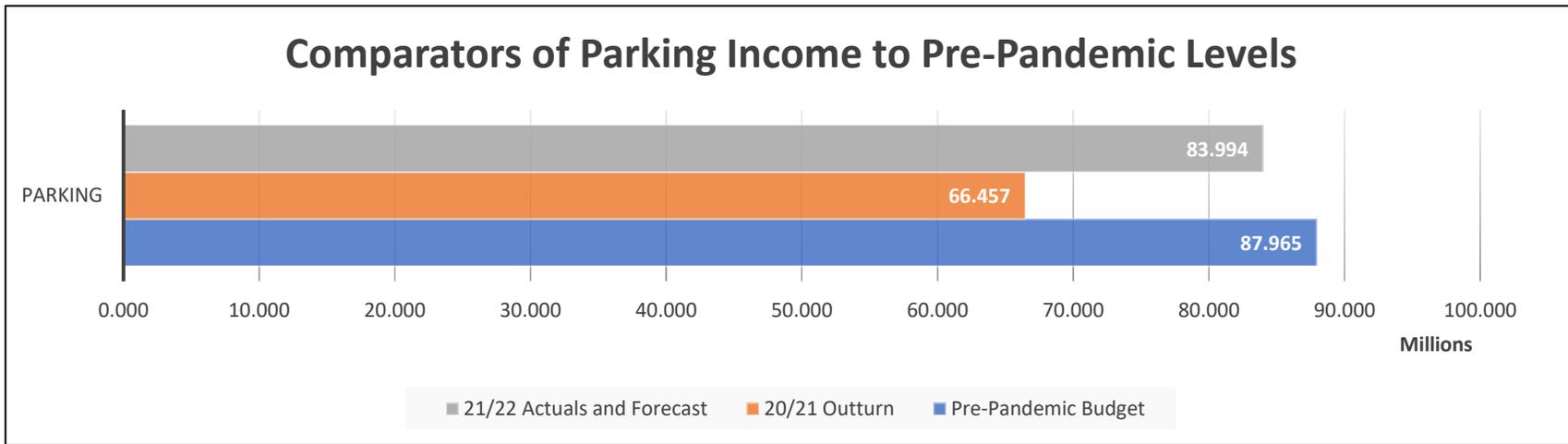
ELT Portfolio	FY Budget (£m)	FY Forecast (£m)	FY Variance (£m)	P6 YTD Variance (£m)	Risks Identified (£m)	Opps Identified (£m)	Projected Variance inc Opps and Risks (£m)
Adult Social Care	52.122	52.022	(0.100)	-	0.300	-	0.200
Public Health	(1.029)	(1.029)	-	-	-	-	-
Growth, Planning & Housing	25.379	27.864	2.500	(17.800)	3.500	(2.200)	3.800
Finance and Resources	44.291	44.268	-	(0.100)	-	(0.400)	(0.400)
Environment and City Management	6.377	9.287	2.900	0.500	0.500	-	3.400
Children's Services	41.156	43.157	2.000	-	0.600	-	2.600
Innovation and Change	10.171	9.916	(0.300)	(1.000)	0.400	(0.100)	-
Other Corporate Directorates	4.278	4.278	-	0.100	-	-	-
Collaborative Savings	-	-	-	-	2.550	-	2.550
<b>NET CONTROLLABLE BUDGET</b>	<b>182.745</b>	<b>189.763</b>	<b>7.000</b>	<b>(18.300)</b>	<b>7.850</b>	<b>(2.700)</b>	<b>12.150</b>
Council Tax	(62.078)	(62.078)	-				-
Business Rates - Net of Tariff	(120.667)	(120.667)	-				-
<b>CORPORATE FINANCING</b>	<b>(182.745)</b>	<b>(182.745)</b>	-				-
<b>SFC Compensation</b>			<b>(2.400)</b>				<b>(2.400)</b>
<b>Net (Surplus) / Deficit*</b>			<b>4.600</b>		<b>7.850</b>	<b>(2.700)</b>	<b>9.750</b>

\*The net figure is inclusive of £2.4m the Council has submitted and is expected to receive in 2021/22 for the SFC compensation scheme.

- 3.6 The Council maintains a corporate pressures budget as set out in the March budget report to mitigate any ongoing economic risks associated with the pandemic. This will be used to reduce the any residual overspend at year end.

### 3.7 **Income Summary**

- 3.7.1 The Council's income streams continue to fluctuate as the City emerges from the pandemic. Daytime population numbers for both commuters and tourists, are expected to be low for some time. Many of the Council's income sources are dependent on the transient population in the City.
- 3.7.2 The Council has already anticipated this in the 2021/22 budget. Income budgets were adjusted to reflect a reduction in line with the Government's economic forecasts.
- 3.7.3 The year to date (YTD) income variance is £0.616m, while the full year forecast is £3.875m adverse variance. The variance has improved over the last two months which reflects some increasing demand as the year progresses. A further breakdown is given in appendix 1.
- 3.7.4 A comparison of the forecast for key income streams against pre-pandemic budgets is highlighted in the graph below:



### 3.8 Savings Summary

- 3.8.1 Details of progress against approved savings are outlined in the commentary for each directorate.
- 3.8.2 Where savings are not on track, the directorates will consider mitigations to bring the budget back on target for this year.
- 3.8.3 In 2021/22 the Council had a target of £22.965m worth of savings to achieve across all services. It has currently achieved £4.028m of these savings, £14.036m are on track to be achieved, £3.928m has been reprofiled to be achieved in future years and £0.974m of savings is now at risk of not being achieved.

Directorate (£000s)	Complete	Green	Amber	Red	Total
Adults	1,368	1,695	0	0	3,063
Children's	0	1,591	913	64	2,568
Environment & Highways	0	3,003	0	410	3,413
Growth, Planning & Housing	600	1,250	100	500	2,450
Innovation and Change	800	0	0	0	800
Finance & Resources	880	2,260	350	0	3,490
Collaborative Savings	0	4,059	2,565	0	6,624
HRA Savings	380	178	0	0	558
<b>Total</b>	<b>4,028</b>	<b>14,036</b>	<b>3,928</b>	<b>974</b>	<b>22,965</b>

- 3.8.4 The total savings of £974k which are at risk of not being achieved is made up of the following:

Directorate	Description/Service	Shortfall of savings not on-track to be met
Childrens	Pre-Birth to Five Service Redesign	64
Environment & Highways	Championing Innovation in Highways Maintenance	250
Environment & Highways	Public Protection and Licensing	60
Environment & Highways	Community Services	100
Growth, Planning & Housing	Planning Income	500
	<b>Total</b>	<b>974</b>

#### Reprofiling of savings are as follows:

##### Collaborative Savings

- 3.8.5 Business Support Function Review - £2.050m reprofiled to 2022/23. Engagement across the Council continues to take place to agree the future operating model. This operating model is now anticipated to go live in 2022/23.
- 3.8.6 CED strategy: contact centre review - £0.500m reprofiled to 2022/23. Project is currently being rescoped and will be considered as part of the medium-term financial plan.

## 4. Summary by ELT

### 4.1 Adult Social Care

#### Expenditure

Adult Social Care forecasts a year-end underspend of £100k. The service continues to experience a significant challenge from an increase in demand and complexity. This has broadly led to an increase in placements for the following areas:

- Residential Care: 11% increase (57 placements) due to accelerated discharges from hospital.
- Homecare: 7% increase (80 placements) due to accelerated discharges from hospital.

The current demand can be met within existing budgets and includes funding from Health for the first four weeks of accelerated discharge up to March 2022. However, if the upward trend continues this could result in an overspend at year end. To ease the financial burden on the Council of an upward trend officers are negotiating with the CCG for additional funding, along with other North West London boroughs experiencing similar issues.

### 4.2 Public Health

#### Expenditure

Public Health is expected to be within budget but there are some over- and underspends leading to this position as outlined below. This is split between commissioned (services provided through the NHS) and non-commissioned services.

#### Commissioned Services

There are reductions in demand for the following:

- Behaviour Change: forecast reflects reductions in demand for Health Checks and smoking cessation accessed via GPs. **Underspend of £232k.**
- Sexual Health: reduction in general demand with an increase in use of E-services. **Underspend of £158k.**
- Substance Misuse: reduction in demand for Detox Placements, GP Shared Care and the Reducing Reoffending Pilot. **Underspend of £15k.**

This is offset increased demand in Community Based Initiatives, Domestic Violence, Healthy School and an inflationary increase in School Nursing leading to an **overspend** in these areas of **£142k.**

#### Non-Commissioned Services

More staff capacity has been needed for the response to Covid-19, with additional staffing costs leading to an **overspend of £141k.**

The service has also benefited from Covid-19 grants which will be fully spent this year. These are:

- Test and Trace - £1.9m
- Rough Sleepers Drug and Alcohol Treatment - £0.9m

- Community Testing - £1.4m (up to September 2021)

### Public Health Reserve

The Public Health budget balances at the end of the year as any unspent funds are transferred to the ring-fenced PH reserve. At the start of the year this transfer **was expected** to be **£305k** but is now **forecast at £867k**.

## 4.3 Growth, Planning & Housing

### Temporary Accommodation (TA)

Westminster has a demand for over **2,600 units** of accommodation for homeless households. This level of demand is creating a pressure of **£2.18m** on the TA budget. However, any potential overspend will be offset by drawing down unused Homelessness Prevention Grant, subject to s151 officer sign-off.

The main cost drivers in TA are nightly rates for bedsits and private rented accommodation. To reduce reliance on these the TA reduction strategy is looking to:

- Acquire new council owned properties – up to **223** over the **next 4-5 years**.
- Action negative homelessness decisions. Tenants who have been assessed as **not requiring TA** will be moved on now that the Covid-19 eviction ban has ceased.
- Review Council social housing stock that is void due to regeneration schemes.

### Place Shaping and Town Planning

Two factors are causing an **overspend of £2.440m** for the Planning Service.

There is a 39% reduction on pre-2019 levels of demand for major planning applications which has led to a projected reduction in income of £2.1m. This could pose a continuing pressure into 2022/23 which will be considered as part of the budget setting process.

Redundancies related to the Planning restructure have presented a further £340k pressure. It is anticipated that these one-off costs will be funded from earmarked reserves.

### Westminster Employment Service

External sources of funding that are normally used to cover cost of the service have been impacted due to reduced activity following the pandemic. Since 2019, s106 policy required all major developments to contribute to the service. This has led to a total of £6.4m being committed but a number of current applications have not commenced meaning that funds have yet to be received. The service is currently reviewing its funding arrangements to put it on a sustainable footing post-pandemic and will report on those plans in due course.

## 4.4 Finance and Resources

- 4.4.1. There is a net favourable variance in Finance and Resources of £0.023m in period 6 (a net adverse movement from period 5 of £0.268m. The favourable variance is as a result of: £0.518m within Treasury and Pensions for interest receivable, due to the average balances for the year to date achieving a higher return on investment (reduced from period 5 by

£0.198m); offset by adverse variances of: £0.350m within IT from a delay to the ongoing service review; an overspend in Procurement of £0.100m due to reduced capitalisation of costs, and; a net £0.045m overspend in Coroner, Land Charges and Electoral Services.

4.4.2. There are net opportunities of £0.380m in Corporate Property. This is largely due to an opportunity of £0.400m from a one-off rebate on Year 1 Facilities Management contract costs slightly offset by a small risk of £0.020m. There is some work being undertaken as a result of recent electricity and gas wholesale prices which have risen to 10-year highs. Impact is expected to be minimal in 2021/22 due to the Council using forward purchasing, but there may be a significant increase in 2022/23 of around 30% which is being reviewed as part of the budget setting cycle.

#### 4.5 Environment and City Management

4.5.1 As at period 6, the Environment and City Management Directorate is forecasting an adverse variance of £2.910m (A net adverse movement of £0.058m since last month).

4.5.2 The overall movement is driven by a further £0.500m forecast under recovery in Paid for Parking and an overspend of £0.250m on legal costs in Public Protection and Licensing, which are in part offset by £0.300m additional Road Management Income and other net favourable movements including Waste & Cleansing and Community Services as detailed below.

4.5.3 The adverse variance of £2.910m is due to the Covid-19 pressures (£4.178m) offset by non-Covid-19 related underspends of £1.268m). The variances and the drivers for changes in activity levels are detailed in the narrative below against each service area. A breakdown of the Covid-19 and non-Covid-19 forecast variances are shown below:

4.5.4 **Community Services - £0.608m** (£0.688m Covid-19 and -£0.080m non-Covid-19) consisting of £0.488m income shortfall at Sayers Croft due to slow recovery of residential visits after lockdown and £0.200m unbudgeted share of loss for Q1 2021/22 from deed of variation on leisure contract. These are partially offset by an employee cost underspend of £0.050m in Parks and an income over recovery in Cemeteries of £0.030m.

4.5.5 **Waste & Cleansing - £0.756m** (£0.780m Covid-19 and -£0.024m non-Covid-19) Reduction in Commercial Waste income £0.800m and surplus recovery £0.044m on Special Collections. Waste & Cleansing shows an overspend of £0.250m due to food waste trial and consultants, however this is offset by a reduced spend in Commercial Waste stock. The under recovery of Public Conveniences income previously reported is now offset by an underspend on business rates due to a change in legislation.

4.5.6 **Parking - £1.596m (£2.710m Covid-19 and -£1.114m non-Covid-19):**

- Covid-19 Impact £2.710m - (Paid for Parking income shortfall £1.750m, Traffic Camera PCN's £0.650m, car clubs £0.300m offset by expenditure reductions - £0.065m.
- Non Covid-19 Impact -£1.114m - (suspension income -£1.500m, Marshal-issued PCNS -£0.150m and other net pressures £0.536m)

## Commercial Income

4.5.7 The main variances on income are set out below:

- **Parking – Paid for Parking** - The forecast variance at P6 is £1.75m which is 4.4% of the FY budget (an adverse movement of £0.500m from Period 5). This reflects a year to date deficit running at just over £1.3m. Activity had recovered to 96% of profile however has declined again following the fuel shortages. The YTD transactions are now 3,175,000. Activity shows strong recovery from the Covid position last year (P6 2020/21 YTD 2,170,000, 46% up), and only 6% down on the prior year (P6 2019/20 YTD 3,350,000). Activity for the remainder of the year is projected at 97% of budget to December, then 99% for the rest of the year, giving a total projection of 6,350,000 transactions for the year.
- **Parking – PCNs (Traffic Cameras)** - The Camera PCNs forecast deficit remains at £0.650m. Ticket issues in September were just under 4,000, 82% of profile & 17% up on August's figure of 3,400. This is a significant improvement on the trend for this year to date, which has been relatively stable, around 3,300 issues a month, increasing to 4,000 in May. The P6 YTD is 21,400. This is 2% down on the same period last year (21,900 at P6 YTD), because of exceptionally high issues in July and August 2020 (4,300 and 5,700 respectively). The service now forecasts gradual increase for the rest of the year, derived from additional contraventions as traffic picks up and more people return to the office, and from additional cameras coming online. This year's position is 16% down on P6 YTD 2019/20, approx. 25,400, which was an average around 4,200 a month. Projections for the full year 2021/22 assume ticket issues increasing to around 4,400 a month, giving a full year total of 50,600. This compares to 39,000 for full year 2020/21 and 46,500 for 2019/20.
- **Commercial Waste** - Commercial Waste income to date is £5.46m which is £0.66m (13%) below the 2021/22 approved budget to date of £6.12m. Pre-pandemic income in 2019/20 was £9.26m at this point in the year meaning that income has fallen significantly due to Covid and the impact on businesses in Westminster. There has been some recovery as in 2020/21 the income was lower at just £3.78m due to the first lockdown and the high level of restrictions at the time. However, while income has increased slightly this year it is unlikely to reach close to pre-Covid levels this year due to business trading levels and reduced footfall in Westminster.
- **Sayers Croft** - now expects income in year of £0.960m, leading to a forecast pressure of £0.488m against a budget of £1.448m. This is an improvement of £0.028m compared to the period 5 position. Residential activity has recovered steadily through the summer months, and the orders for the remainder of the year are expected to recover to similar levels achieved before the pandemic and this is projected to be around February and March.

## MTFP Savings - 2021-22

4.5.8 The savings that are currently not on track total £0.410m. The service is seeking to mitigate these shortfalls where possible so is not currently projecting this to impact the forecast.

## Risks and Opportunities:

4.5.9 The total risks included in period 6 are £0.500m. This represents the potential shortfalls in licensing income and is unchanged from last month.

## 4.6 Children's Services

### Expenditure

4.6.1 Reported overspend of £2.001m, including £0.580m relating to Covid-19.

### Education - £1.270m overspend

4.6.2 The position within the directorate has increased on account of staffing savings pressures previously reported as a risk (£0.141m) now reflected in the forecast.

4.6.3 SEN Transport pressures (£0.417m) have increased and now include an estimate of the impact of September's starters and leavers. The position also includes 32 personal transport budget (PTB) clients, which is an increase of nine since period 5.

SEN Transport	P6	P5	P4	P3	2020/21
Completed Trips	144,252	145,630	145,630	146,210	93,365
Spend (£m)	4.767	4.667	4.667	4.695	3.229
<b>Variance (£m)</b>	<b>0.417</b>	<b>0.382</b>	<b>0.382</b>	<b>0.410</b>	<b>(0.620)</b>

4.6.4 The needs of new starters and the number of routes not served by minibuses resulting in an increased requirement for single occupancy taxi journeys continues to be a factor and a range of proposals to deliver transport differently are being scoped as part of the new MTFP. These include targeted reviews following changes to circumstances, growth in personal transport budgets, further promotion of independent travel training through the Local Offer, and consideration of wider travel options.

4.6.5 Short Breaks pressures also increased this month. Staffing continues to be a factor both across the service (£0.101m) and in direct relation to growing demand for care packages, with the latter evidenced by the increasing need for sessional staff at the Tresham Centre (£0.332m). Pressures arising from care packages and direct payments (£0.159m) and building and equipment costs (£0.084m) account for the balance.

4.6.6 The service is working to mitigate pressures through a review of the universal (core) and targeted preventative services offer. Options for delivering overnight accommodation locally or in-house for children with more complex care needs for whom finding suitable packages can be difficult and costly are also being scoped, along with a proposal to increase take up of Direct Payments.

### Family Services - £0.401m overspend

4.6.7 The Council continues to face budget pressures arising from a shortfall in Home Office funding for Former UASC Care Leavers when compared to the cost of providing support (£0.749m). This is further exacerbated by the current age profile of UASC and the rate at which they are turning 18. Former UASC Care Leavers include those with no further entitlement to Home Office funding but whom the LA still supports until its statutory duties can be discharged.

4.6.8 Funding is payable at £270 per week for eligible Former UASC Care Leavers – however the average weekly placement cost is £800, and costs range from £525 to £3,600. This shortfall is mitigated in part by the overall Home Office grant; however, this position becomes less viable as increasing numbers of UASC turn 18 in-year resulting in a cliff edge reduction in funding, from £1,001 per week to £270.

- 4.6.9 The full package of support measures announced by the Home Office, which includes a £3m contingency fund for dealing with backlogs arising from the pandemic, is yet to be allocated - however an estimate of anticipated grant income (£0.390m) based on associated legal pressures is included in the forecast. For prudency this income is also reported as a risk.
- 4.6.10 Staffing pressures continue to be a factor across the service (£0.826m) and have increased this month due to maternity cover arrangements. Maintaining a staffing complement that supports sufficient levels of intervention is key to reducing risk and keeping the cost of supporting Looked After Children down. A review of budgets against establishment costs across the service has highlighted some shortfall which will be reviewed as part of the budget setting process.
- 4.6.11 Staffing pressures, along with other variances (£0.202m) – of which the above Former UASC position is part - are mitigated by one-off placement-related underspends across the wider service area (£0.627m).
- 4.6.12 **WCC Registrars - £0.250m underspend**
- 4.6.13 Staffing pressures arising from the need to cover increasing numbers of wedding and citizenship ceremonies are exceeded by an overachievement of income also arising from the backlog.

**COVID-19 - £0.580m overspend**

- 4.6.14 The reported position includes an early estimate of discretionary support for NRPF families and the cost of continuing support to match the Government's Universal Credit increase for Former UASC and NRPF Care Leavers to September 2021. Delivery of the 1066 Project, which was designed and delivered in conjunction with Westminster Archives to help combat the detrimental impact of the pandemic on the mental health and wellbeing of children in Westminster schools, is also included along with the income shortfall in Libraries and Archives resulting from ongoing restrictions and low footfall.
- 4.6.15 The Covid Winter Grant (now the Covid Local Support Grant) and Holiday Activity Fund will be spent on providing support to vulnerable children most at risk due to the pandemic. This spend is reported separately from general Covid-19 pressures and allocations will be spent in full.

**Savings Pressures**

- 4.6.16 Undeliverable savings forming part of the forecast overspend total £0.388m. This position is made up of staffing pressures in Safeguarding (£0.100m) and a pressure in MASH (£0.050m) relating to partner activity. Savings relating to traded services with schools (£0.100m) are undeliverable both this year and going forward due to the longer-term impact of Covid on school budgets but have been achieved in part through education staffing savings. Independent Travel Training (£0.050m) has been delayed due to Covid-19 and the saving will need reprofiling across future years as part of the initiative to deliver transport differently - and current IT Case Management savings (£0.088m) are also undeliverable and will be rescoped and reprofiled in line with the planned implementation date for the new system on 1 April 2023.

## 4.7 Innovation and Change

### Expenditure

- 4.7.1 At period 6, Innovation and Change is reporting an underspend of £0.225m against the budget of £10.171m. This is a change of £0.185m from the £0.040m underspend variance reported last month.
- 4.7.2 The £0.255m underspend is from an over-achievement of non-pay efficiencies in Communications £0.090m and an underspend on salaries £0.045m after a recent review of the service, £0.205m net over-recovery of income from City Promotions, Events and Filming, an underspend of £0.090m in Lord Mayor's Office from part year vacancies, a net underspend in Policy £0.050m.
- 4.7.3 These are offset by a one-off overspend on publications £0.105m, other small net overspends £0.010m and a net overspend of £0.110m reported in Cabinet and Committee Services which is largely as a result of an overspend on staffing of £0.170m from additional posts added to the structure after a recent review offset by an underspend on allowances £0.040m and on other non-pay underspends £0.020m.
- 4.7.4 Net risks of £0.373m have been identified. This includes a £0.445m risk relating mainly to additional posts within Strategy and Intelligence. There is an opportunity reported on funding being explored for part of the salary overspend in Cabinet and Committee services £0.072m.
- 4.7.5 Of the MTFP savings targets totalling £0.945m, all have been achieved from a combination of post deletions and other non-pay budget spend reductions.

### Income

- 4.7.6 There is a net forecast additional income of £0.267m across Innovation and Change.
- 4.7.7 There is a reported net under-recovery of income of £0.030m from Outdoor Media. There were approved budget pressure adjustments to income targets in City Promotions, Events and Filming of £2.760m reflecting reduced income as a result of the pandemic on advertising and other service events. Currently the expected scenario for Outdoor Media is that there is guaranteed income until at least December 2021, business rates cover for nine months £0.455m as part of the revenue share agreement and for current contract income to resume from January 2022. For 'The Flame', the scenario is for income from July 2021 to December 2021 to be at the same level as experienced in October 2020 and for an assumed 50:50 share in the last quarter year.
- 4.7.8 The Events and Filming budget was adjusted to take into account the predicted cancellation of some large events. There is however forecast additional income in Events and £0.230m in mostly one-off commercial income from events associated with the Euro 2020 competition fan zones and applications.

## 5. HRA

5.1 At period 6 the Housing Revenue Account is forecasting a surplus of **£1.889m** (which includes the removal of a budgeted drawdown from the HRA reserve of £0.855m). However, a **£0.500m** risk to commercial property income has been identified due to the ongoing impact of Covid-19 on this element of the portfolio.

	Full Year Budget	Full Year Forecast	Full Year Variance	Risks Identified at P6	Opps Identified at P6	Projected Variance (inc. Opps and Risks)
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Housing Revenue Account (HRA)	0.855	(1.889)	(2.744)	0.500	-	(2.244)

5.2 One of the key drivers of the favourable variance is a staff underspend of **£2.935m** across the HRA as a whole. This has mostly occurred as a result of the service restructure. Redundancy costs of £0.500m are expected as a further consequence of the restructure and will offset some of this underspend (as they can only be met within the HRA).

5.3 A breakdown of the main HRA variances by service are summarised below. These combine to generate the **£2.744m** overall budget variance that is being used to offset the £0.855m drawdown from reserves and leave the HRA with a remaining surplus of £1.889m.

- Property Services - £1.780m favourable variance (contribution to overall salaries underspend noted above, as well as an underspend on repairs offset by increased costs in relation to communal electricity and asbestos)
- Customer Services and Digital - £0.169m favourable variance (contribution to overall staff underspend and minor underspend on TMO allowances)
- Neighbourhoods - £2.130m favourable variance (additional water / drainage / sewage and security costs are being offset by corresponding increases in service charge income totalling £1.260m, alongside salaries underspend and increased lease extension income)
- Housing Innovations and Improvements - £0.030m favourable variance (salaries)
- Regeneration - £0.235m overspend caused by Ebury council tax losses and additional revenue costs associated with the regeneration
- General HRA - £1.131m adverse variance (under recovery of commercial property income, additional legal fees, and redundancy costs arising from the restructure)

## 6. Capital Budget 2021/22

### 6.1 Overview

6.1.1 The table below summarises the Council's budget and forecast position on the 2021/22 capital programme, which reflects a projected £33.249m net variance. By comparison, the net forecast variance at Period 6 in 2020/21 was £100.655m.

ELT	2021/22 Expenditure Budget £m	2021/22 Income Budget £m	2021/22 Net Budget £m	2021/22 Expenditure Forecast £m	2021/22 Income Forecast £m	2021/22 Net Forecast £m	2021/22 Expenditure Variance £m	2021/22 Income Variance £m	2021/22 Net Variance £m
Adult's Services	1.669	(1.369)	0.300	0.937	(0.637)	0.300	(0.732)	0.732	0.000
Children's Services	28.126	(21.069)	7.057	21.230	(15.843)	5.387	(6.896)	5.226	(1.670)
Growth, Planning & Housing	108.415	(27.746)	80.669	76.801	(18.776)	58.025	(31.614)	8.970	(22.644)
Environment & City Management	87.994	(35.020)	52.974	67.481	(23.583)	43.898	(20.513)	11.437	(9.076)
Finance and Resources	41.758	(13.210)	28.548	33.729	(13.210)	20.519	(8.029)	0.000	(8.029)
Westminster Builds inc. Luton Street	46.460	0.000	46.460	62.719	(7.213)	55.506	16.259	(7.213)	9.046
Projects Funded from FCR*	1.332	0.000	1.332	0.456	0.000	0.456	(0.876)	0.000	(0.876)
<b>Total for Council</b>	<b>315.754</b>	<b>(98.414)</b>	<b>217.340</b>	<b>263.353</b>	<b>(79.262)</b>	<b>184.091</b>	<b>(52.401)</b>	<b>19.152</b>	<b>(33.249)</b>

6.1.2 The majority of the expenditure variance is due to the following projects:

Project	2021/22 Variance to Budget £m	Comments
Westminster Builds (WB)	16.259	<p>Variance to budget of £16.259m relates to both the council investment in Westminster Builds (£14.005m variance) and the Luton Street LLP (£2.204m variance). The investment in Westminster Builds is driven by the speed of delivery of schemes in the pipeline of works. An updated version of the Westminster Builds Business Plan has been produced since the budget was set. This has identified the following is required to be brought forward:</p> <ul style="list-style-type: none"> <li>£7.132m of additional investment for acquisitions at Farm Street, West End Gate and Parsons North)</li> <li>£9.260m additional investment, to be offset by grant funding of £6.852m, for reprofiling of the 300 Harrow Road scheme to align with the current timelines in the Full Business Case</li> <li>£1.585m additional investment offset by grant income of £0.361m in the Jubilee scheme and £1.677m additional investment in the Luton Street scheme. These have</li> </ul>

		<p>both been re-aligned to reflect good progress on site</p> <ul style="list-style-type: none"> <li>Investment of £5.545m no longer required due to the removal of out-of-borough schemes from the Business Plan</li> </ul> <p>The additional investment by the Council directly to the Luton Street LLP of £2.204m relates to the back-to-back loan arrangement with Westminster Builds.</p> <p>£1.564m of this is the Council directly matching WB's investment as per the loan agreements. The LLP also agreed an additional loan with the Council of £0.640m to cover agreed variations on the scheme.</p>
Rough Sleepers Accommodation Programme	2.184	A request for new budget has been recently submitted. This project is part-funded by GLA/MHCLG grant and will allow it to be used in 2021/22.
Queensway Streetscape Improvement	(1.550)	The funding has not yet been received and unless this funding will be released further phases will not proceed in this financial year. The scheme is therefore assumed to slip into 2022/23 subject to the funding being received.
Strand/Aldwych	(1.554)	Some works have been re-profiled due to the launch event in September, closing the Strand to two-way traffic. This means no construction work took place for approximately 6 weeks.
Coroners Court Improvements	(1.799)	The coroners court improvements capital scheme is unlikely to start until Q4 due to a further due diligence on the procurement process. Therefore £1.799m spend is being reprofiled to 2022/23.
Lisson Grove Programme	(2.020)	The Lisson Grove Programme forecast has been reduced to £1.310m (variance of £2.020m) for 2021/22 due to a revised programme and delayed appointment of the consultancy team to 2022/23.
Public Conveniences Renovation Programme	(2.250)	The renovation programme was delayed due to Covid-19 and is now likely to begin later this year, with many sites being refurbished next financial year.
Landlord Responsibilities	(2.500)	Condition Surveys have been commissioned which will inform the programme of future Landlord Responsibilities works. Until this is completed the majority of works that are being taken forward are those that were already underway at the end of 2020/21 or those that considered to require urgent attention. It is therefore considered prudent to re-profile £2.5m of the current allocation into 2022/23.
Church Street Green Spine Public Realm	(3.133)	The Church St Green spine project is now expected to complete in Q1 2022/23 due to contractor delays, resulting in slippage of £2.073m. The underspend of £1.060m is because the original estimate for a contractor activity has reduced by £0.700m with the remaining £0.300m being identified as revenue costs that will be absorbed within service revenue budgets

Parking – Business Processing and Technology	(3.250)	The procurement of the new parking contract has been delayed by one year as the existing contract has been extended. Therefore, this budget will be profiled to when the procurement commences.
King Solomon School Expansion	(3.855)	There is an in-year underspend of £3.855m relating to King Solomon Academy expansion project, in line with the latest cash flow forecast.
Ceremonial Streetscape	(4.555)	External factors such as access to land to commence works and material availability due to general shortage in the construction industry has resulted in re-profiling of this scheme to future years.
Placeshaping Schemes	(5.278)	Placeshaping Schemes are forecasting an underspend of £5.278m due to reprioritisation of key staff resource within the Placeshaping Team to address the Council's response to the pandemic which has led to a reprofiling of activity. These works are being reviewed as part of the current capital programme update for 2022/23.
Temporary Accommodation acquisition programme	(6.103)	The phasing submitted for this acquisition programme (which comprises 7 separate projects) over the next few years have been realigned in order to reflect market conditions
Oxford Street District	(13.787)	Oxford Street District is forecasting an underspend of £13.787mm. The delivery programme has been refreshed and work on piazzas has been paused. Forecast for 2021/22 now only includes contract wide costs, professional fees and design and construction on live work packages. The budget will be reprofiled to 2023/24.
<b>Total</b>	<b>(34.613)</b>	

## 6.2 Housing Revenue Account – Capital

6.2.1 The HRA capital budget and forecast position at period 6 is summarised in the table below.

HRA Capital Programme	2021/22 Revised Budget £m	2021/22 Forecast at P6 £m	2021/22 Budget Variance £m
Housing Planned Maintenance	46.787	43.268	(3.519)
Housing Regeneration	106.825	85.812	(21.013)
Other Projects	43.415	41.874	(1.541)
<b>Total</b>	<b>197.027</b>	<b>170.955</b>	<b>(26.072)</b>

6.2.2 The HRA is forecasting to spend **£26.072m** less than budgeted on its capital programme. This is mainly due to elements of the programme being reprofiled into future years as a result of programme adjustments. By comparison, the net variance at Period 6 in 2020/21 was £68.815m which reflected a fewer number of schemes under contract and Covid-19 having a much greater impact on site productivity (reducing by as much as 25-30% across some schemes).

6.2.3 The Planned Maintenance Programme covers works to existing Council Housing in order to maintain the condition of the stock. The table below summarises the £46.787m programme across its broad headings and sets out the latest spend projections for each area if investment.

Component	Full Year Budget £'000	Forecast P5 £'000	Forecast P6 £'000	Budget variance £'000	Forecast Movement £'000
Electrical & Mechanical Services	6,024	5,036	5,035	(989)	(0)
Voids and Aids & Adaptations	4,639	4,640	5,864	1,225	1,225
Fire Precaution Programmes	9,384	8,104	7,613	(1,771)	(491)
Major Works	22,391	21,342	20,620	(1,771)	(722)
Other Schemes*	4,349	3,920	4,135	(214)	216
<b>Total</b>	<b>46,787</b>	<b>43,041</b>	<b>43,268</b>	<b>(3,519)</b>	<b>227</b>

\*Includes Minor Works, PDHU, Climate action, Asset management & Condensation

6.2.4 At period 6 there is a projected underspend of **£3.519m** versus budget, which is occurring primarily within the Fire Precaution Programme and Major works.

6.2.5 The Fire Precaution programme includes delays during the design stage of the façade works at Torridon House due to the complex nature of removing the front elevation of an occupied building. There have been similar design delays of fire-related works at Regency & Semeley.

6.2.6 Generally, the programme is experiencing a squeeze on delivery capacity due to availability of labour. The Major Works scheme at Westbourne Park, for example, has experienced material delays within the contractor supply chain resulting in a revised programme of works.

6.2.7 The Planned Maintenance programme also includes a projected overspend on Voids and Aids & Adaptation. This is due to an increase in average cost of void works (driven by the poor standard of returned property) and increases in OT referrals.

### 6.3 Regeneration

6.3.1 At period 6 there is a forecast underspend of **£21.0131m** compared to budget. This is due to programme reprofiling across a number of schemes. However, there has been a slight reduction in planned slippage since P5 due to an increased number of unit acquisitions from Westminster Community Homes.

6.3.2 Schemes with budget reprofiled to future years include Parsons North (slippage of **£6.663m**) due to project contingency re-alignment and Carlton Dene (slippage of **£0.625m**) following a reprofiling of construction costs into future years. Lisson Arches is reporting slippage of **£4.222m** due a 6-week delay.

6.3.3 There is slippage on Ebury of **£15.841m** due to a delay in early works commencement and changes in the scope of demolition in Ebury. There is positive slippage (i.e. greater spend than estimated) of **£1.320m** on Church Street Acquisition due to increased number of acquisition units from Westminster Community Homes.

### 6.4 Other Projects

6.4.1 Warwick Community Hall (Harrow Road) construction costs for the delivery of social units are currently included in the forecast, although all costs incurred by the HRA will be transferred to Westminster Housing Investment Ltd.

## 7. Council Tax and Business Rates

### 7.1 Council Tax and Business Rates

7.1.1 The collection of business rates and council tax continues to be impacted by the Covid-19 pandemic and is reflected in the forecast for 2021/22. The restriction on courts had suspended recovery action up to the month May 2021 for unpaid bills and reduced cash receipts. The Council restarted the recovery actions process in June and recovery for Council Tax is slowly improving but still not at the level we have seen before the pandemic.

### 7.2 Collection Rates

7.2.1 As at September 2021 Council Tax collection rate to date is 57.6% which is 0.3% higher than the same month last year. The Business Rates collection rate for September 2021 is 49.2%, which is 0.6% lower than the same month last year.

### 7.3 Overview

7.3.1 Council Tax and Business Rates are the Council's largest income sources and the Council has a responsibility to collect on behalf of the GLA and Government. It collects and recognises in its account the following:

- Gross Council Tax (including GLA share): £111m
- Gross Business Rates (Including GLA & Central Government share): £2.3bn
- However, the Council only retains £182m of this income (Council Tax £62m and Business Rates £120.5m) for its own use.
- If there is a reduced business rates income as witnessed through Covid-19 the maximum the Council can lose is £6.8m, reducing the recognised income from £120.5m to £113.7m.
- Also, it should be noted that the collection figures in this section are based on gross income and collection rates for September 2021
- The difference reported below is between 2020 and 2021

	September 2021 Collection Rate	September 2020 Collection Rate	September 20219 Collection Rate	Difference
Business Rates	49.2%	49.8%	59.6%	-0.6%
Council Tax	57.6%	57.3%	62.1%	0.3%

## BUSINESS RATES

## Revenues Dashboard - September 2021

### Current Year Bills - Collection Rates

	2019/20	2020/21	2021/22
Apr	13.6%	9.7%	9.0%
May	25.4%	19.9%	14.6%
Jun	34.1%	26.7%	25.5%
Jul	42.9%	34.7%	32.7%
Aug	51.5%	41.8%	40.5%
Sep	59.6%	49.8%	49.2%
Oct	68.3%	59.1%	
Nov	76.5%	66.7%	
Dec	84.8%	74.9%	
Jan	92.5%	81.6%	
Feb	95.5%	84.8%	
Mar	97.6%	88.8%	



Collectable Balance £1,738m      Amount Collected £855m      Balance Owing £883m      50.8%

## COUNCIL TAX

## Revenues Dashboard - September 2021

### Current Year Bills - Collection Rates

	2019/20	2020/21	2021/22
Apr	20.9%	17.9%	19.0%
May	30.5%	26.4%	27.8%
Jun	38.1%	35.3%	35.6%
Jul	47.0%	43.3%	43.3%
Aug	54.4%	50.0%	50.6%
Sep	62.1%	57.3%	57.6%
Oct	71.1%	66.0%	
Nov	78.5%	72.6%	
Dec	85.4%	79.4%	
Jan	91.9%	86.1%	
Feb	94.5%	88.7%	
Mar	96.7%	91.1%	



Collectable Balance £116.2m      Amount Collected £67.0m      Balance Owing £49.3m      42.4%

- 7.3.2 The table above shows that there are improvements in collection rates for business rates and council tax compared to previous months.
- 7.3.3 Business rates collection has shown signs of improvement, albeit not at the level seen in 2020/21. However major improvements have been recorded compared to the first two months of this financial year where there was an adverse difference in rates compared to last year of 10.4%, whereas the year-on-year reduction at Period 6 has reduced to 0.6%.
- 7.3.4 Council Tax recovery has surpassed the rates reported last year, especially in the first 3 months. As at Period 6 we are reporting an increase of 0.3% compared to collection rate last year.

## Appendix 1 – Key Income Streams

The table below highlights the 2021/22 forecast variance. Also included is the variance against the 2020/21 (pre-pandemic) budget, which outlines a £19.918m true loss of income.

ELT	Major Income Streams with Losses	20/21			21/22			21/22 Forecast v 20/21 Budget Variance £m	Change from Last Month
		Budget £m	Outturn £m	Variance £m	Full Year Budget £m	Full Year Forecast £m	2021/21 Variance £m		
Environment and City Management	Parking - Paid for Parking	39.866	30.456	9.410	39.721	37.971	1.750	1.895	
Environment and City Management	Paid for parking - Motorcycles	0.625	0.394	0.231	0.625	0.550	0.075	0.075	
Environment and City Management	Parking Penalty charge notices - Marshals	14.429	9.558	4.871	14.929	15.079	(0.150)	(0.650)	
Environment and City Management	Parking Penalty charge notices - Cameras	5.483	2.915	2.568	4.083	3.433	0.650	2.050	
Environment and City Management	Parking - suspensions and dispensations	21.772	17.564	4.208	19.530	21.030	(1.500)	0.742	
Environment and City Management	Parking - Resident Permits	4.471	4.491	(0.021)	4.562	4.562	0.000	(0.091)	
Environment and City Management	Parking - Trade Permits	1.320	1.079	0.241	1.320	1.370	(0.050)	(0.050)	
Environment and City Management	Commercial Waste	18.199	7.684	10.515	13.720	12.920	0.800	5.279	
Environment and City Management	Licensing (top two income streams)	3.650	1.641	2.009	3.110	3.110	0.000	0.540	
Environment and City Management	Road Management	8.810	8.644	0.166	9.102	9.402	(0.300)	(0.592)	
Environment and City Management	Community Services	5.974	0.113	5.861	1.374	0.886	0.488	5.088	
Children's Services	Registrars	2.302	1.261	1.041	2.252	2.651	(0.399)	(0.349)	
Growth, Planning & Housing	Planning	7.336	4.867	2.469	7.142	5.042	2.100	2.294	
Innovation and Change	City Promotions, Events and Filming	4.810	0.830	3.980	2.350	1.969	0.381	2.841	
Other Corporate Directorates	Local Land Charges	1.794	1.105	0.689	1.444	1.414	0.030	0.380	
Finance and Resources	Property Income - General Fund	30.333	30.946	(0.613)	29.866	29.866	0.000	0.467	
Finance and Resources	Court costs recovery income	1.908	0.000	1.908	1.908	1.908	0.000	0.000	
	<b>Total</b>	<b>173.080</b>	<b>123.549</b>	<b>49.531</b>	<b>157.036</b>	<b>153.161</b>	<b>3.875</b>	<b>19.918</b>	

<b>Date:</b>	1st December 2021
<b>Classification:</b>	General Release
<b>Title:</b>	2021/22 Quarter 2 performance report
<b>Wards Affected:</b>	All
<b>City for All Summary:</b>	This report gives progress update assessments against organisational performance, including progress toward City for All objectives
<b>Author:</b>	Mohibur Rahman, Nick Byrom, Strategy and Performance Team, Strategy & Intelligence

## 1. Executive Summary

**1.1.** This performance report summarises the council's performance and progress at the end of Quarter 2 2021/22. It presents the latest cumulative results available for each key performance indicator (KPI) at the end of Quarter 2 where possible (July 2021 – September 2021). Availability of figures for some KPIs vary and may not align to the quarterly performance reporting cycle. In these cases, the latest position available is reported.

- 1.2.** The main body of the report consists of:
- Headline messages including top achievements, issues, risks and KPIs at Quarter 2.
  - Top pressures for the council.
  - New risks identified during Quarter 2.
  - High-level update on the council's strategic and operational risks.
  - Summary of the latest Covid-19 impacts to date.

The appendix contains more detailed performance information by directorate (achievements, issues, KPIs and risk).

## 2. Recommendations

- 2.1.** Committee to note the performance updates at quarter 2.
- 2.2.** Committee to indicate any areas where they require more information or clarification.

# Quarter two Performance Report – 2021/22

## 1. Headline Achievements

This section highlights the council's headline achievements over Quarter 2. The council's key achievements across all services can be read in more detail in the appendix.

### **The council continued its response to the Covid-19 pandemic shown by the following:**

- **Air purification system in care homes** - We commissioned surveys to investigate indoor air quality and other Covid-19 related airborne disease transmission hazards in Older People Care Homes across the Westminster. As a result, air purification units have been installed in every care home. The units are effective in achieving a 99.9% reduction of airborne virus particles within the first 10 minutes of operation.
- **New Covid-19 safety measures supporting the return to schools** - Public Health and Children's Services are providing regular updates to schools and are also available to give advice to schools and settings about the management of Covid-19. Outbreak management plans are in place alongside procedures for managing and isolating any confirmed Covid-19 cases. As part of this planning, arrangements for young people to undertake remote and online learning will be in place. The council will continue to monitor and keep a record of Covid-19 cases on a weekly basis, and provide support and guidance for schools and early years settings.
- **Asymptomatic testing:** The council is identifying and actively testing asymptomatic people with the aim of reducing the spread of Covid-19 in our communities. Our test numbers are some of the highest out of all London Local Authorities.

### **Other achievements to highlight include:**

- **Support to Afghan refugees** – We continue to provide a high level of support to Afghan families in bridging hotel accommodation. IT provided various elements of support to the teams aiding the Afghan refugees housed in the hotel. We produced a detailed online survey form for officers to undertake a baseline assessment of each refugee within hours of the request coming through.
- **Local Area Profile for Gambling Vulnerability Risk within Westminster** - As part of the Gambling Policy (2022) update, the council has produced a Local Area Profile (LAP). This analyses and maps potential risks to gambling-related harm in Westminster, covering a range of health, economic and demographic indicators of vulnerability. The LAP will help the council to understand gambling-related risk(s) in our area, assist applicants in meeting the council's Gambling Policy, and support residents and stakeholders to scrutinise applications for new or existing gambling premises.
- **Westminster reveals** - Westminster Reveals – our local arts, entertainment and culture programme – launched on 26 July, which also saw the digital hub go live along with its own Instagram account. So far, circa 200,000 people have visited some of Westminster Reveals' key attractions.
- **Climate Emergency Action Plan** – The council published its action plan for becoming a carbon net-zero authority by 2030 and delivering a zero-carbon city by 2040 in November 2021.

## 2. Top pressures faced by the council

This section presents our top pressures, which have been informed by the council's top risks and issues.

The council continues to address issues within Westminster, including:

- **High youth unemployment figures** - Covid-19 has had a considerable effect on the percentage of young people who are unemployed. We are leading on collaborative cross-council work across both boroughs to understand the underlying and influencing factors from sectoral challenges to furlough and redundancy – and what it means for our young people. Youth unemployment remains high; however, the rate is dropping. Data for the period July to September for young people aged 16-17 who are NEET (not in employment, education, or training) and resident in Westminster halved from 64 to 32. However, data taken over this period may distort the true picture because of timing of collection and the Q3 report on NEET will be a more accurate measure.
- Ormiston Beachcroft Academy (formerly Beachcroft Tri-Borough Alternative Provision (TBAP) Multi Academy Trust) has reported **strong progression of Year 11 leavers onto A-levels study programmes**, college and BTEC programmes. Furthermore, whilst the Westminster claimant count for 18–24-year-olds remains significantly above pre-Covid-19 levels there is now evidence of a sustained downward trend, currently at 1,135 (September 21), compared with 1,585 (February 21 – the last time of reporting). The collaborative work between Early Help and Westminster Employment continues to support NEET young people (i.e. Year 11 leavers and Year 12 'early leavers') through direct case work and referral to internal and external programmes.
- **High demand for services to support children with SEND** - We continue to experience a rising demand for services to support children with Special Educational Needs and Disability (SEND), reflected in the number of Education, Health and Care Plans (EHCPs) The number of statutory assessments received this quarter is the same as last quarter: 56. For Quarter 2, 98% of plans were completed within timescale. The latest published national average is 58% (2020).

Children and young people with SEND are currently supported by the Tresham Centre. Legacy issues with the building continue to be a barrier to expanding into floors two and three. Children's Services are working with facilities management colleagues to resolve these issues and are aiming for an Autumn 2021 launch. This has meant using other sites across the city which is resulting in additional funding pressures for renting these premises. The Short Breaks service continues to receive 3 to 4 new referrals each week which continues to pressurise capacity within the service.

- **Flooding** - Flash flooding incidents take took place in Westminster over the quarter. The most significant of these was on 12 July 2021, which impacted businesses and residential properties in the north-west of the city. Work was undertaken by a range of council services to address the impact of this, ranging from cleansing and removal of damaged possessions to rehousing. Section 19 of the Flood and Water Management Act 2010 compels authorities to carry out a flood review after a flooding event. This is underway to identify causes or contributing factors to the flooding. A further independent review has been commissioned by Thames Water. Interim findings have been presented to Policy and Scrutiny with the final reports anticipated in the new year. An internal review into the

emergency response has also been undertaken and the findings will be used to improve both council responses but also to feed into the multi-agency flood Plan. The commitment to tackle local flooding is set out in the recently launched Climate Emergency Action Plan which highlights activities that will be carried out to safeguard the city from future climate change impacts.

- **Energy costs and impacts on residents** - A virtual team with a variety of expertise was rapidly set up to bring national and local energy advice and support into one place on the council's website, to respond to rising fuel bills. The new web pages are being communicated to residents and stakeholders. Analysis shows that the impact of rising energy bills, combined with the removal of the £20 Universal Credit uplift will worsen the position of 4,000 households already identified to be struggling financially. A network of meetings has been established with providers of energy advice (CAB etc) to understand demand for advice over the winter, with a view to boosting and extending it if needed. Westminster has 380 energy advice slots over the winter, but demand could grow as the rises in fuel bills bite.

As reported last quarter, our risks show that increasing demand for services is still a significant source of pressure, in addition to difficulties experienced in resourcing and labour:

- Adult Social Care & Public Health are still reporting **fragility in the local care market, financial pressures, and expect increased demand for their services**. Combined with the widening health inequalities present in the borough, and the preliminary government announcement that there will be a cap in the level of contributions Adult Social Care clients will be made to pay towards the cost of care, these risks may materialise into issues for the council. Existing controls for these risks can be found on pages 48-50 of this report.
- **High pressure on our Short Breaks service:** Provision of short breaks is a statutory duty for Children's Services. Increased referrals for short break services puts pressure on the team's capacity and on funding (some of which comes from High Needs Block). Due to the growing demand for short break places, the service has worked to create hubs and satellite services that provide access in the north and south of the borough. The Short Breaks menu has been created and launched on the local offer website and the service is currently looking at further developments to improve the youth and 0-5 offer across both boroughs. Referrals have continued to remain high during Covid-19 at 6 per week. However, we have now reorganised the short break practitioner team into three areas, with each area focusing on a specific age group following a growth bid.
- **A range of wider market dynamics contributes to increasing financial pressures placed on the council**, including changing levels of service demand, the impacts of Covid-19, Brexit, and central government policy. This is affecting services across the council in different ways, and ultimately could impact service quality and delivery for residents and businesses. It could also affect the council's overall financial position and reputation, as well as our ability to make developments. The medium-term financial planning process is in place as a mitigating action to ensure the council balances its budget. To mitigate against material and labour shortages and price increases in the construction industry, the council is looking at opportunities for placing early orders to reduce the risk of impact.

### 3. New risks raised this quarter

The table below shows the new risks which have been raised in Quarter 2. There is a new **corporate property** risk with capital budget sufficiency for repairs and maintenance reported as a potential issue. The **Adult Social Care funding reform** risk will likely add greater pressure to the Adult Social Care service, which is already reporting risks relating to market instability, financial pressures and increased service demand. Finally, there is a risk that the **World Heritage Site** in Westminster (The Palace of Westminster and Westminster Abbey, including St Margaret's Church) could lose its UNESCO World Heritage status (United Nations Educational, Scientific and Cultural Organization) presenting a high impact risk albeit a low likelihood of materialising

Risk title and description	Directorate	Score (out of 25)
<p><b>Materials/Labour Shortages and Price Increases in the UK construction industry</b></p> <p>There is a risk that material price rises and labour shortages significantly impact development schemes. All schemes yet to be financially secured are at risk, with some schemes such as Luxborough, Westmead, Harrow Road and infill sites requiring viability mitigation and in extreme circumstances deferment. The Development team is looking at opportunities such as alternative suppliers and placing early orders.</p>	<p><b>Growth, Planning &amp; Housing</b></p>	<p><b>12</b></p>
<p><b>Adult Social Care Funding Reform</b></p> <p>Preliminary government announcement indicating that there will be a cap in the level of contributions Adult Social Care clients will be made to pay towards the cost of their care. This could lead to an increase in the number of referrals to Adult Social Care. Further details are yet to be released and a White Paper is expected in Autumn 2021, which will inform the council's response.</p>	<p><b>Adult Social Care &amp; Public Health</b></p>	<p><b>12</b></p>
<p><b>Repairs and Maintenance (Corporate Property)</b></p> <p>There is a risk that insufficient capital funding will be allocated to the work required at buildings as identified through condition surveys and to ensure compliancy. Up to date condition surveys are in the process of being undertaken which will enable the development of a maintenance programme covering the next 5 years.</p>	<p><b>Finance &amp; Resources</b></p>	<p><b>12</b></p>
<p><b>Other risks of note.</b></p>		
<p><b>Risk to Westminster's World Heritage Status</b></p> <p>There is a risk that the UK will lose the UNESCO World Heritage status for the Westminster site. UNESCO has provided several actions for Westminster City Council and its partners to undertake to preserve its World Heritage status, and a refresh of the Westminster Management Plan (last updated in 2007) is required. A formal report with a refreshed plan is being developed by the council and its partners, which will be submitted to UNESCO by the end of 2022.</p>	<p><b>Growth, Planning &amp; Housing</b></p>	<p><b>9</b></p>

### 3.1 Overachieving KPIs

The indicators presented below are reported by the service are currently exceeding aspirational target levels for Quarter two. Detail on each KPI assessment can be found in the relevant directorate's section of the appendix.

Directorate KPIs <i>(Aspirational target positions are provided in the descriptions below for each KPI)</i>		Q1 2020/21 position	2021/22 ideal target	Quarter 2 result and target assessment	
<b>CHILDREN'S SERVICES</b>					
1	Number of first-time entrants to the criminal justice system	5	10	5	Exceeding target
2	Number of Serious Youth Violence (SYV) Offences	4	10	1	Exceeding target
3	Referrals to social care	442	500	416	Exceeding target
4	Looked after children number	166	187	166	Exceeding target
5	% increase in real and virtual visits to libraries	60.8%	2%	11.3%	Exceeding target
<b>ENVIRONMENT AND CITY MANAGEMENT</b>					
6	% of visits to Sayers Croft services compared with 2019/2020	12,664	23,000	18,364	Exceeding target
7	% of women accessing specialist domestic abuse services who report a reduction in abuse	88%	75%	92%	Exceeding target
<b>FINANCE &amp; RESOURCES</b>					
8	No. of major business impact priority 1 incidents per quarter (critical/major system being completely down which could affect more than 100 people)	6	18	1	Exceeding target
9	Procurement savings delivered council wide (in Year)	£2.106m (£702k p/m)	£6m (£500k p/m)	£759,841	Exceeding target
10	Unpaid sundry debt over 30+ days	13%	16%	10%	Exceeding target
<b>GROWTH, PLANNING AND HOUSING</b>					
11	% of 'major' planning applications determined within 13 weeks i.e. larger scale development	83%	70%	83%	Exceeding target
12	Number of businesses significantly engaged (Inc. business enquiries, service support programmes, pop-up projects, Westminster Investment Service, vouchers etc)	1,545	4,500	3,162	Exceeding target
<b>PEOPLE SERVICES</b>					
13	% of staff turnover is managed at appropriate benchmark levels (excluding redundancies)	9%	12%	11%	Exceeding target
14	% of BAME employees in senior leadership roles (band 5 and above)	21%	22%	24%	Exceeding target

### 3.2 KPIs 'off track' at Quarter 1 2020/21 that have since improved to 'target on track'

The table below provides an update on KPIs that were missing their target at the end of the last quarter that have now improved. Of the 12 KPIs that were off track at Quarter one, 5 have improved to meeting target or minimum standard in Quarter 2.

Directorate KPIs <i>Ideal target positions are provided in the descriptions below</i>		Q1 2020/21 result and target assessment	Q2 2021/22 result and target assessment	Service commentary		
<b>CHILDREN'S SERVICES</b>						
1	15% or less re-referrals to social care within 12 months	20.6%	Target off track	18%	Minimum standard met	This is the number of referrals in quarter two who had been previously referred within the last 12 months. This represents 75 out of the total 416 referrals.
2	80% of care leavers in education, training, or employment (at age 19, 20, 21) (excluding those not in touch)	67.1%	Target off track	76%	Minimum standard met	Covid-19 has had a considerable effect on youth unemployment hence the % of care leavers in EET may be lower than usual.
<b>FINANCE AND RESOURCES</b>						
3	75% of Stage 2 complaint responses despatched within 20 working days	48%	Target off track	72%	Target on track	The percentage of cases responded to within the KPI has improved considerably in Q2 and the end to end process continues to be reviewed to push towards our aspirational target of 80%
<b>GROWTH, PLANNING AND HOUSING</b>						
4	73% of 'non-major' planning applications determined within 8 weeks	67%	Target off track	77%	Target on track	Performance has improved in Q2 and measures put in place to ensure a more consistent and higher level of performance in future quarters.
<b>PEOPLE SERVICES</b>						
5	2.3% of apprenticeship starts in relation to total headcount (universal public sector target)	0.1%	Target off track	1.8%	Target on track	A large intake of apprentices in Q2 has improved the position and brought performance in line with the target. This includes the following: The Emerging Leaders (26 starts), Digital Apprenticeships (8 starts). An intake for the Coaching Apprenticeship (circa 16 starts) is due to start in Q3.

### 3.3 Underperforming KPIs and related risks

The indicators presented below are critical to the council's performance and have been highlighted for the attention of the committee. The table below also shows the highest scoring risks reported by directorates that would threaten the performance of the KPI (listed below) if a risk were to be realised. **Please see the appendix for detail on the full list of KPIs and top risks from each directorate.**

Directorate KPIs	Q1 result	Q2 ideal target	Q2 2021/22 Result and target assessment	Service commentary	Mitigating actions to manage KPI performance		
<b>ADULT SOCIAL CARE AND PUBLIC HEALTH</b>							
1	Total number of new permanent admissions to residential/nursing care of people aged 65 years and over (cumulative)	31	95	78	Target off track	Changes in the Discharge to Assess guidance issued by the NHS/Government has had an adverse impact on this KPI. Hospitals are discharging high numbers of residents directly into the care home setting leaving little scope for the department to divert to the community pathway.	Funding for 4-6 weeks has been provided by the NHS to offset some financial pressure.
2	% of children who receive a 2-2.5-year development review	68.5%	70%	60%	Target off track	A data quality issue is impacting local performance.	Remedial action is being taken to ensure that all reviews are being accurately recorded on the system. Fortnightly meetings with providers are underway to ensure prioritisation of the agenda. An audit to affirm results from 2020 is to be completed this winter to seek further assurance. When this was undertaken for 2019/20, the findings highlighted the gap in uptake is among the most affluent families in the borough and uptake among those in deprived wards was high.
<b>CHILDREN'S SERVICES</b>							
3	% of looked after children (LAC) placed in foster care	63%	65%	56%	Target off track	The LAC cohort is currently made up of a high number of young people aged 16 or over (93, or 56%) of which almost half are placed in semi-independent accommodation (44 of 93). 73% (32 of 44) of those placed in semi-independent accommodation are also UASC which accounts for 62% of the current UASC cohort (52).	The factor impacting the most upon this target would be the age profile of the current LAC cohort.

Directorate KPIs	Q1 result	Q2 ideal target	Q2 2021/22 Result and target assessment	Service commentary	Mitigating actions to manage KPI performance	
4	Number of surplus school placements in Westminster primary schools	21.2%	10%	21%	Target off track	Further to the commissioned support of Isos Partnership, the expertise and guidance of the established Working Group, three recommendations are agreed by Schools Forum; (1) reduce surplus capacity by 4 to 5 forms of entry; (2) support schools' financial management and, (3) maximise pupil numbers.
						<p>Directorate risks that could impact the performance if risk materialises:</p> <p><b>School Budget Deficits</b> - Schools with falling rolls and those with budget reductions of pupils are at risk of developing budget deficits. Shortage of pupils presents a funding challenge as costs are less flexible and variable, that makes it difficult for schools to balance budgets and could ultimately lead to future school closures / mergers.</p>
5	Appointments to register births available within 5 days of enquiry	82%	95%	32%	Target off track	There were significant issues with the registration system nationally for large periods of June, July and August, which created delays in appointments as well as backlogs, as the number of appointments had to be curtailed to cope with system failures and manual registration processes. There was large demand for other services such as marriage and civil partnership ceremonies (50% increase over the summer period due to pent up demand over Covid-19 lockdowns and restrictions) and death registrations (consistently above the 5-year average), which required a redistribution of resources from births.
						<p>Directorate risks that could impact the performance if risk materialises:</p> <p><b>Covid-19 pandemic</b> – Increasing death registrations due to Covid-19 and pent-up demand for birth registrations, marriage and civil partnership ceremonies postponed due to lockdowns</p>

Directorate KPIs	Q1 result	Q2 ideal target	Q2 2021/22 Result and target assessment	Service commentary	Mitigating actions to manage KPI performance
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6	<b>NEW MEASURE</b> % of children re-registered on a child protection plan (cumulative position over current FY)	13%	10%	22%	Target off track	<p>The Child Protection re-registration measure that is reported on is in line with the statutory measure which looks at any past CP registrations as a re-registration not just those that have occurred within 24 months of de-registration from a plan. This measure is also a cumulative measure based on the number of total CP registrations that have occurred in the current financial year as at the report date in question.</p> <p>At the end of Q1 – the rate was 13% which represented 2 or 15 registrations in the year to date and by the end of Q2 this had risen 22% or 9 of 41 registrations in the year to date. This compares high against last year’s annual outturn of 10%.</p> <p>By year end if no further re-registrations occur and say a further 41 registrations take place then the indicator will drop into the target range of between 5-15%. In saying that at the end of October the indicator had increased again to 24% (12 of 50) of registrations in the year to date.</p>
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**FINANCE AND RESOURCES**

6	Variance between capital budget and FY forecast	£17.967m underspend P4	On budget based on forecast	£33.249m underspend P6	Target off track	<p>The majority of the expenditure variance is related to growth, planning and housing large scale regeneration and development schemes.</p> <p>As part of the current ongoing Cosmetic Product Safety Report process, we will be assessing the profiling of large-scale regeneration and development schemes, in particular those at pre-contract stage with the aim of reprofiling the budget to be more reflective of the latest knowledge.</p>
	Directorate risks that could impact the performance if risk materialises:		<b>Covid-19 pandemic</b> – if the pandemic continues, projects maybe be further delayed and project expenditure budgets will need to be reprofiled into future years to reflect project delays. Schemes fully funded by third parties such as TfL or developers are especially likely to be impacted.			

7	Less than 4% of calls abandoned (Agilisys)	11.3%	5%	7%	Target off track	<p>Performance against target was met in both August and September but the unexpectedly high volume of calls received in July relating to the flooding in Westminster impacted the overall KPI result for this quarter.</p> <p>A new process has been implemented to enable agents from the in hours contact centres to support out of hours during major incidences to help with call volumes and long wait times.</p>
	Directorate risks that could impact the performance if risk materialises:		<b>Covid-19 pandemic</b> – higher call volumes due to C19 and potential staffing issues through absences and sickness.			

Directorate KPIs		Q1 result	Q2 ideal target	Q2 2021/22 Result and target assessment	Service commentary	Mitigating actions to manage KPI performance	
8	Percentage of staff who have completed mandatory data protection & cyber security online training per year	67%	90%	58%	Target off track	Staff who have carried out training is below the minimum target threshold. 42% of staff have failed to complete Cyber Security/Data Protection within 12 months. Directorates showing low completion rates include Innovation & Change (47%), GPH (54%) and CHS (49%).	Intervention is needed by senior management to ensure staff complete Cyber Security and Data Protection training (set on IBC as mandatory). IT will also explore sending of reports direct to senior management.
<b>GROWTH, PLANNING AND HOUSING</b>							
9	% satisfaction with repairs service	77%	84%	77%	Target off track	Satisfaction with the repairs service has dropped because of the C19 lockdowns and the time that residents have had to wait for their non-essential repairs to be completed.	Our contractors are making appointments for all these repairs, resulting in a period of catch-up. This is well underway and being progressed as quickly as possible. Satisfaction with the quality of repairs remains high at 83%.
<b>PEOPLE SERVICES</b>							
10	Increase the number of women in senior leadership roles (band 5 and above)	44%	48%	46%	Target off track	There was some positive movement from Q1 to Q2, though there is more to do in line with our pay gap action plan.	ELT are committed to ensure equity and equal opportunities for all band 5+ appointments. This includes Executive Director attendance at every band 5 and above interview. Analysis of pay gap information will also inform a detailed action plan.
11	Positive action - % of Band 4+ roles which have BAME candidate on the shortlist	84%	97%	89%	Target off track	Confirmation received that all non-compliant roles were discussed with Chief Executive and were acceptable in the circumstances. There has been positive movement on the positive action metrics in Q2.	ELT agreed to redouble efforts in this area including stopping band 4+ appointment as and where appropriate and restarting.

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## 4. Overview of Covid-19 Impacts in Westminster

### Health Impacts

For the past quarter, infections in Westminster have been amongst the lowest in the country and were the third lowest in London at the end of October. Deaths over the past 6 months from Covid-19 has remained very low, especially in care settings.

Vaccination rates of over 18s of the first dose are largely unmoved at 70%, with 66% of people receiving two doses. This remains one of the lowest vaccination rates but is part driven by inflated GP patient lists. The overall number of deaths in Westminster over the last quarter has remained within the 5-year long-term average. However, in London, death levels have exceeded the long-term averages over the past few months.

### Economy

The numbers of people present in Westminster continues to be tracked as it has major repercussions for businesses, as well as council services such as waste and parking. Overall, figures suggest that an increasing number of people are coming back to the city, but that the pace of return remains far lower than the rest of London and the UK.

Retail and recreation mobility in Westminster continues to increase but is still down 29% compared to pre-pandemic levels (as of October 16<sup>th</sup>). This compares to mobility being down 57% on pre-pandemic levels in Westminster three months earlier. By comparison, mobility was down 16% in Greater London and down just 7% nationally (*source Google*). International visitor mobility in the West End was down 48% compared to pre-pandemic levels (CACI mobile data). Long term impacts on retail, accelerated by Covid, may also limit the extent to which mobility gets back to previous levels.

Workers have been slower to return than visitors. Workplace mobility has crept up marginally since mid-September but was still down 44% as of Friday 22<sup>nd</sup> October. In contrast to retail and recreation footfall, there is less of a gap between Westminster and the rest of the UK, as working flexibly becomes an acceptable long-term mode of business.

### Labour Market

Claimant count figures have fallen by 27% since their 11,100 high in April 2021 to a current 8,735 in September 2021. By comparison pre-pandemic claimant count, in February 2020, was just 3,705.

Young people aged 18-24 claiming benefits had risen much faster than the general population during the pandemic, but these numbers have also been fallen more quickly in the past 6 month, by 38% from 1,575 in April 2021 to 1,140 September 2021.

At the time of writing, the numbers of people claiming benefits is unknown because of the ending of the furlough scheme. November figures will reflect any changes.

Nationally, job vacancies surpassed 1.04million in August according to the ONS. The most recent Labour Market Survey also suggested a sharp rise in students looking for work. In pre-pandemic times in Westminster there are around 20,000 students in the Borough, so assuming that local students are also looking to join the labour market then there is likely to be increased competition for work from residents not currently claiming benefits.

# Appendix – Directorate Performance

Detailed performance information for each council  
Directorate area.

## Children's Services

### Achievements

#### **Supporting return to school, with new Covid-19 safety measures**

Children and young people returned to their schools and nursery settings in September 2021, ready for the new education year. New safety measures have been put in place. Children are no longer organised into bubbles and masks are not required to be worn. Schools were expected to facilitate two onsite tests at the start of term and from there on young people have been expected to continue twice weekly lateral flow testing from home. Should a young person test positive they are required to self-isolate and take a PCR test. If this is positive, they should continue to self-isolate for 10 days and then return to school. There is no longer a requirement for young people who have been in contact with the positive case to self-isolate, but they will be encouraged to take a PCR test.

Public Health and Children's Services are providing regular updates and are also available to give advice to schools and settings about the management of Covid-19. Outbreak management plans are in place alongside procedures for managing and isolating any confirmed Covid-19 cases. As part of the planning, arrangements for young people to undertake remote and online learning will be in place. The council will continue to monitor and keep a record of Covid-19 cases on a weekly basis, and also provide support and guidance for schools and early years settings. A public health briefing has been a standing item on all the headteacher partnership meetings agendas.

The health led vaccination programme hosted by all schools across Northwest London launched on 21 September. The end date for the immunisation teams to deliver at least one clinic in all schools is 5 November. As of the 22 October, 8 out of 16 state schools had been visited by the immunisation team, with the remaining 8 schools scheduled to be visited after 1 November. 21.5% of the eligible cohort of students in state schools have received a vaccination. As of the 22 October, 12 out of 22 independent schools had been visited by the immunisation team, with the remaining 10 schools scheduled to be visited after 1 November. 44% of the eligible cohort of students in independent schools have received a vaccination. There is an extended offer for children to access the vaccine at vaccination centres over Half Term. Further visits by the Immunisation Teams will be available to schools after 5 November to deliver Mop Up vaccination sessions where children may have missed a previous vaccination at their school through illness or having tested positive for Covid-19.

This term, Ofsted will be undertaking their full programme of inspections and it is likely that some of our schools will be inspected. In preparing for their inspections, all schools have access to advice and support from their School Standards Lead Adviser.

#### **Publication of SEND strategy**

The Strategy for Special Educational Needs and Disabilities 2021-2024 is currently going through the formal sign off process. The Design Team has been briefed and they will begin work on this as soon as sign off has been received. The strategy is due to be published in Q3. The next steps are to launch the strategy with schools and partners and to develop the commitments made by the strategy into an action plan to take these priorities forward.

### **Exhibition tour of the Children’s Creative Collaborative**

In partnership with City lions, the digital exhibition of children’s experiences during lockdown- the Children’s Creative Collective, toured Paddington, Victoria, Maida Vale and Westminster Reference Libraries from 28 June for a month. Additionally, a community mural was created at the Church Street Library. The exhibition then moved to the Saatchi Gallery for a finale with a selection of 30 pieces on display from the 9 August to 30 August, with a celebratory event held on the 26 August.

### **Issues**

#### **Mental health and emotional wellbeing support needs**

Bridging the Gap (BTG) has made significant progress in the last quarter. The previous holdup experienced during Q1 has now been resolved with a suitable venue now found to host the service near Church Street. This is a council owned building and Commissioners are working with partners to secure the site and ensure that BTG can move into the space. In parallel with this work, we are also in the process of appointing our provider to manage the Hub service, starting with approval from Corporate Gateway Review Board from which we are seeking approval to take the next step in appointing the provider.

There are some delays in our partner services (Substance Misuse, Sexual Health, Employment, and Housing support and advice services) formally committing to operating within the hub via Memorandum of Understanding. However, other services and partnerships have been established to support the hub including partnering with Central and Northwest London NHS Foundation Trust (CNWL) on 18-25 pathway development. CNWL Dialectical Behaviour Therapy (DBT) groups will take place at the hub; a part time clinical psychologist will work within the Hub and cognitive behavioural therapy sessions will take place in the hub. We plan to include the new local area mental health triage panel, who have committed to providing a senior clinician part-time into the hub. Additionally, we are seeking CCG funding for GP sessions and are planning co-to co-locate the entire team within the hub building.

#### **High youth unemployment figures**

Covid-19 has had a considerable effect on the percentage of young people who are unemployed. We are leading on collaborative cross-council work across both boroughs to understand the underlying and influencing factors from sectoral challenges to furlough and redundancy – and what it means for our young people. Youth unemployment remains high however the rate is dropping. Data for the period July to September for young people aged 16-17 who are NEET (not in employment, education, or training) and resident in Westminster halved from 64 to 32. However, data taken over this period may distort the true picture because of timing of collection and the Q3 report on NEET will be a more accurate measure. Ormiston Beachcroft Academy (formerly Beachcroft TBAP) has reported strong progression of Year 11 leavers onto A-levels study programmes, college and BTEC programmes. Furthermore, whilst the Westminster claimant count for 18–24-year-olds remains significantly above pre-Covid-19 levels there is now evidence of a sustained downward trend at 1,135 (September 21), compared with 1,585 (February 21 – the last time of reporting).

The collaborative work between Early Help and Westminster Employment continues to support NEET young (ie. Year 11 leavers and Year 12 ‘early leavers’) through direct case work and referral to internal and external programmes.

### **High demand for services to support children with SEND**

We continue to experience a rising demand for services to support children with special educational needs and disability (SEND) reflected in number of Education, Health and Care Plans (EHCPs) The number of statutory assessments received this quarter is the same as last quarter: 56. Overall, for Q2 98% of plans were completed within timescale. The latest published national average is 58% (2020).

Children and young people with SEND are currently supported by the Tresham centre. Historic building issues continue to be a barrier to expanding into floors two and three. We are working with facilities management colleagues to resolve these issues and are aiming for an Autumn 2021 launch. This has meant using other sites across the borough which is resulting in additional funding pressures for renting these premises.

The Short Breaks Service continues to receive 3 to 4 new referrals each week which continues to put pressure on the Service. These are a mixture of newly diagnosed younger children and older young people who were not known to service before, but parents are now struggling post-Covid-19 lockdown and are requesting support.

### **Assisting Afghan families in a bridging hotel**

We continue to provide a high level of support to Afghan families in the bridging hotel. The Home Office plans to commission the Metropole for 9-12 months, on a rolling 3-month contract. As of 13 October, there are 697 refugees composed of 184 families. This includes 376 children, 19 infants and 20 children with no legal guardian.

All school aged children have been enrolled in school and we are working with head teachers to identify emerging needs and offering support. We continue to provide a range of activities, including English for Speakers of Other Languages (ESOL) and family-based activities, many delivered by our voluntary sector partners and community services.

Many children are separated from parents, although all are with close relatives. We are working with Home Office colleagues to reunite families in other bridging hotels where possible. One young person has been identified as unaccompanied and has now been accommodated in foster care as a looked after child. Social workers continue to meet with vulnerable families and to provide support as appropriate.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021).

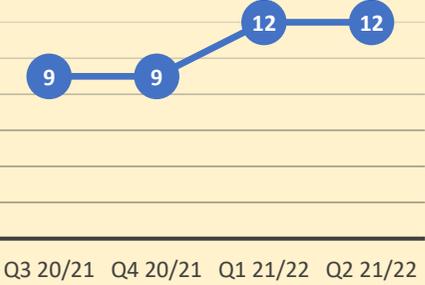
<b>Target range definitions</b>	<b>Minimum Ideal Aspirational</b>	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	<b>Target assessment definitions</b>	<b>Target off track</b> <b>Exceeding target</b> <b>Target on track</b> <b>Minimum standard met</b>	Off track to meet the minimum target level Exceeded ideal target level On track to meet the ideal target level Met the minimum target below ideal level
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Key performance indicator	Q1 position	2021/22 target ranges			Q2 position	Target assessment	Other contextual insight
		Minimum	Ideal	Aspirational			
1. Number of first-time entrants to the criminal justice system	5	20 (max)	10	5	5	Exceeding target	
<b>Service commentary:</b> There were 2 young people who were first-time entrants with a caution and 3 young people who were first-time entrants with a conviction. indicator measures the number of First time Entrants [FTEs] to the Youth Justice System. FTEs are defined as young people aged 10-17 who receive their first substantive outcome. Data for this measure is derived from the Youth Offending Team's Case Management System. The most recent data covering the period up to March 2021 shows a reduction for young people becoming a first-time entrant through caution (3 to 0) but an increase through convictions at Court (3 to 5).							
2. Number of Serious Youth Violence (SYV) Offences	4	20 (max)	10	5	1	Exceeding target	The Youth Justice Board defines SYV as any drug, robbery or violence against the person offences that has a gravity score of five or more (scores range from 1 -8).
3. Number of referrals to social care	442	545 (max)	500	480	416	Exceeding target	
4. Looked after Children numbers	166	201	187	181	166	Exceeding target	This includes unaccompanied asylum-seeking children (52).
5. % increase in real and virtual visits to libraries	60.8%	1%	2%	3%	11.3%	Exceeding target	Our visits are up 11.3% compared to Q1 last year. This represents 340226 visits compared to 305597. This doesn't include virtual visits to e-resources.
6. Increased proportion of Education, Health and Care assessments which are completed within 20 weeks, excluding exceptions	100%	80%	90%	100%	98%	Target on track	
7. Percentage of fixed-term exclusions	N/A	8%	5%	0%	N/A	Target on track	Due to the way the school year works and when the census data is available, we do not have a figure for Q2. The most recent figure is for Q4 (2.9%). The next result will be available in December as it is taken from the school census in October.

Key performance indicator	Q1 position	2021/22 target ranges					Q2 position	Target assessment	Other contextual insight
		Minimum	→	Ideal	→	Aspirational			
8. % Care Leavers in appropriate accommodation	95.5%	90%	→	94%	→	96%	95.6%	Target on track	
9. % of young people who are not in employment, education or training	2.54%	3.5%	→	2.5%	→	1.5%	2.2%	Target on track	Based on young people of year 12-13 age. This represents 54 young people.
10. Number of Education, Health and Care assessments finalised	15	50 (max)	→	40	→	25	41	Minimum standard met	
11. % of Looked After Children placed in external foster placements	25%	25%	→	23%	→	21%	24.1%	Minimum standard met	Measure is as a % of total number of LAC.
12. % of re-referrals to social care within 12 months	20.6%	20% re-referral rate (max)	→	15% re-referral rate	→	10% re-referral rate	18%	Minimum standard met	This is the number of referrals in quarter two who had been previously referred within the last 12 months. This represents 75 out of the total 416 referrals.
13. % care leavers in education, training or employment (at age 19, 20, 21) (excluding those not in touch)	67.1%	70% (min)	→	80%	→	90%	76%	Minimum standard met	
14. % of Looked After Children placed in foster care (internal and external fostering agencies, including kinship care)	63%	60%	→	65%	→	70%	56%	Target off track	Measure is as a % of total number of LAC. It may also be noted that if those currently placed for adoption or placed with parents were included in the fostering metric, this would reach the minimum target of 60% (99 of 166).
<p><b>Service commentary:</b> The factor impacting the most upon this target would be the age profile of the current LAC cohort. The LAC cohort is currently made up of a high number of young people aged 16 or over (93-56%) of which almost half are placed in semi-independent accommodation (44 of 93). 73% (32 of 44) of those placed in Semi-independent accommodation are also UASC which accounts for 62% of the current UASC cohort (52).</p> <p><b>Mitigating action:</b> The factor impacting the most upon this target would be the age profile of the current LAC cohort.</p>									
15. % of surplus school placements in Westminster primary schools	21.2%	15%	→	10%	→	5%	21%	Target off track	Due to the way the school year works and when the census data is available, we do not have a figure for Q2. The most recent figure is for Q1 (21%).

Key performance indicator	Q1 position	2021/22 target ranges			Q2 position	Target assessment	Other contextual insight
		Minimum	Ideal	Aspirational			
<p><b>Service commentary:</b> We are operating with a surplus school capacity 21% in Westminster primary schools. This is not financially viable for schools or the council in the long term.</p> <p><b>Mitigating action:</b> Further to the commissioned support of Isos Partnership, the expertise and guidance of the established Working Group, three recommendations are agreed by Schools Forum; (1) reduce surplus capacity by 4 to 5 forms of entry; (2) support schools' financial management and, (3) maximise pupil numbers. Whilst some interim measures will remain in place, such as capping of Published Admission Numbers (PAN), discussions have moved forward to more permanent solutions. One school has an approved in-year variation to reduce its PAN from 45 to 30 permanently with effect from September 2022. A proposed amalgamation of two schools is at the informal consultation stage to remove a further one for of entry from September 2022. The target to reduce overall capacity across the borough, and improve financial stability for those schools at risk, is a sensitive and regulated process that will take time if it is to be achieved with all interested parties fully engaged and informed. During the autumn term 2021, the annual five-year school roll projections and three-year financial forecast will be presented to Schools Forum to agree recommendation for next steps.</p>							
16. % of appointments to register births available within 5 days of enquiry	82%	95%	→	95%	→	98%	32% <b>Target off track</b>
<p><b>Service commentary:</b> There were significant issues with the registration system nationally for large periods of June, July and August, which created delays in appointments as well as backlogs, as the number of appointments had to be curtailed to cope with system failures and manual registration processes. There was large demand for other services such as marriage and civil partnership ceremonies (50% increase over the summer period due to pent up demand over Covid-19 lockdowns and restrictions) and death registrations (consistently above the 5-year average), which required a redistribution of resources from births.</p> <p><b>Mitigating action:</b> The system issues have been resolved which has allowed a return to registration processes. The team are working hard to create additional appointment slots, which should be easier as the demand for ceremonies abates slightly over the Autumn and Winter period. We should therefore start to see an improvement in our performance on offering birth registration appointments with 5 days.</p>							
17. Number of Care Leavers	301	N/A	→	N/A	→	N/A	306
<p><b>Service commentary:</b> No target assessment to be provided for this KPI. There are not many opportunities to lower this number in the short or medium term. Our cohort of looked after children become our care leavers. New legislation will support care leavers until the age of 25 and it is an indication of good corporate parenting that our carers want to engage and that we offer good support. This is included as a KPI as it has a direct relationship to our budget pressures. This includes former unaccompanied asylum-seeking children (184).</p>							
18. % of children re-registered on a child protection plan (cumulative position over current FY)	13%	15%	→	10%	→	5%	22% <b>Target off track</b>
<p>At the end of Q1 – the rate was 13% which represented 2 or 15 registrations in the year to date and by the end of Q2 this had risen 22% or 9 of 41 registrations in the year to date. This compares high against last year's annual outturn of 10%.</p>							

**Top scoring directorate risks**

Q2 Score	Risk												
12	<p><b>High pressure on our short breaks service</b>                      Provision of short breaks is a statutory duty. Increased referrals for short break services puts pressure on our team’s capacity and on funding (some of which comes from our High Needs Block).</p>		 <table border="1"> <caption>Line Chart Data</caption> <thead> <tr> <th>Quarter</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Q3 20/21</td> <td>9</td> </tr> <tr> <td>Q4 20/21</td> <td>9</td> </tr> <tr> <td>Q1 21/22</td> <td>12</td> </tr> <tr> <td>Q2 21/22</td> <td>12</td> </tr> </tbody> </table>	Quarter	Score	Q3 20/21	9	Q4 20/21	9	Q1 21/22	12	Q2 21/22	12
	Quarter	Score											
	Q3 20/21	9											
Q4 20/21	9												
Q1 21/22	12												
Q2 21/22	12												
<b>Impact</b>	<ul style="list-style-type: none"> <li>It is known that supporting families early following the diagnosis enables families to cope better and could prevent the risk of families seeking residential support later.</li> </ul>												
<b>Existing controls</b>	<ul style="list-style-type: none"> <li>Due to the growing demand for short break places, we have worked to create hubs and satellite services that provide access in north and south of the borough. Our Short Breaks menu has now been created and launched on the local offer website. We are currently looking at further developments to improve our youth and 0-5 offer across both boroughs.</li> <li>Following a growth bid we have split the Short breaks team into three areas. The Early Intervention team who support families with children aged 0-5yrs. This team supports the family as soon as they receive the diagnosis and will work with the family on a variety of Interventions such as Portage, Behaviour Management, Sleep Interventions. These early support Interventions give the families better knowledge and support as they learn to parent their Disabled Child. When the child reaches 6yrs they move into the Care Planning team till they are 13yrs. This team oversees the child’s care package and reviews it yearly. When the Young Person turns 14 years they move to the Preparing for Adulthood Team. They start to look at the Future and introduce practical support with travel training and Independent skills. Once they are 18yrs they move into Adult Services. Across the three teams they support over 500 Families.</li> <li>We now have dedicated sites set up in both the north and south of Westminster. However, we are still hoping to find a permanent dedicated site for CYP in South Westminster as capacity at this site is limited.</li> </ul>	<b>Future controls</b>	<ul style="list-style-type: none"> <li>We will continue to monitor pressure on our short breaks service at our Strategic Implementation Group and City for All (CfA) Board, as well as via our quarterly SEND SEF.</li> </ul>										

# Environment and City Management

## Achievements

### **Response to Covid-19 Pandemic and Returning to the City**

- The responsiveness of teams to outbreaks has been key to the successes in managing the demands of reopening e.g., Environmental Health Officers are working within the Outbreak Management Teams to investigate Covid-19 outbreaks and prevent onward transmission and spreading of Covid-19 alongside their everyday work of responding to Health & Safety, Food Safety and Residential services.
- We are delivering the highest asymptomatic tests of most London Local Authorities by identifying and actively testing asymptomatic people with the aim of reducing the spread of Covid-19 in communities.

### **Waste & Cleansing**

Contract Extension has been signed until 2024. This will allow for the rollout of the food waste collection service and the electrification of the fleet. Separately collecting and processing food waste will increase the council's recycling rate and also reduce CO2 emissions by approximately 300 tonnes per year (when compared to sending the food waste for incineration at SELCHP). 100% of the street cleansing fleet is being converted to electric power. 50% of the main waste fleet will be converted to electric power with the remaining 50% then being electric when the next waste contract starts in September 2024.

### **Awards & Recognitions**

Our Waste Team have been awarded the RSPCA Gold Stray Dogs, Gold Housing, Gold Animal Activity Licensing and Bronze Contingency Planning awards. We are the only organisation to hold four awards at the same time.

Quest is an independently accredited, industry recognised tool which encourages continuous improvement, designed primarily for the management of leisure facilities and leisure developments. Quest defines industry standards and good practice and offers a way of benchmarking facilities. Throughout Westminster's seven leisure centres we have been awarded 3\* very good and 4\*excellent standings.

Paddington Recreation Ground has won and retained 'Gold' standard London in Bloom Award and have maintained their Green Flag status. Christchurch Gardens also achieved the Green Flag status and joins 26 already awarded Westminster Green Flag parks plus 3 housing estates and Paddington Recreation Ground.

### **Parking**

In August, our parking contractor, NSL, reported that their on-street Marshals had voted to strike over pay. Marshals were paid the London Living Wage (LLW) and the management proposal had been to move to a rate above the new 2021 LLW rate. This offer had been rejected by the GMB union membership and formal notice of industrial action was received. However, following intervention from officers, a more generous offer was made and accepted which averted the strike action. NSL agreed to pay more (backdated to April 2021) and agreed to a second-year increase in line with consumer price index (CPI – the accepted measure for inflation). This means wage levels are agreed until April 2023.

The Parking Service is in the process of re-procuring the suite of parking contracts for contract go-live in April 2023 and we issued the invitation to tender (ITT) for the Parking Technology Contract in late July 2021. The ITT was issued to suppliers via the ESPO\* Framework on 30 July 2021, with the deadline for supplier's submissions being 24 September 2021. Submitted bids are being evaluated by the project team.

\*ESPO is the name of an organisation that operates various local government procurement frameworks and services.

## **Issues**

### **Car meets**

Following an increase in car meets in Waterloo Place (and Exhibition Road) last year and the first few months of this year, problem solving work has taken place between partners, specifically to reduce the impact on residents from nuisance noise and reduce the prevalence of these meets. There have been a number of strands to our efforts, including the purchase of acoustic cameras, funding policing operations and consulting on a Public Space Protection Order (PSPO) for the area to prohibit certain activities seen at these car meets. Over the summer, police carried out several operations enforcing against vehicle owners for issues with their vehicles, as well as reporting them to their insurers and taking action against nuisance/dangerous driving. We have installed the acoustic cameras at these two locations and the footage has been used to assist the police in issuing S59 notices against vehicles. The PSPO went out for consultation in late summer and has just closed with 168 responses. We are analysing these responses, and this will help inform a decision paper for Cllr Acton due in early November.

The number of car meets has reduced significantly. We still have high performance vehicles turning up in the areas, though the enforcement solutions to date have been largely effective, and this was fed back to residents and councillors in late September. In addition, we have been updating councillors regularly along with our Cabinet Member.

### **Flooding**

Flash flooding incidents take took place in Westminster during the quarter. The most significant of these was on 12 July 2021, which impacted businesses and residential properties in the north-west of the City respectively. Work was undertaken by a range of council services to address the impact of this, ranging from cleansing and removal of damaged possessions to rehousing. A section 19 flood review is being undertaken to identify causes or contributing factors to the flooding. A further independent review has been commissioned by Thames Water. Interim findings have been presented to Policy and Scrutiny with the final reports anticipated in the new year. An internal review into the emergency response has also been undertaken and the findings will be used to improve both council responses but also to feed into the multi-agency flood Plan.

Westminster experienced surface water and sewage recharge flooding was experienced on 12th July, 25th July and 5th October. An interim section 19 report has been completed and reported to Policy and Scrutiny with input from Thames Water expected in the new year to inform the final report. The events of the 25<sup>th</sup> July 2021 and the 5<sup>th</sup> Oct 2021 are subject to separate section 19 report.

**LED lighting**

We have been informed that due to global supply shortages, some materials necessary to replace the existing lanterns will not be available until next year. Therefore, the lighting service will only be able to replace 93% of the lighting stock by the end of November rather than the 98% planned.

**Short Term Lets**

Short term lets impacts on residents through noise, unlicensed music events, waste and antisocial behaviour in general as well as being breach of the 90 nights limit per calendar year.

During lockdown officers continued to investigate Short Term Lets activity and there was clear evidence of a lack of activity in medical tourism which is people from other countries coming to the UK for medical treatment. Recently investigation has shown an increasing number of people in short term let properties who are here for medical treatments.

Short term lets are an alternative to hotel accommodations. Many people now use short let properties for holidaying when they travel on vacation rather than hotels. Indeed, many short-term let platforms advertise in this manner as alternative offers to hotels. A large part of the market is dependent on the international market – holiday makers to consistently rent these properties to generate income. The availability of holiday visitors was significantly impacted by the travel restrictions during lockdown. As a result, many owners doing short term lets turned to longer leases of 6 months to 1 year to try and attract alternate source of income from their properties. We expect these properties to revert to classic short-term letting once travel restrictions are no longer in place.

Officers are working with property owners of a block of 26 properties used normally for short term lets to bring them into compliance by reducing the number of short-term lets within the block and changing their use into long term tenancies.

**Parking**

Notice was received on 21 September 2021 that Her Majesty's Courts & Tribunals Service was increasing the statutory fee for registering parking and traffic-related debts at the Traffic Enforcement Centre from £8 to £9 with effect from 30 Sep 2021. Less than nine days' notice is an inadequate time for local authorities to make the necessary system configuration and document template changes to accommodate this change. Despite best endeavours, the issue of Charge Certificate documents, the submission of debt registrations and the provision of pre-debt cases to our debt management providers will all need to cease from 30 Sep 2021 until the necessary changes can be made and fully tested before being put into a live environment. We were back to BAU by 6 October.

## Key performance indicators

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021).

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	Target assessment definitions	<b>Target off track</b> Off track to meet the minimum target level <b>Exceeding target</b> Exceeded ideal target level <b>Target on track</b> On track to meet the ideal target level <b>Minimum standard met</b> Met the minimum target below ideal level					
Key performance indicator	Year-end 2020/21 position	2021/22 target ranges			Position at Q2	Target assessment	Other contextual insight		
		Minimum	→	Ideal	→	Aspirational			
1. % of women accessing specialist domestic abuse services who report a reduction in abuse	88%	75%	→	75%	→	80%	92%	Exceeding target	Q2 is 97% (35 / 36) – cumulatively that's 92% for the year to date
2. Number of visits to Sayers Croft services compared with 2019/2020	12,664	20,000	→	23,000	→	25,000	18,364	Exceeding target	We are on track to exceed target. Q1 and Q2 combined visitors is 78% of the annual target.
3. % of urgent lighting defects made safe within agreed timescale	100%	95%	→	98%	→	100%	99%	Target on track	
4. % of carriageway and footway defects repaired or made safe within 24 hours	100%	95%	→	98%	→	100%	99%	Target on track	
5. % of total licences issued within 28 days from the publication date of the Licensing Sub-Committee decision	92%	70%	→	80%	→	90%	85%	Target on track	
6. Number of vulnerable residents supported to continue living in their homes	219	400	→	500	→	600	462	Target on track	

Key performance indicator	Year-end 2020/21 position	2021/22 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			
7. % of licensed premises that are safe and well managed following a single inspection	85%	80%	→ 90%	→ 100%	100%	Target on track	This KPI related to the number of licensed premises that were Covid secure. With the removal of the covid regulations, this has returned to the original KPI about premises that were compliant on a single visit.
8. Ensuring parking compliance across the City is over 97%	98%	97%	→ 98%	→ 99%	98%	Target on track	This is biannual reporting, so there is no new result for Q2 2021/22. The next result will be available for Q3 2021/22.
9. Number of emergency planning exercises completed	5	6	→ 7	→ 10	9	Target on track	
10. Total participation in play, physical activity, leisure and/or sport facilities and activities	1m	4.4m	→ 4.6m	→ 4.8m (annually)	1,983,984 (42% of annual target)	Minimum standard met	Sayers Croft Field Centre & Forest Schools data has been separated out to provide a focused evaluation on physical activity, leisure and/or sport facilities and activities.
<p><b>Service commentary:</b> Recovery continues to progress. Q2 saw a 16% increase compared to 2020/21. We are currently undertaking our annual ActiveCommunities survey to provide further insight into play, physical activity, leisure and/or sport facilities and activities within Westminster and help us further understand the needs of the community returning to our leisure centres, outdoor activities, parks and open spaces.</p>							
11. % of streets in Westminster that pass the street score survey for litter	97.3%	98%	→ 98%	→ 98%	97.3%	Minimum standard met	There has not been another inspection since the Q1 2021/22 inspection. There are three surveys per annum.
<p><b>Service commentary:</b> For the past 3 years we've been around 96-97% for litter, which is an exceptionally high level of street cleanliness. The visible difference between 95% and 100% (which is technically impossible to achieve) would be imperceptible to our residents and visitors.</p> <p><b>Mitigating action:</b> We consider this a very good result, but we will meet with Veolia to look for trends in the data or if any specific area has delivered more litter fails.</p>							
12. To complete all high-risk food premises inspections (category A-B)	54%	100%	→ 100%	→ 100%	55%	Minimum standard met	We are on track to meet this standard by the end of year as it is an annual target.
<p><b>Service commentary:</b> A total of 122 Category (Cat) A and B inspections were due in Q1 and Q2. In Q2 officers completed 27 Cat A and B inspections, which gives a cumulative total of 66 inspection completed in Q1 and Q2. 49 inspections of Cat A and B are still outstanding. Some premises have not yet reopened. Food officers were focused on new premises inspections as they are food service priority as per Food Standards Agency (FSA) Recovery plan and internal audit requirements. According to the recovery plan, Cat A inspections are expected to be completed by 31/03/2022 and Cat B by 30/06/2022.</p> <p><b>Mitigating action:</b> The service recently undertook recruitment to obtain more officers, but they have only just joined the service in the last 2 weeks. The FSA roadmap for post pandemic work sets out that new premises are a higher priority than Category A &amp; B premises, as they are an unknown risk. Therefore, visits to new premises must take priority over category A &amp; B inspections.</p>							

Key performance indicator	Year-end 2020/21 position	2021/22 target ranges				Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
13. Availability of residents parking in Westminster (Ratio of residential permits issued against parking bays available on the street)	85%	85%	→ 90%	→ 95%	85%	Minimum standard met		
<p><b>Service commentary:</b> Some bays continue to be suspended due to the Covid-19 Movement Strategy and 'Al Fresco' dining. Availability remains the lowest within Parking Zone "F" . (F zone covers the Bryanston, Marylebone, Fitzrovia areas of the City.)</p> <p><b>Mitigating action:</b> If required, pay to park bays will be made available for residential use.</p>								
14. Number of hazards removed from residential dwellings which pose a serious and immediate threat to people's health or safety	109	300	→ 375	→ 450	132	Target off track		
<p><b>Service commentary:</b> It is possible tenants are less willing to report poor conditions in the current climate. Recent service redirection of resource to tackle Covid-19 outbreaks have also had an adverse impact. The commencement of an Additional Licensing scheme at end of August 2021 has focused a significant portion of resource on assessing large volumes of initial applications.</p> <p><b>Mitigating action:</b> Increased inspections of Houses of Multiple Occupation (HMOs) at the start of Additional Licensing scheme have identified hazards, and we expect to see completion of improvement works in the second half of year to allow us to meet the target. In addition, reduction in demand around outbreak management will assist.</p>								
15. Number of Houses of Multiple Occupation (HMOs) improved (buildings with more than one household including shared facilities)	11	50	→ 65	→ 75	14	Target off track		
<p><b>Service commentary:</b> Redesign of Private Sector Housing (PSH) reactive service, along with commencement of licensing scheme at end of August has shifted focus to actioning initial rush of licence applications. This has had knock-on effect of taking resource away from active enforcement within Houses of Multiple Occupation (HMOs) at the current time.</p> <p><b>Mitigating action:</b> We are currently inspecting large numbers of HMOs for which licence applications have been submitted, with improvements being identified and requested. We expect to see the completion of improvements over second half of the year to allow us to meet target.</p>								

**Top scoring directorate risks**

Q2 Score	Risk				
16	<p><b>Flooding</b> There is a risk of flooding by fluvial or surface water flooding.</p>				<p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>
	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>• Damage to council buildings and structures</li> <li>• Transport disruption</li> <li>• Cold temperature</li> <li>• Risks to vulnerable people</li> <li>• Slip and trip hazards</li> <li>• Access denial</li> <li>• Possible power outages and severe infrastructure disruptions (IT, Telephony, Electricity, Water)</li> </ul>				
	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>• London Strategic Flood Framework from GLA</li> <li>• Environment Agency Guidance:</li> <li>• Westminster Plan for Major Emergencies</li> <li>• WCC Staff 10 Point Plan for Business Continuity</li> <li>• Departmental Business Continuity Plans</li> <li>• Flooding the council follows the GLA’s London Strategic Flood Framework and Environment Agency Guidance, the Serpentine Reservoir Inundation Plan, and it also has its own Westminster Plan for Major Emergencies, WCC Staff 10 Point Plan for Business Continuity, and test exercises. The Thames Barrier is also a major existing control against flood events.</li> <li>• Serpentine exercise with The Royal Parks resulting in lessons to be implemented across partners</li> </ul>	<p><b>Future controls</b></p>	<ul style="list-style-type: none"> <li>• Exercising &amp; testing with WCC Property &amp; Estates, Bouygues, WCC Facilities Management, WCC Housing Management.</li> </ul>		

Q2 Score	Risk												
12	<p><b>Continued decline in parking income across the majority of revenue streams</b></p> <p>The continued decline in Parking Revenue across the majority of income streams has been worsened by the Covid-19 pandemic. There is a risk that the council experiences continued decline in parking revenue as a consequence of continued restrictions and a reduction in vehicles coming into the city and further impacts of widening the ULEZ zones in October.</p>		<table border="1"> <caption>Parking Revenue Performance</caption> <thead> <tr> <th>Quarter</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Q1 21/22</td> <td>16</td> </tr> <tr> <td>Q2 21/22</td> <td>12</td> </tr> </tbody> </table>	Quarter	Score	Q1 21/22	16	Q2 21/22	12				
	Quarter	Score											
	Q1 21/22	16											
Q2 21/22	12												
<p><b>Impact</b></p> <p>A reduction in revenue across the majority of parking income streams is still being experienced this financial year resulting in a potential net risk to the Parking Service budget.</p>	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>2021/22 Income budgets have been reduced by £3.2m (net of tariff increase), current year only, in order to help alleviate a further potential deficit as recovery from the pandemic continues.</li> <li>Since restrictions were fully lifted in July'21 parking income streams have continued to see some improvement, particularly within Paid for Parking &amp; Suspensions.</li> </ul>	<p><b>Future controls</b></p> <ul style="list-style-type: none"> <li>It is anticipated that there will be further improvement in parking revenue in Q3 2021/22 in the run up to Christmas. However, there is still uncertainty around the impact of the increases in Covid transmissions.</li> </ul>											
12	<p><b>Mayor's Office for Police &amp; Crime (MOPAC) funding being withdrawn and/or significantly reduced</b></p> <p>MOPAC funding for commissioned community safety services, including violence against women and girls and the Integrated Gangs and Exploitation Unit is currently only extended for a year and is at risk of being withdrawn and/or significantly reduced</p>		<table border="1"> <caption>MOPAC Funding Performance</caption> <thead> <tr> <th>Quarter</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Q3 20/21</td> <td>1</td> </tr> <tr> <td>Q4 20/21</td> <td>3</td> </tr> <tr> <td>Q1 21/22</td> <td>12</td> </tr> <tr> <td>Q2 21/22</td> <td>12</td> </tr> </tbody> </table>	Quarter	Score	Q3 20/21	1	Q4 20/21	3	Q1 21/22	12	Q2 21/22	12
	Quarter	Score											
	Q3 20/21	1											
Q4 20/21	3												
Q1 21/22	12												
Q2 21/22	12												
<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>MOPAC funding currently provides support to a number of projects including support to victims of domestic violence, violence against women and girls, preventing reoffending and support for the integrated gangs unit. Withdrawing funding could have a significant impact on vulnerable victims and structures for delivering link services.</li> </ul>	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>Funding was extended for 2021/22, however it is not clear on funding arrangements beyond this.</li> </ul>	<p><b>Future controls</b></p> <ul style="list-style-type: none"> <li>Other funding sources are sought.</li> <li>Lobbying MOPAC for greater commitment to sustained funding</li> </ul>											

## Finance and Resources

### Achievements

#### **Corporate Property achievements**

Corporate Property have successfully sublet floors 1-10 of City Hall to Parliamentary Estates. There were substantial fitout works on site which resulted in final occupancy of the building in July 2021. We were pleased to work together to facilitate a number of new processes and systems in the building, one of which was the implementation of new protocols governing deliveries and security.

Fashion brand Ted Baker has signed a 10-year lease with Westminster City Council, for 30,000 square feet of space at 101 Cleveland Street, with a rent of £900,000 per year. Ted Baker plan to move into the building summer 2022. This represents a significant shift for the retailer, which has been based in King's Cross for 20 years.

#### **Procurement & Commercial Services**

##### Purchase Order Pre-Approval Process – Above £100k

The new Purchase Order Pre-Approval Process for above £100k was successfully launched on 25 September 2021. A new workflow within our systems now routes all purchase orders exceeding £100k directly to Procurement and Commercial Services, in order for procurement compliance checks to be undertaken prior to a Purchase Order (PO) being committed. This new process will ensure the council avoids risks which arise with a PO being raised without a contract in place.

##### Digital & Innovation - Strategic partner engagement

We are continuing to get interest from partners in engaging with us and collaborating to deliver on our digital ambitions. We recently held an event with Virgin Media O2 which was attended by colleagues from across the organisation to learn about areas such supporting hospitality as people return to the City, Automated street cleansing and cargo movement, and technology to support older people to live independently. We are continuing to work with Virgin Media O2 and their SME partners to identify where they can support us to achieve improved outcomes for people across the City.

##### Digital and Innovation recruitment campaign

We are establishing a new and exciting leadership team across Digital and Innovation and have launched a recruitment campaign with Berwick and partners for 5 key leadership roles. Working with the Chief Digital and Innovation Officer, these appointments will lead our work to continue to bring our Smart City ambitions to life, through new ways of working, innovating and creating opportunities for the people of Westminster. We hope to confirm appointments before Christmas.

#### **IT support to Afghan refugees**

In late September, IT were challenged to provide various elements of support to the teams providing assistance to the Afghan refugees housed in the Metropole hotel. We mobilised key resources and focused on the tasks in recognition of the priority placed upon this across the council. We produced a detailed online survey form for officers to undertake a baseline assessment of each refugee within hours of the request coming through, and a temporary staff office was kitted out with printers, and additional kit was provided to boost local WiFi signals.

An App was produced allowing staff to access and maintain the data captured in the original survey as well as offering a lightweight 'case management' solution to record refugee needs and the activities/actions associated with them in an accessible way. IT's outputs have facilitated the outcomes of the support teams within a challenging environment. We are making further developments to enhance the app in response to needs being identified by the support team.

### **Test and Trace Support Payments**

The Revenues and Benefits team have been supporting our residents on low incomes who must self-isolate due to Covid-19. To date we have issued 1,133 payments of £500 totalling £563,500.

### **Issues**

#### **Rising costs**

There are rising costs of energy, fuel and materials. Our major projects programme will be impacted by these increased costs. The availability of materials and equipment will be impacted as well as the cost of our energy.

The cost of energy for the council is mitigated through our framework agreement as our energy is purchased in advance. The volatility in the market will be contained by the forward purchases under the contract.

#### **Abnormally Low Tenders Process**

There have been a number of tenders over the quarter which have been abnormally low. While the tender templates do advise we can reject suppliers on this basis, there is not a clear standpoint on when a tender will be deemed too low. We are updating our tender documents to show clear instructions to bidders on what we deem to be an abnormally low bid and training will be given to Commercial Managers and stakeholders on how this can be calculated. This reduces the risk of being challenged and reduces the need for lengthy commercial evaluations.

**Key performance indicators**

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021).

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			Target assessment definitions	<b>Target off track</b> Off track to meet the minimum target level <b>Exceeding target</b> Exceeded ideal target level <b>Target on track</b> On track to meet the ideal target level <b>Minimum standard met</b> Met the minimum target below ideal level		
Key performance indicator	Q1 position	2021/22 target ranges				Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal	→			
1. Procurement Savings delivered council wide (in Year)	<b>£2.106m</b> (£702k p/m)	£5m (£417k p/m)	→	£6m (£500k p/m)	→	£7m (£584k p/m)	<b>£759,841</b>	<b>Exceeding target</b>  Savings are defined as cost reductions resulting from procurement activity, which can be either: 'Hard Savings' - competitive supplier selection resulting in a reduction to budget; or 'Cost Avoidance' – competitive supplier selection has reduced the cost of the contract but this does not have budget impact (e.g. because the service is new, or a one-off activity).
2. No. of major business impact priority 1 incidents per quarter (critical/major system being completely down which could affect more than 100 people)	<b>6</b>	22	→	18	→	12	<b>1</b>	<b>Exceeding target</b>  In July, our service partner recognised that there was an issue presenting around a domain controller which was causing difficulties for WCC staff accessing Mosaic. This was resolved with a change to some configuration within the firewall.
3. Unpaid sundry debt over 30+ days (NEW)	<b>13%</b>	20%	→	16%	→	12%	<b>10%</b>	<b>Exceeding target</b>
4. Percentage of council tax collected	<b>35.58%</b>	90%	→	91%	→	96.5%	<b>57.61%</b>	<b>Target on track</b>
5. Significant information security incident(s) attracting fines under new GDPR legislation such as Information Commissioner intervention regarding handling of data protection	<b>0</b>	0	→	0	→	0	<b>0</b>	<b>Target on track</b>

Key performance indicator	Q1 position	2021/22 target ranges				Position at Q2	Target assessment	Other contextual insight	
		Minimum	→	Ideal	→				Aspirational
6. Number of high-risk incidents reported to the ICO	0	0	→	0	→	0	0	Target on track	GDPR Incident reporting rules only apply if they meet the criteria set by the ICO.
7. Increase in total income generated from the council's investment portfolio	£5,307,826m Q2 20/21	1.5% increase per year £477,000	→	2% increase per year £636,000	→	3% increase per year £954,000	£5,645,970m increased by 6.3% Q2 21/22 since the prior year	Target on track	
8. Percentage of clients satisfied with Legal service as measured by the satisfactory survey	100%	70	→	80	→	100%	96%	Target on track	
9. Stage 2 complaint responses despatched within 20 working days (NEW)	48%	70%	→	75%	→	80%	72%	Target on track	If you are not satisfied with a stage 1 response, you can appeal to the Chief Executive by making a stage 2 complaint. Your complaint will be sent to the Complaints and Customer Manager who will carry out a review of the concern(s).
10. Time to process new benefit claims and benefit changes of circumstance notifications (NEW)	9 days	16	→	10	→	8	12 days	Target on track	
11. Variance between budget and full year forecast	£3.3m overspend at P4	Overspend	→	< £5m underspent	→	As per ideal	£4.7m overspend as at P6	Minimum standard met	Variance between budget and full year forecast
12. Percentage of business rates collected	25.52%	90%	→	91%	→	98.5%	49.18%	Minimum standard met	At the end of September 2021, Business Rate collection was 49.18% against 49.81% at the same point last year, a decrease of 0.63%.
<p><b>Service commentary:</b> The collection of business rates has been impacted by the Covid-19 outbreak.</p> <p><b>Mitigating action:</b> Recovery action through to enforcement agents is actively taking place.</p>									
13. Pension Fund: carbon savings achieved in year versus the 2018/19 baseline (NEW)	60%	50%	→	75%	→	100%	60%	Minimum standard met	Carbon to value invested is measured each year in November, the KPI remains unchanged from Q1.

Key performance indicator	Q1 position	2021/22 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal			
14. Variance between capital budget and FY forecast	£17.967m underspend P4	On budget based on forecast	→	On budget based on forecast	→	On budget based on forecast	£33.249m underspend P6 Target off track
<p><b>Service commentary:</b> The majority of the expenditure variance is related to growth, planning and housing large scale regeneration and development schemes.</p> <p><b>Mitigating action:</b> As part of the current ongoing Capital Projects Programme Scheme Review process we will be assessing the profiling of large-scale regeneration and development schemes, in particular those at pre-contract stage with the aim of reprofiling the current year budget to be more reflective of the latest knowledge.</p>							
15. Less than 4% of calls abandoned (Agilisys)	11.3%	5%	→	5%	→	4%	7% Target off track
<p><b>Service commentary:</b> Performance against target was met in both August and September but the unexpectedly high volume of calls received in July relating to the flooding in Westminster impacted the overall KPI result for this quarter.</p> <p><b>Mitigating action:</b> A new process has been implemented to enable agents from the in hours contact centres to support out of hours during major incidences to help with call volumes and long wait times.</p>							
16. Percentage of staff who have completed mandatory data protection & cyber security online training per year	67%	70%	→	90%	→	95%	58% Target off track
<p><b>Service commentary:</b> The staff who have carried out training is below the minimum target threshold. 42% of staff have failed to complete Cyber Security/Data Protection within 12 months. Directorates showing low completion rates include Innovation &amp; Change (47%), GPH (54%) and CHS (49%).</p> <p><b>Mitigating action:</b> Intervention is needed by senior management to ensure staff complete Cyber Security and Data Protection training (set on IBC as mandatory). IT will also explore sending of reports direct to Senior Management.</p>							

**Top scoring directorate risks**

Q2 Score	Risk			
25	<p><b>Financial risk due to COVID 19 and uncertainty regarding future government funding</b></p> <p>The Covid-19 pandemic has created significant financial risks due to additional expenditure the council incurred to support its communities and reduced income that has resulted from a drop in activity in the city from the lockdown and social distancing measures. The council have received approximately £30m in government funding to mitigate against the financial impact of the pandemic. The government will also reimburse authorities for 75% of income losses occurring in 2020-21 as a result of Covid-19 after the first 5% of losses is absorbed by local authorities. To qualify, income losses must be related to the delivery of services, while commercial and rental income are excluded. The council have claimed c£15m from the first two rounds of submissions.</p>			
	<p><b>Impact</b></p>	<ul style="list-style-type: none"> <li>• If government funding for the financial impact of the pandemic is not sufficient, this would cause overspends and a subsequent reduction in the general fund balance.</li> <li>• The uncertainty around the future of local government funding could lead to significant budget gaps in the medium term.</li> <li>• The council is still likely to have a net overspend for this financial year and there is a risk that the current position could worsen if the impacts of the pandemic remain the same.</li> <li>• There is also great uncertainty about the future of local government funding due to the economic impact of the pandemic and two key policy areas – the Fair Funding Review and Business Rates Retention scheme have been postponed</li> </ul>		
	<p><b>Existing controls</b></p>	<ul style="list-style-type: none"> <li>• Rigorous monthly monitoring which scrutinises forecast projections and challenges material movements against budgeted targets</li> <li>• Regular and detailed monitoring of COVID 19 impact on fees and charges, however this will only record not influence impact.</li> <li>• The council will seek to maximise the recovery of lost income through the government’s income compensation scheme. It is unknown what the scale of impact from a potential second wave and further government action would be at this stage.</li> <li>• Medium Term Financial Planning which reviews the council’s financial position over the next three years to ensure the council are pro-active in finding savings, and therefore ensuring financial resilience.</li> </ul>	<p><b>Future controls</b></p>	

Q2 Score	Risk			
20	<b>Project demand/prioritisation</b> Meeting and managing increasing and unprioritized business demand and challenge to rapidly mobilise resource			<p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>
	<b>Impact</b>	Failure to deliver on council service priorities and ultimately impact on end users Reputational damage to IT and potential operational impact.		
	<b>Existing controls</b>	<ul style="list-style-type: none"> <li>Digital Partner framework implemented end-June</li> <li>Interim Resource Management in place covering PM, Architecture, Development</li> <li>Business Partnering with services to prioritise and filter demand</li> <li>Established formal IT Gate process with project methodology now embedded in an online portfolio management tool used by all IT PMs to plan, track and report on projects.</li> <li>Built IT Business Partnering capability within Ent Gov. Aligned Business Partners to key departments to ensure visibility of roadmaps of prioritised change is key to driving IT resource investment.                             <ul style="list-style-type: none"> <li>"Front Door" and Project initiation process now facilitated through PMO led Gate 0 - majority of proposals are now submitted through IT Business Partners and relative priorities of pipeline projects reviewed at regular IT Demand Review Group session.</li> </ul> </li> </ul>	<b>Future controls</b>	<ul style="list-style-type: none"> <li>PMO tool enhanced to include resource demand reporting to allow resource "hot-spots" to be managed.</li> <li>IT Business Partners continue working with service Digital Leads to agree priorities.</li> <li>Governance solutions to be explored with CPMO.</li> </ul>
20	<b>Delivery of Budgeted Savings</b> Due to ongoing funding reductions, the council must make savings from its revenue budget annually. This is crucial to set a balanced budget which is a legal requirement.  COVID 19 led to a number of saving proposals from March 2020 being delayed and further savings put forward as part of the budget report to full council in March 2021.			<p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>
	<b>Impact</b>	Failure to realise these budgeted savings will result in overspends and a reduction in balances and reserves. This will have a knock-on impact on future year's budgets as the savings are intended to be ongoing, making balancing future budgets more difficult.		
	<b>Existing controls</b>	<ul style="list-style-type: none"> <li>Robust challenge of all proposed MTP Savings during the MTP process (e.g. through Corporate Budget Group)</li> <li>In-year monitoring of agreed MTP Savings</li> <li>COVID 19 savings non-delivery monitoring</li> <li>Establishing whether savings will be deliverable even if delayed by Covid-19 response, as part of the latest MTP/C4A refresh process</li> <li>Ensuring delivery of collaborative savings proposals via the MTFP steering group and reporting to the Innovation and Change Board.</li> </ul>	<b>Future controls</b>	<ul style="list-style-type: none"> <li>Robust scrutiny in the annual budget setting process for proposed savings and effective in year monitoring. This needs to be on-going.</li> </ul>

# Growth, Planning and Housing

## Achievements

### **Affordable Housing Programme & Development update**

In September, the GLA confirmed that, with the exception of Church Street and Ebury, Westminster's bid for grant funding from the AHF 21-26 programme has been successful. This secures just over £24m of grant across a number of schemes and 230 new social and intermediate homes. We were ambitious in our ask per unit and secured grant at £154k per social and £62k per LLR unit, much higher rates per unit than those secured on the earlier programme. This grant is in addition to the £17.5m Care and Supported Housing funding previously announced for Carlton Dene and Balmoral, as well as circa £2m for additional units being delivered under the existing Affordable Housing Programme 2016-21. The GLA have also agreed in principle to convert a £2m Housing Zone Loan, provided in 2017 to support the enabling works on Lisson Arches, to non-payable grant.

A number of recently completed and also approved but as yet uncompleted developments have been shortlisted in various categories for the New London Awards 2021 (voting closed on 1 November 2021), demonstrating the high architectural and urban design standards that planning and design officers continue to achieve through negotiation of emerging development proposals. Shortlisted schemes include the council's completed Beachcroft House redevelopment (mixed residential and care home redevelopment on Shirland Road), recently approved Westmead redevelopment (residential development that achieves Passivhaus energy standard on Tavistock Road) and Ebury Edge temporary scheme (temporary community hall, café and affordable workspaces). Other Westminster development shortlisted includes 'Berkley Street', refurbishment and extension of an existing mixed use building on Piccadilly, Landsdowne House, a commercial development on Berkeley Square, and the extension and redesign of BAFTA's headquarters on Piccadilly.

### **Westminster Women's Safe Space (WWSS)**

WWSS was developed from funding secured by the council earlier this year through a bid to The Department for Levelling Up, Housing and Communities (DLUHC) and on 1 October we opened our respite accommodation for up to 16 women at a time in conjunction with St Mungo's.

The service will support women who regularly face barriers to accessing services and who present to services with multiple and complex issues. The service will continue to be inclusive for transgender women.

The WWSS is a short term specialist place of safety for rough sleeping women who experience multiple disadvantage to rebuild their lives. We target to accommodate 88 women over the 12 months duration of the funding.

### **Opportunities through council Suppliers**

In partnership with the Department for Work and Pensions and fibre broadband provider G Network, Westminster Employment Service (WES) launched a pilot programme that trained 5 residents to become fibre network installers. They started their new jobs with G Network in October. We're exploring a similar opportunity with Community Fibre, another major broadband provider in Westminster and Central London. WES also supported 13 residents in to customer

service, security and cleaning operative roles at the Marble Arch Mound and secured a pitch for the Unity Kitchen to provide coffee, creating an employment opportunity for a local resident.

### **Contact Centre Recognition**

The Housing Contact Centre achieved significant success at the UK National Contact Centre Awards 2021, winning a Gold award for the Best Diversity and Inclusion Culture and a Silver award for the Small Contact Centre of the Year. The Contact Centre was also commended in the category of Most positive impact on the community and the digital team was commended for small Business Improvement Team of the year. The council was competing with companies such as John Lewis, Sky, Vodaphone & Virgin Media.

### **Westminster Adult Education Service (WAES) - Learner Outcomes**

In 2020-21, the overall achievement level for WAES learners studying on Entry Level to Level 3 programmes was 89%. This achievement is 9% above last year's figure which had been significantly impacted by the pandemic and 2% above our pre-pandemic achievement. Our retention rate was back to the pre-pandemic level at 94%, with a pass rate for learners retained at 95%.

There were some areas with outstanding outcomes: Construction programmes had a 100% achievement rate and learners with diverse abilities had an achievement rate of 99%. Our GCSE results were good with 60% achieving a 4-9 grade in both maths and English. Learners in the creative industries area continued to achieve high grades of 90%+, which is well above national benchmarks. ESOL programmes, which is the largest area of study had an achievement rate of 87% up from 82%.

Progression outcomes for learners is positive with good numbers progressing to further or higher study and employment. The updated progression data will be reported later in 2021-22. For the 2020-21 academic year, WAES has self-assessed as remaining a good provider against the key judgement areas and is in scope for an Ofsted inspection.

In response to the skills shortages in the tech sector, WAES launched a new digital careers offer in partnership with Amazon Web Services. The programme has recruited well with the first cohort starting in October 2021. On completion, it is anticipated that learners will secure roles that enable good career progression and that pay above the London Living Wage. We are working with Westminster Employment Service to ensure that we have employer engagement with businesses who have vacancies, particularly those deemed as hard to fill in the sector.

### **Issues**

#### **Materials/Labour Shortages and Price Increases**

Materials shortages and price increases continue to be a issue/risk across the development programme. In terms of Luton St, West End Gate and Parsons North, all three sites have recently warned that they are experiencing difficulties in sourcing materials, which is likely to manifest as delays to Practical Completion. As well as the impact to dates on our live sites, we are already seeing significant increases in tender returns. Main contractors are reporting difficulties in securing tenders from sub-contractors. Where the sub-contractors are providing quotes these are much higher than anticipated and time-limited.

The team are working with the supply chain to regularly check-in on what impact this is having on the programme, and to seek opportunities for mitigations, such as alternative suppliers or

products. The team are also looking at opportunities for placing early orders. Stockpiling is a less effective option, with many of the pre-Brexit stockpiles now exhausted / depleted as a result of the pandemic.

Labour shortages are also becoming a much greater issue. Berkley Homes, Bouygues, Osborne and United Living are all reporting difficulties in securing sufficient labour (particularly brick-layers, plumbers and electricians). Again, this issue has the potential to slow-down production and impact completion dates, it is also a significant factor in the higher tender prices being returned. As with the materials shortages some of the live sites have warned that this issue has the potential to delay practical completion; West End Gate, Parsons North being the most immediate concerns.

Material price rises and labour shortages are having a significant impact across the entire programme. All schemes yet to be financially secured are at risk, with some schemes such as Luxborough, Balmoral, Westmead, Harrow Road and infill sites requiring viability mitigation and in extreme circumstances deferment.

### **Paddington Green Police Station**

Following the decision of the Major Planning Committee on 7 September 2021 to overturn the officer recommendation and refuse planning permission for the redevelopment of this site, this application is likely to be called in by the Mayor of London at Stage 2 and be approved. There is also the risk of a Secretary of State call in. Members resolved to refuse on the basis that the 32 storey tower is contrary to the council's tall building policy and the substantial harm it will cause to adjoining conservation areas and views from royal parks, the loss of daylight and sunlight and the poor quality of a number of single aspect flats.

## Key performance indicators

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021).

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				Target assessment definitions	<b>Target off track</b> Off track to meet the minimum target level <b>Exceeding target</b> Exceeded ideal target level <b>Target on track</b> On track to meet the ideal target level <b>Minimum standard met</b> Met the minimum target below ideal level	
Key performance indicator	Q1 position	2021/22 target ranges				Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal	→			
1. % of 'major' planning applications determined within 13 weeks i.e. larger scale development	83%	60%	→	70%	→	75%	<b>83%</b>	<b>Exceeding target</b> Targets were reviewed for 21/22. The ideal target increased, and the aspirational target decreased.
2. Number of businesses significantly engaged (including vouchers issued, Corporate Social Responsibility activity)	1,545	4,000	→	4,500	→	5,000	<b>3,162</b>	<b>Exceeding target</b> We are on track to exceed the target. The figure for the quarter includes a range of engagement including unique business enquiries, business engagement with service support programmes, pop-up project engagement, engagement with the Westminster Investment Service as well as vouchers distributed to Westminster businesses during the period. Reflected in the figures is also the Council's ARG scheme which is being administered by Business and Enterprise on behalf of central government.
3. Number of cases of homelessness prevented (Defined as outcomes from a combination of Housing Solutions and Shelter work)	148	500	→	520	→	550	<b>317</b>	<b>Target on track</b> 169 in Q2, up from 148 in Q1. This is in comparison to 621 total in 2020-21.
4. Affordable Housing units delivered in 20/21 (1,850 by 2023)	23	227 (1,250)	→	263 (1,286)	→	298 (1,321)	<b>44</b>	<b>Target on track</b>
<b>Service commentary:</b> 71 units of this year's anticipated supply are due to be delivered in Q4 so are at some risk of slippage into 2022-23. At Q2, 44 new affordable homes have been delivered which include a mixture of social and intermediate homes. These include council infill sites at Edinburgh, Falkirk and John Aird Court Estate Office conversions (3 homes) for social use. Also Farm Street (14), Cleveland Street (15) delivered by Octavia Housing, which are both schemes for intermediate rent. There were 12 spot purchases for social housing and for homeless households.								
5. Satisfaction with anti-social behaviour (ASB) case handling	68%	63%	→	67%	→	70%	<b>65%</b>	<b>Target on track</b> Targets reviewed and increased to make more challenging for 2021/22.

Key performance indicator	Q1 position	2021/22 target ranges					Position at Q2	Target assessment	Other contextual insight
		Minimum	➔	Ideal	➔	Aspirational			
6. % of 'non-major' planning applications determined within 8 weeks	67%	70%	➔	73%	➔	75%	77%	Target on track	The minimum and ideal targets have been increased for 2021/22 to be more challenging. The aspirational target has been reduced to be more realistic.
7. Westminster residents into jobs through our Westminster Employment Service (WES)	128	320	➔	420	➔	480	288	Target on track	Following a review, we have increased the ideal target from 350 to 420 and aspirational Target from 400 to 480. Since April, the service has brokered 720 jobs with local businesses and 288 residents into roles.
8. Westminster residents supported into Interims (Work trials, training, work placements & volunteering)	293	345	➔	863	➔	950	621	Target on track	We have applied a 250% stretch to our ideal and aspirational targets to reflect excellent performance to date. Previous annual targets 345 and 380 respectively.
9. 1,000 young people engaged in enterprise and sector-based experiences	0	750	➔	1,000	➔	1,250	0	Target on track	As in previous years, most of our engagement activity falls in Q3 and 4. The targets have been reviewed and are still considered challenging and realistic for 2021-22.
10. Contact centre - % calls answered in 30 seconds	69%	65%	➔	70%	➔	75%	70%	Target on track	Targets have been reviewed and are still considered challenging and realistic for 2021/22.
11. % planning appeals determined in favour of the council (Excluding telephone boxes)	62%	60%	➔	65%	➔	70%	64%	Minimum standard met	38 out of 59 successful in Quarters 1 and 2.
12. 9 or fewer new rough sleepers in the quarter who join the 'Living on the Streets (LOS) cohort	6	16	➔	9	➔	4	10	Minimum standard met	This is a new KPI which monitors how many new rough sleepers in the quarter were not accommodated or did not leave the streets themselves and stay rough sleeping long enough that they risk becoming entrenched rough sleepers.
<p><b>Service commentary:</b> In Q2, we had 10 new rough sleepers to Westminster who were seen rough sleeping on enough encounters that they are considered to be part of our Living On the Streets population – i.e. that a route away from the street wasn't achieved within their first few encounters with the outreach team.</p> <p><b>Mitigating action:</b> Since the quarterly data was released, St Mungo's Street Outreach Service have confirmed that 7 of the 10 have since been accommodated and are receiving support to sustain that accommodation and prevent a return to the street.</p>									
13. % satisfaction with repairs service	77%	82%	➔	84%	➔	86%	77%	Target off track	Targets have been reviewed and are still considered challenging and realistic for 2021/22.
<p><b>Service commentary:</b> Satisfaction with the repairs service has dropped because of the Covid-19 lockdowns and the time that residents have had to wait for their non-essential repairs to be completed.</p> <p><b>Mitigating action:</b> Our contractors are making appointments for all of these repairs, resulting in a period of catch-up. This is well underway and being progressed as quickly as possible.</p>									

**Top scoring directorate risks**

Q2 Score	Risk	
15	<p><b>Building Regulations - Part B &amp; Draft Building Safety Bill</b>                      Building Regulations - Part B has been re-written following an independent review of the building regulations and fire safety following Grenfell. The buildings "in scope" has been extended to cover many more of the properties within Westminster. The new draft bill sets requirements for competence and resource of the local Building Control team. It has far reaching impact across the council with the requirements for safety cases for council and private sector properties.</p>	<p>15 15 15 15</p> <p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>
	<p><b>Impact</b></p> <p>Burden on local authority - high call on resources to inspect buildings and legal responsibility for licensing of buildings. There is an estimated requirement for 25-30 Level 6 Qualified Surveyors required for Westminster (LABC figures).</p>	
	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>4 surveyors (incl 1 agency) have passed new Local Authority Building Control (LABC) (the national representative association) competency exams. Currently developing 2 Senior surveyors who may be able to fill principal posts. WCC has signed up to the LABC Quality Management System.</li> </ul>	<p><b>Future controls</b></p> <ul style="list-style-type: none"> <li>Looking to recruit:                             <ul style="list-style-type: none"> <li>1 Fire Engineer post</li> <li>1 Quality and Regulations Manager</li> <li>2 Principal Surveyors.</li> </ul> </li> <li>LDSA – Heads of London Borough Building Controls are approaching the London Mayor to consider a Pan London arrangement for BSB related work.</li> </ul>
12	<p><b>Materials/Labour Shortages and Price Increases in the UK construction industry (New Risk)</b>                      Based on industry reporting and in headline terms, tender prices are increasing by 4.5%-5% in Q2 2021 and 3% in Q3 2021. Both materials and building costs are anticipated to rise by 15% from Q2 2021 to Q2 2026 (next 5 years). The materials shortages and price increases continue to be a risk and are now becoming an issue across the Development Programme.                       The principal reasons for the shortages are: World demand, UK demand (HS2, Hinkley, general re-starting of the economy), Shortages of shipping containers, latent delays from the Suez Canal blockage and Texan pipeline closure, the continuing impact of the pandemic in manufacturing-heavy countries as well as the delayed impact of Brexit.                       Material price rises and labour shortages are having a significant impact across the entire programme. All schemes yet to be financially secured are at risk, with some schemes such as Luxborough, Balmoral, Westmead, Harrow Road and infill sites requiring viability mitigation and in extreme circumstances deferment.</p>	<p>0 12</p> <p>Q1 21/22 Q2 21/22</p>
	<p><b>Impact</b></p> <p>The discussions with the supply chain and reviewing advice from the CLC and other bodies suggest that the situation will remain challenging for a further 9 – 12 months. The impact is likely to be programme delays and increased costs, with smaller contractors suffering as they are unable to compete with larger contractors when procuring supplies.</p>	
	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>The Development team are working with the supply chain to regularly check-in on what impact this is having on the programme, and to seek opportunities for mitigations, such as alternative suppliers or products.</li> </ul>	<p><b>Future controls</b></p> <ul style="list-style-type: none"> <li>The team are also looking at opportunities for placing early orders. Stockpiling is a less effective option, with many of the pre-Brexit stockpiles now exhausted / depleted as a result of the pandemic.</li> </ul>

# Innovation and Change

## Achievements

### **Make It Count: Census 2021 campaign**

Make It Count: Census 2021 campaign achieved a more than 90% response rate for census returns. In comparison to 74% in 2001 and 85% in 2011, this is the highest result achieved in over forty years. Other statistical achievements include more than 20,000 impressions on Twitter and increased engagement on the corporate account by 25% and saw 95% more retweets in comparison to our average posts. More than 25,000 residents in key wards were targeted via Facebook and the promotional video features in the top twenty watched videos on our YouTube channel. Finally, the campaign has been shortlisted for 'Campaign of the Year' at this year's industry LGC Awards. After submitting our entry, the team presented to a judging panel and winner will be announced at the ceremony on 4 November.

### **Award-winning university partnership**

The Strategy & Intelligence team delivered its third symposium event, featuring the work that staff and students have completed as part of its award-winning university partnership. Running now for more than five years, the partnership has been an invaluable resource to the council – providing extra analytical capacity to teams across the council to investigate business problems and highlighting new and creative ways of using data or analytical techniques to generate insights into long-standing issues.

### **Local Area Profile for Gambling Risk within Westminster**

As part of the Gambling Policy (2022) update, the council has produced a Local Area Profile (LAP). This analyses and maps potential risks to gambling-related harm in Westminster, covering a range of health, economic and demographic indicators of vulnerability.

Completing an LAP is a recommendation of the Gambling Act 2005. In Westminster's case, it builds on cutting-edge Geofutures research commissioned by the council in 2016. It uses a range of Westminster data, the latest studies into gambling-related harm, and information from external experts to create a Gambling Vulnerability Index.

In the Index, risk factors (e.g., 'youth' or 'debt') are weighted based on the strength of evidence behind them. Relevant locations (e.g., youth centres or payday loan shops) are then mapped across Westminster. If an area contains multiple, overlapping risk factors, it becomes a Vulnerability Zone. Our LAP contains 'at home' and 'away from home' versions of the Vulnerability Index and maps. This demonstrates how both residents and those visiting, working and studying in Westminster can be vulnerable to gambling-related harms.

The LAP will help the council to understand gambling-related risk in our area, assist applicants in meeting the council's Gambling Policy, and support residents and stakeholders to scrutinise applications for new or existing gambling premises.

A significant achievement is how our LAP aligns with the recent Public Health England review into gambling-related harms. Our sources, risk factors and recommendations align with the vast majority of findings in the PHE review, indicating the strength of our research and the positive impact it will have on communities.

Additionally, we are the only local authority to have an interactive version of the maps, which can be accessed here: [Local Area Profile Map – Gambling Risk within Westminster](#). Alongside our commitment to Vibrant Communities – supporting vulnerable residents and ensuring a safe environment for young people – this work also aligns with our Smart City objectives, providing an innovative digital solution that will increase public engagement.

### **Westminster Reveals**

Westminster Reveals launched on 26 July. To mark the occasion, the Leader partook in a photocall with artists and musicians including those performing in UnderBelly Festival. The launch also saw Westminster Reveal’s digital hub go live along with its own Instagram account.

That week, the council also promoted its first cultural-partner activity with the National Gallery’s Sketch on the Square, which saw 250 easels placed on outdoor terraces for the public to use for free. Between July to October, Westminster Reveals unveiled activations across the city in partnership with cultural and business stakeholders. The most popular of these have been events under the Inside Out Festival. These include:

- Skate on the Strand
- West End Live
- Lion Tusk Trail
- Chila Burman X Covent Garden
- The Artist’s Garden by Lakwena Maciver

So far, c200,000 people have visited some of Westminster Reveals’ key attractions. This includes:

- 120,000 visitors to Underbelly Festival site, with
- 54,000 people attended West End Live of which 46% attended for the first time and 96% of visitors said the overall experience was good or very good. 37% of attendees combined their trip with a visit to the theatre, 41% of visitors purchased tickets as a result of their trip to West End Live, 51% said they would not have been in the West End if not for West End Live and 56% of West End Live visitors went on to visit other parts of West End.
- over 9,000 participants for Sketch in the Square
- 1,200 participants for Easels in Mayfair

From the end of July – October, Westminster Reveals’ Instagram account has attracted over 1,100 followers, of which is a very positive start as we’re growing our audience organically. Social media posts have reached 67,289 and gained 165,493 social impressions as well as 14,426 engagements.

The campaign has also seen influential media such as *Time Out*, *Secret London*, *BA Highlife* visit attractions to promote Westminster to their national and international readers/followers. We have seen significant media coverage, including 70+ pieces of press coverage in outlets such as *BBC London*, *Evening Standard*, *The Daily Telegraph* and *Metro*. After October, the campaign will focus on the festivities of Halloween, Christmas and New Year to ensure both residents and visitors are aware of the exciting things the city has to offer.

**Issues**

**Energy costs / impacts on residents' analysis**

A virtual team with a variety of expertise was rapidly set up to bring national and local energy advice and support into one place on the council's website, to respond to rising fuel bills. The new web pages are being communicated to residents and stakeholders. Analysis shows that the impact of rising energy bills, combined with the removal of the £20 Universal Credit uplift will worsen the position of 4,000 households already identified to be struggling financially. A network of meetings has been established with providers of energy advice (CAB etc) to understand demand for advice over the winter, with a view to boosting and extending it if needed. Westminster has 380 energy advice slots over the winter, but demand could grow as the rises in fuel bills bite.

## Key performance indicators

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021).

<b>Target range definitions</b>	<b>Minimum</b> <b>Ideal</b> <b>Aspirational</b>	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	<b>Target assessment definitions</b>	<b>Target off track</b> <b>Exceeding target</b> <b>Target on track</b> <b>Minimum standard met</b>	Off track to meet the minimum target level Exceeded ideal target level On track to meet the ideal target level Met the minimum target below ideal level
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Key performance indicator	Q1 position	2021/22 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal			
1. Residents feel informed about services and benefits	70%	64%	→	69%	→	74%	This is an annual survey. Results from the City Survey will be available Q3.
2. Residents feel informed about plans for your local area	66%	64%	→	69%	→	74%	This is an annual survey. Results from the City Survey will be available Q3.
3. Residents have seen the Westminster Reporter	59%	51%	→	56%	→	61%	This is an annual survey. Results from the City Survey will be available Q3.

There will be a full summary of the 2021 City Survey provided in the Quarter 3 report.

## Top scoring directorate risks

No risks reported by Innovation & Change this quarter met the minimum scoring threshold for inclusion into the report.

# People Services

## Achievements

### **Launch of New Managing Employee Health Policy**

The Westminster Way (TWW) is key to our HR policies and procedures. A key enabler is how we manage sickness absence within the organisation. We have recently reviewed the sickness policy to present a process which has the employee's wellbeing as the central focus. The newly introduced guide pushes the boundaries of what has been the standard local government way and enables our people leaders to truly lead and support their team members as they feel is appropriate

People Services were able to introduce this new guide using a collaborative approach with the unions, managers and networks. This resulted in a successful launch of the guide. The new guidance has been live for a month and has been received well with minimal concerns being raised. We also launched a training session on the new policy which was well received.

### **D&I Strategic Partner**

We have successfully onboarded Vercida, our D&I Strategic Partner, to help set out a strategic plan that will aim to close our pay gaps and develop a three-year action plan. Between July and September, we launched a series of Big Conversations consulting with staff across the council on our priorities. This will help us achieve our vision of a diverse and inclusive workforce and ensure that we better reflect our diverse communities. A draft report of the findings will be produced at the end of October.

Consultation activity included:

- 25+ focus groups
- 500+ colleagues engaged, including
  - All employee networks
  - All directorates
  - Contact centre
  - WAES
  - Regeneration offices

It was also announced that we were shortlisted for the D&I category for the LGC Awards.

### **Successful Talent Programmes**

#### Launch of Cohort 6 of the Emerging Leaders programme:

We launched Cohort 6 of the Emerging Leaders (EL) programme on 29 July. EL is one of our most popular talent programmes and has been running since 2019. The most recent cohort (around 30 people) took the total number of staff who have been on this programme to 150 (approx.). We have maintained at least 50% Female and 33% BAME representation on all cohorts to date, ensuring that our under-represented staff groups have access to opportunities for their career development. Cohort 6 exceeded these numbers and had 69% female and 34% BAME participants.

Through this programme we have created an eco-system of apprentices within the council, as our emerging leaders are now leading on tasks and supporting other apprentices as people leaders. The programme has resulted in increased staff confidence with emerging leaders putting themselves forward for career progression opportunities. They are more aligned to the council's culture change aspirations and value the development opportunities that the council is providing to its staff.

### Tech Lions Programme

Tech Lions is a flagship apprenticeship programme co-designed by the People Services OD team and the Digital Talent team. It is being delivered by Multiverse.

Aimed at 18–24-year-olds, the programme was designed to hire and upskill young talent in some of the fastest growing areas. The programme is intended to provide a springboard and offer career pathways to our young people. We worked with the Economy and the Business & Enterprise teams to reach out to Westminster residents and offer this opportunity.

8 apprentices started on 27 September 2021– 3 in Digital Marketing, 3 in Data Analyst and 2 in Software Engineering programmes, of which 3 apprentices were Westminster residents and 87.5% were from a BAME background.

As part of the programme, apprentices were placed in different parts of the business and are being supported by subject matter experts in the council. We have also partnered with some industry leaders like Multiverse, Microsoft, Fujitsu and Unilever to offer a work experience opportunity for our apprentices on this programme.

This programme is first of its kind. It offers a great opportunity for learning and to find roles with the council or its partners at the end of programme.

### Exceeding 2.3% Public Sector Target for Apprenticeship starts

As a public sector organisation, our apprenticeship starts should be equal to at least 2.3% of our total headcount as on the last day of the previous year (31 March).

We not only exceeded the 2.3% public sector target for apprenticeship starts for 2020-21 but also exceeded it for the overall 4-year period (2017-2021). We had the highest number of starts in all 33 London Boroughs in 2020-21.

This is an achievement as most local councils are still struggling to spend their levy and meet this target. Some are also set to lose their levy due to expiring funds and are looking to transfer their levy to other organisations instead. WCC is not only utilising the levy effectively but has also created a demand for apprenticeships within the council.

### Issues

There were no issues reported this quarter.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021). We will provide KPIs from engagement and staff surveys when these results are received on an annual basis.

Key performance indicator	Q1 position	2021/22 target ranges				Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal	→			
1. % of staff turnover is managed at appropriate benchmark levels (excluding redundancies)	9%	13%	→	12%	→	11%	<b>Exceeding target</b>	280 leavers with an average headcount of 2,569.
2. % of BAME employees in senior leadership roles (band 5 and above)	21%	21%	→	22%	→	24%	<b>Exceeding target</b>	45 out of 188 band 5+ are now BAME. It was 38 out of 180 in Q1.
3. % of apprenticeship starts in relation to the public sector target of 2.3% of total headcount	0.1%	2% including schools	→	2.3% excluding schools	→	2.3% including schools	<b>Target on track</b>	The total headcount is 4015 (including schools). 2746 without schools. The aspirational target percentage is the figure with schools, and the ideal target percentage is without schools.
<b>Service commentary:</b> A large intake of apprentices in Q2 has improved the position and brought performance in line with the target. This includes the following which are all due to start in Q2; The Emerging Leaders (circa 20 starts), Digital Apprenticeships (circa 9 starts) and Coaching Apprenticeship (circa 20 starts).								
4. Increase the percentage of women in senior leadership roles (band 5 and above)	44%	47%	→	48%	→	53%	<b>Target off track</b>	86 out of 188 band 5+ staff are female. It was 80 out of 180 in Q1.
<b>Service commentary:</b> There was some positive movement from Q1 to Q2, though there is more to do in line with our pay gap action plan.								
<b>Mitigating action:</b> ELT are committed to ensure equity and equal opportunities for all band 5 appointments. This includes ELT attendance at every band 5 and above interview. Analysis of pay gap information will also inform a detailed action plan.								
5. Positive action - % of Band 4+ roles which have BAME candidate on the shortlist	84%	95%	→	97%	→	100%	<b>Target off track</b>	
<b>Service commentary:</b> Confirmation received that all non-compliant roles were discussed with Chief Executive and were acceptable in the circumstances. There has been positive movement on the positive action metrics in Q2.								
<b>Mitigating action:</b> ELT agreed to redouble efforts in this area including stopping band 4 + appointment as and where appropriate and restarting.								

## Top scoring directorate risks

No risks reported by People Services this quarter met the minimum scoring threshold for inclusion into the report.

## Adult Social Care and Public Health

### Achievements

#### **Air purification system in care homes**

We commissioned surveys to investigate indoor air quality and other Covid-19 related airborne disease transmission hazards in Older People Care Homes across the Westminster. Initial surveys focused on risk assessments of indoor air quality, efficacy of passive and or mechanical ventilation and presence of airborne Covid-19 virus. Follow-up surveys reviewed implementation of recommendations and surface swab PCR analysis of high contact surfaces to identify contact transmission risks and analysis of the air biome. The overriding recommendation from the Air Quality Surveys was to increase air purification in the care homes. ASC commissioners have engaged a company called Commercial Air Filtration to supply IQAIR Hyper HEPA air purification units, which are now installed in every care home. Research indicates that the equipment was effective in achieving a 99.9 % reduction of airborne virus particles within the first 10 minutes of operation.

#### **Rough Sleepers Drug and Alcohol Treatment Grant (RSDATG) Pilot Programme**

Westminster City Council is a Task Force area with the highest number of people sleeping rough who have been moved into emergency accommodation during the Covid-19 pandemic and with the highest numbers of people who are currently rough sleeping in the area. During 2020/21, a grant of £1.2m was secured to pilot a new initiative to address the treatment needs of rough sleepers with drug or alcohol issues.

The multi-agency, multi-disciplinary partnership was quickly established to mobilise the pilot from March 2021. The Service is coordinated by the substance misuse Treatment Provider Turning Point in collaboration with Local Authority commissioners to provide governance and system leadership. The pilot offers housing, health, mental health support. Interventions are delivered through joint clinics, drop ins and satellites with homeless health and primary care, based across a range of venues. Services are also delivered by street outreach provision.

Outputs and outcomes delivered to date are:

- 537 of rough sleepers with connection to Westminster were assessed as having drug and alcohol treatment needs at the start of the pilot. In the eight months of the pilot, 254 engaged with the service and entered treatment and a further 55 were assessed but have not yet engaged in treatment. 36 did drop out of treatment during this same period. However, work is ongoing with them to reengage in treatment.
- All individuals have been registered with a GP and housing needs have been assessed.
- Of the 68 who exited treatment during the first eight months:
  - 16 have successfully completed treatment
  - 12 were resettled out of area so their treatment plan was transferred to their home area
  - 4 entered prison, and
  - 36 left unplanned. We are working to reengage them into treatment.

### Issues

There were no issues reported this quarter.

## Key performance indicators

### Adult Social Care

The table below presents the latest cumulative outturns available for each KPI at Quarter 2 (July 2021 – September 2021).

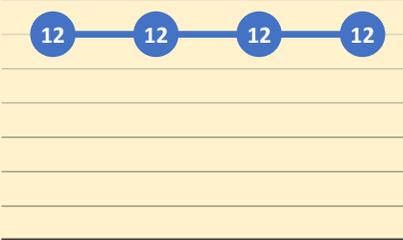
Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability				Target assessment definitions	<b>Target off track</b> Off track to meet the minimum target level <b>Exceeding target</b> Exceeded ideal target level <b>Target on track</b> On track to meet the ideal target level <b>Minimum standard met</b> Met the minimum target below ideal level		
Key performance indicator	Q1 position	2021/22 target ranges				Position at Q2	Target assessment	Other contextual insight	
		Minimum	→	Ideal	→				Aspirational
1. % of carers (caring for an adult) who have received an assessment or review of their needs (cumulative)	30%	77%	→	87%	→	92%	49%	Target on track	
2. % of service users receiving an assessment/review (cumulative)	23%	80%	→	90%	→	95%	43%	Target on track	
3. Total number of new permanent admissions to residential/nursing care of people aged 65 years and over (cumulative)	31	105	→	95	→	85	78	Target off track	
<b>Service commentary:</b> Changes in the Discharge to Assess guidance issued by the NHS/Government has had an adverse impact on this KPI. Hospitals are discharging high numbers of residents directly into the care home setting leaving little scope for the department to divert to the community pathway. <b>Mitigating action:</b> Funding for 4-6 weeks has been provided by the NHS to offset some financial pressure.									
4. Average number of homecare hours per week in the month	18,572	N/A	→	N/A	→	N/A	19,294		There is no statutory KPI related to homecare, and we do not set targets on how many people should receive care provision or state a direction of travel. Reviews of other London borough reporting highlighted that they too monitor rather than target homecare activity.
<b>Service commentary:</b> Additional homecare activity data provided to demonstrate volume of care being provided. This is a monitoring measure and therefore does not have a target or desired direction of travel but changes in hours can be an indication of demand for service. The figure is not cumulative.									

## Public Health

Key performance indicator	19/20 Position	Year-end 2020/21 position	2021/22 target ranges			Position at Q2	Target assessment	Other contextual insight
			Minimum	Ideal	Aspirational			
5. Community champions - number of community champions active	77	92	70	→ 80	→ 90	84	Target on track	This is the Q1 Figure. Q2 results are available mid-November.
6. Stop smoking services – number of 4 week quits	1,107	1142	150	→ 200	→ 250 (quarterly)	270	Target on track	This is the Q1 Figure. Q2 results are available mid-November.
7. % of alcohol misusers in treatment, who successfully completed treatment and did not re-present within 6 months	36.92%	38.5%	30%	→ 35%	→ 40%	37.6%	Target on track	The information provided in Q1 is for individuals who successfully completed treatment in Jan 20 – Dec 20, and did not re-present in Jan to June 2021.
8. % of children who receive a 2-2.5-year development review	68.5%	70.5%	65%	→ 70%	→ 75%	60%	Target off track	This is the Q1 Figure. Q2 results are available mid-November.
<p><b>Service commentary:</b> A data quality issue is impacting local performance.</p> <p><b>Mitigating action:</b> Remedial action is being taken to ensure that all reviews are being accurately recorded on the system. Fortnightly meetings with providers are underway to ensure prioritisation of the agenda. An audit to affirm results from 2020 is to be completed this winter to seek further assurance. When this was undertaken for 2019/20, the findings highlighted the gap in uptake is among the most affluent families in the borough and uptake among those in deprived wards was high.</p>								
9. Total routine contraception delivered through e-services	N/A	376	TBC	→ TBC	→ TBC	158		This is the Q1 Figure. Q2 results are available mid-November. This indicator was introduced in November 2020. (No target was set for the initial year. Discussion is required about what level of activity we would be putting forward as a target).

**Top scoring departmental risk**

Q2 Score	Risk		
16	<p><b>Widening Health Inequalities</b> Local data shows a widening of health inequalities. This is the gap in life expectancy between the most and least deprived areas in the borough, and there is a risk that health inequalities continue to widen.</p>		<p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>
	<b>Impact</b>	Westminster has the fourth highest gap (for women Westminster ranks similar to England average).	
	<b>Existing controls</b>	<ul style="list-style-type: none"> <li>• Director of Public Health's annual report to focus on Health Inequalities.</li> <li>• Recovering planning underway to support collaborative initiatives which reduce health disparities. (In RBKC Public Health have invested £4 Million with governance being overseen by the recovery board, in WCC 5 workshops have been held to inform an ELT paper on how we can respond to the impact of COVID with a commitment of £3 Million in funding being provided).</li> </ul>	<b>Future controls</b>
12	<p><b>Fragility of the Care Market and pressures on the local care market</b> Pressures on the local care market including staffing, training and development and financial pressures are resulting in the local markets being “fragile”.</p>		<p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>
	<b>Impact</b>	<ul style="list-style-type: none"> <li>• Reduction in demand for residential care could lead to provider failure</li> <li>• Potential staff shortages that could lead to lower market capacity.</li> <li>• Reduced uptake of training and development could lead to impacts on the quality of care provided to residents.</li> <li>• Financial pressures could lead to provider viability issues and ultimate failure.</li> </ul>	

Q2 Score	Risk			
	<b>Existing controls</b>	<ul style="list-style-type: none"> <li>Robust financial monitoring of new providers through Business Continuity Plan Reviews and existing providers via CreditSafe alerts. CQC provide alerts for providers in the Market Oversight Scheme.</li> <li>Business critical contracts identified - targeted programme of regular financial monitoring and strategic engagement at all levels with targeted engagement at homecare and care home sectors.</li> <li>Short term support through supplier resilience forum, although not sustainable in the long term</li> </ul>	<b>Future controls</b>	<ul style="list-style-type: none"> <li>In the short term, supporting of the market through the supplier resilience forum, which is additional monies provided by central government. However, this is not sustainable in the long term.</li> </ul>
12	<b>Financial Pressures and increased demand in Adult Social Care</b> Suppressed Demand - The concern is that when the pandemic eases demand for support will exceed previous levels. There is short term variation in patterns of care due to: <ul style="list-style-type: none"> <li>Family members being available to support</li> <li>Concerns at having people enter the home environment</li> <li>NHS Pressures                             <ul style="list-style-type: none"> <li>In the short term the NHS are funding placements and initial care costs (4-6 weeks). When this ends additional pressure is likely to fall to ASC.</li> <li>Lack of / delay of NHS treatment may result in a surge of demand. This could come from both hospitals as the NHS clears through backlogs of routine procedures as well as people who have not been treated and as a result have more complex care needs.</li> </ul> </li> </ul>		 <p>Q3 20/21 Q4 20/21 Q1 21/22 Q2 21/22</p>	
	<b>Impact</b>	<ul style="list-style-type: none"> <li>Increases in acuity of client needs (higher package costs);</li> <li>Increases in numbers of service users (demand increases);</li> <li>Inability to meet agreed savings targets</li> <li>Potential budget overspends</li> </ul>		
	<b>Existing controls</b>	<ul style="list-style-type: none"> <li>Active management of demand for homecare and care home support.</li> <li>Supplier resilience support mechanism in place.</li> <li>Savings plans developed to plan for reduction of funding that are costed and achievable</li> <li>Monthly finance and performance information to look at trends and potential impacts on budgets.</li> <li>Improved financial and performance monitoring in place to ensure alignment of service provision and financial commitments</li> <li>Winter-plans in place and funded to meeting seasonal demands</li> </ul>	<b>Future controls</b>	<ul style="list-style-type: none"> <li>None reported</li> </ul>

Q2 Score	Risk		
12	<p><b>Immunisation uptake</b> Immunisation uptake - Low uptake of vaccinations could see an increase in other infectious diseases.</p>		<p>A line chart with a horizontal axis labeled 'Q3 20/21', 'Q4 20/21', 'Q1 21/22', and 'Q2 21/22'. The vertical axis has horizontal grid lines. A blue line connects four data points, each represented by a blue circle containing the number '12'. The score remains constant at 12 across all four quarters.</p>
	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Herd immunity to infectious diseases may be threatened.</li> </ul>	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>Immunisation is a priority undertaken by the NHS, with the Public Health Department serving as a support function.</li> <li>Communications plan in place</li> <li>Uptake being monitored quarterly</li> <li>Rollout of new Covid-19 vaccination programme supported by community comms and engagement.</li> </ul>	<p><b>Future controls</b></p> <ul style="list-style-type: none"> <li>Lessons learned from current Covid-19 vaccine rollout and flu vaccinations rollouts to feed into likely future routine programme. Monitoring uptake of rollout is underway.</li> </ul>
12	<p><b>Adult Social Care Funding Reform</b> Preliminary government announcement indicating that there will be a cap in the level of contributions ASC clients will be made to pay towards the cost of their care. Further details yet to be released and White Paper expected in Autumn 2021.</p>		<p>A line chart with a horizontal axis labeled 'Q1 21/22' and 'Q2 21/22'. The vertical axis has horizontal grid lines. A blue line connects two data points, each represented by a blue circle. The score is '0' for Q1 21/22 and '12' for Q2 21/22, showing a sharp increase.</p>
	<p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Likely to lead to increase in number of referrals to ASC, and demand for assessment of need. This will create a workforce pressure. Local Authorities purchasing budget will be impacted - likely increase in spend. Number of people arranging their care privately is unknown.</li> </ul>	<p><b>Existing controls</b></p> <ul style="list-style-type: none"> <li>Awaiting further details in the White Paper which is due on Autumn 2021</li> </ul>	<p><b>Future controls</b></p> <ul style="list-style-type: none"> <li>Awaiting further guidance</li> </ul>

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## Audit and Performance Committee Report

<b>Date:</b>	1 December 2021
<b>Classification:</b>	General Release
<b>Title:</b>	Internal Audit Progress Report (September to November 2021)
<b>Wards Affected:</b>	All
<b>City for All Summary</b>	Internal audit provides assurance to the Council that it has robust systems and controls in place to meet its priorities.
<b>Financial Summary:</b>	There are no financial implications arising from this report
<b>Report of:</b>	Gerald Almeroth, Executive Director of Finance and Resources
<b>Report author:</b>	Moira Mackie, Head of Internal Audit Contact Details: <a href="mailto:Moira.Mackie@rbkc.gov.uk">Moira.Mackie@rbkc.gov.uk</a> . Tel: 07800 513 192

### 1. Executive Summary

- 1.1 This report summarises the work of Internal Audit in the period September to November 2021. Two audits have been finalised with a further six issued as draft reports. Although no overall opinion is given at this time on the adequacy and effectiveness of the Council's governance, risk management and controls, the Committee can be assured that sufficient internal audit work is planned to ensure an appropriate assurance opinion can be provided by the end of the financial year.
- 1.2 **Appendix 1** shows the finalised audits as at the end of November 2021 and the status of the remaining planned audits.

### 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

4.1 The Committee are provided with updates at each meeting on progress against the Annual Audit Plan and on any limited or no assurance audits issued in the period.

4.2 The Audit Plan for 2021/22 was reviewed by the Committee in March 2021. To ensure that the Annual Audit Plan is more responsive to changing risks and challenges, it has been developed as a '3 plus 9-month' plan. This approach allows for the first three months to be identified in detail with the remaining nine months being more flexible to suit the needs of the Council at the time. The Plan is reviewed and updated following discussions with Directors, taking into account changing risks and priorities. The revised Plan is reported to the Committee on a quarterly basis and any significant changes in the coverage of the Plan will be highlighted.

#### Internal Audit Outcomes (September to November 2021)

4.3 Since the last report to the Committee two audits have been completed:

Audit	Assurance	RAG
Christchurch Bentinck Primary School	Substantial	Green
St Luke's Primary School	Satisfactory	Green

Audits of the Council's schools are carried out using an established probity audit programme, usually on a three-year cycle unless issues dictate a more frequent review. The programme is designed to audit the main areas of governance and financial control and has been fully reviewed to facilitate effective remote auditing where required. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice and the purpose of the audit is to help schools establish and maintain robust financial systems.

No significant issues were identified from the audits finalised any recommendations made will be followed up later in the year.

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

- Investment Property Management
- Income Compensation Claim (Covid-19 funding).

4.5 Six audits have been issued as draft reports and are due to be finalised shortly.

#### Follow up

4.5 One follow-up review was undertaken in the period which confirmed that 71% of recommendations made had been fully implemented, with the implementation of the remaining recommendations in progress:

<b>Audit</b>	<b>Recs Made</b>	<b>Recs Implemented</b>	<b>Recs in Progress</b>	<b>Recs not yet actioned</b>
Financial Assessments (Advisory)	7	5	2	0
Total High Priority	0	0	0	0
Total Medium Priority	6	4	2	0
Total Low Priority	1	1	0	0

4.7 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

**5. Financial Implications**

There are no financial implications from this report.

**6. Legal Implications**

There are no legal implications from this report.

**7. Staffing Implications**

There are no staffing implications from this report.

**8. 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:**

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**BACKGROUND PAPERS:**

**Internal Audit Reports**

## Internal Audit Status Report as at end November 2021

Completed Audits:

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Med. Priority Recs	No of Low Priority Recs	Reported to Committee
Finance & Resources	NNDR	Jul-2021	<b>Substantial</b>	0	0	1	Sept-2021
	Income Compensation Claim		Advisory	0	0	0	Dec-2021
	Investment Property Management		Advisory	2	6	1	Dec-2021
Schools	St Peter's Primary (Eaton Sq) (2020/21)	Aug-2021	Satisfactory	0	5	2	Sep-2021
	Robinsfield Primary (2020/21)	Jul-2021	Satisfactory	0	2	0	Sep-2021
	Christchurch Bentinck Primary	Sep-2021	<b>Substantial</b>	0	0	5	Dec-2021
	St Luke's Primary	Sep-2021	Satisfactory	0	3	2	Dec-2021
Environment & City Management	Trading Standards (2020/21)	May-2021	Satisfactory	1	4	0	Sep-2021
	Food Safety (2020/21)	Jun-2021	Limited	1	5	0	Sep-2021

## Internal Audit Status Report as at end November 2021

### Status of Planned Audits:

Plan Area	Draft Report Issued	In Progress	2021/22 Not Yet Due	Removed from Plan
<b>Cross-cutting</b>		<ul style="list-style-type: none"> <li>• S113 Agreements Governance (Advisory)</li> </ul>	<ul style="list-style-type: none"> <li>• Business Continuity – Compliance</li> <li>• Scheme of Delegated Authority</li> </ul>	
<b>Adult Social Care</b>			<ul style="list-style-type: none"> <li>• Debt Management</li> </ul>	
<b>Children's Services</b>	<ul style="list-style-type: none"> <li>• Payments &amp; Direct Payments Team</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting People Claims (on-going)</li> <li>• Placements – Operational &amp; Financial Systems Integration</li> </ul>		
<b>Schools</b>	<ul style="list-style-type: none"> <li>• Hampden Gurney Primary</li> </ul>	<ul style="list-style-type: none"> <li>• St Gabriel's CE Primary</li> <li>• Essendine Primary</li> <li>• Hallfield Primary</li> <li>• St Edward's RC Primary</li> <li>• St Vincent's RC Primary</li> <li>• St Augustine's Federated Schools – Secondary</li> <li>• Schools Thematic Work (VAT)</li> </ul>	<ul style="list-style-type: none"> <li>• All Souls Primary</li> <li>• Burdett Coutts Primary</li> </ul>	
<b>Finance &amp; Resources</b>	<ul style="list-style-type: none"> <li>• IT Asset Management</li> <li>• Treasury Management (2020/21)</li> </ul>	<ul style="list-style-type: none"> <li>• Key Financial Controls (on-going)</li> </ul>	<ul style="list-style-type: none"> <li>• Council Tax</li> <li>• Housing Benefit</li> <li>• IT Audits TBC</li> </ul>	<ul style="list-style-type: none"> <li>• IT – Programmes &amp; Projects Governance</li> </ul>
<b>People Services</b>		<ul style="list-style-type: none"> <li>• Payroll Compliance Testing (on-going)</li> <li>• Pensions Admin (on-going)</li> </ul>	<ul style="list-style-type: none"> <li>• Apprenticeship Levy Spend</li> </ul>	
<b>Growth, Planning &amp; Housing</b>	<ul style="list-style-type: none"> <li>• Lessee Charges (2020/21)</li> </ul>	<ul style="list-style-type: none"> <li>• Housing H&amp;S - Lifts Maintenance</li> <li>• Housing H&amp;S - Electrical Safety</li> </ul>		<ul style="list-style-type: none"> <li>• Social Value in Procurement</li> </ul>
<b>Environment &amp; City Management</b>	<ul style="list-style-type: none"> <li>• Sayers Croft Outdoor Learning Centre</li> </ul>			
<b>Innovation &amp; Change</b>		<ul style="list-style-type: none"> <li>• Performance Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>	

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## Audit and Performance Committee Report

<b>Date:</b>	1 December 2021
<b>Classification:</b>	General Release
<b>Title:</b>	Internal Audit Charter and Strategy
<b>Wards Affected:</b>	All
<b>City for All Summary</b>	Internal audit provides assurance to the Council that it has robust systems and controls in place to meet its priorities.
<b>Financial Summary:</b>	There are no financial implications arising from this report
<b>Report of:</b>	Gerald Almeroth, Executive Director of Finance and Resources
<b>Report author:</b>	Moira Mackie, Head of Internal Audit Contact Details: <a href="mailto:Moira.Mackie@rbkc.gov.uk">Moira.Mackie@rbkc.gov.uk</a> . Tel: 07800 513 192

### 1. Executive Summary

- 1.1 In accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), the Council has an Internal Audit Charter which is maintained by the Shared Services Director for Audit, Fraud, Risk and Insurance. The Charter is reviewed annually to ensure that it reflects the Standards.

### 2. Recommendation

The Internal Audit Charter and Strategy are approved by the Committee.

### 3. Reasons for Decision

The Internal Audit Charter is subject to annual review and, in accordance with the Public Sector Internal Audit Standards, it should be periodically approved by the Audit and Performance Committee. The Internal Audit Strategy is included as an Appendix

to the Charter and sets out how the Council's Internal Audit service will be developed and delivered in accordance with the Charter.

The Audit and Performance Committee consider the Council's compliance with its own and other published standards and controls as part of their Terms of Reference.

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

4.1 The Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013. The Standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). The Local Government Application Note has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) primarily as sector-specific guidance to local government organisations that previously fell within the remit of the CIPFA Code of Practice for Internal Audit in Local Government in the UK, and it provides further explanation to the PSIAS and practical guidance on how to apply the Standards.

4.2 The objectives of the PSIAS are to:

- Define the nature of internal auditing in the UK public sector.
- Set basic principles for providing internal audit services that add value to the organisation, leading to improved organisational processes and operations.
- Establish the basis for the evaluation of internal audit performance and to promote continuous improvement.

4.3 The Standard incorporates a code of ethics governing the integrity and conduct of internal auditors and the requirement for objectivity, confidentiality, and competency, including regard to the seven principles of public life.

4.4 There are also detailed performance standards on the actual conduct of internal audit work including audit planning, performance of individual audits, progress monitoring and the communication of results.

4.5 Included within the Standard is a requirement for regular review and assessment of Internal Audit's conformance with the Standard. This is done as part of the Annual Report of the Shared Services Director for Audit, Fraud, Risk and Insurance which is reported to the Audit and Performance Committee. The Annual Report to the Audit and Performance Committee for 2020/21 (reported in July 2021) included the following statement:

*"The internal audit service has been provided in accordance with the UK Public Sector Internal Audit Standards (PSIAS). During 2020/21 the Internal Audit Service undertook a self-assessment to verify PSIAS compliance which has identified general compliance with the Standards. Some improvements in reporting and planning have been identified which are being implemented in 2021/22."*

4.6 The London Audit Group (LAG) has organised a system of independent externally validated self-assessments across the London Boroughs. It has been agreed that self-assessments against the Standards, and where appropriate the CIPFA Local Government Application Note (LGAN) will be completed and that these will be externally validated by suitably qualified individuals or teams from other members of LAG. An externally validated assessment of the Internal Audit Service is due to be

undertaken in January/February 2022. The outcome of this assessment will be reported to the Committee in June/July 2022.

**5. Financial Implications**

There are no financial implications from this report.

**6. Legal Implications**

There are no legal implications from this report.

**7. Staffing Implications**

There are no staffing implications from this report.

**8. Consultation**

The Internal Audit Charter and Strategy are prepared in consultation with the Council's Executive Director of Finance and Resources and support 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:**

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**BACKGROUND PAPERS:**

**CIPFA Local Government Application Note**

**Public Sector Internal Audit Standards**

**CIPFA Statement on the Role of the Head of Internal Audit in Public Sector Organisations**

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Westminster City Council

Internal Audit Charter 2021



## 1. Introduction

- 1.1 This Charter establishes the purpose, scope, authority and responsibilities for the internal audit service for Westminster City Council, in accordance with the mandatory UK Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit in Public Sector Organisations.
- 1.2 The Internal Audit Strategy (Appendix 1) sets out how the Council's internal audit service will be developed and delivered in accordance with the Internal Audit Charter.
- 1.3 The Charter and Strategy will be reviewed annually and presented to the Council's Executive Management Team and to the Audit and Performance Committee to note.

## 2. Definitions

- 2.1 Internal Audit is defined by the Public Sector Internal Audit Standards (PSIAS) as:  
*"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."*
- 2.2 For the purposes of the PSIAS and this Audit charter:
  - The Shared Services Director for Audit, Fraud, Risk and Insurance is designated as the "Chief Audit Executive";
  - The Audit and Performance Committee are designated as the "Board"; and
  - The Executive Management Team is designated as "Senior Management".

## 3. Purpose of Internal Audit

- 3.1 Internal audit provides independent and objective assurance to Westminster City Council through its Members, the Executive Management Team and, in particular, the Executive Director of Finance and resources, to help discharge responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.
- 3.2 In addition, the Accounts and Audit Regulations (2015) specifically require the provision of an internal audit service. In line with regulations, Internal Audit provides independent assurance on the adequacy of the Council's governance, risk management and internal control systems.
- 3.3 The Internal Audit Service is led by the Shared Services Director for Audit, Fraud, Risk and Insurance and delivers audit reviews across three Councils: The Royal Borough of Kensington and Chelsea (the host borough), the London Borough of Hammersmith and Fulham and Westminster City Council.

## 4. Role of the Shared Services Director for Audit, Fraud, Risk and Insurance

- 4.1 The Shared Services Director for Audit, Fraud, Risk and Insurance is a senior and independent role within the Council and is responsible for:
  - ensuring that internal audit work is risk-based and aligned to the Council's strategic objectives and will support the internal audit opinion;
  - Identifying where internal audit assurance will add the most value or do most to facilitate improvement;
  - Producing an evidence-based annual internal audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control;
  - Demonstrating the benefits of good governance and working with the Council to promote and support this and helping the Council to understand the risks to effective governance;

- Giving advice to Senior Management and others on the control arrangements and risks in relation to proposed policies, programmes and projects;
- Promoting the highest standards of ethics and standards across the organisation based on the principles of integrity, objectivity, competence and confidentiality;
- Offering advisory services where appropriate and providing advice on risk and internal control arrangements for new and developing systems, including major projects, programmes and policy initiatives whilst maintaining safeguards over independence (see section 9).

## 5. Role of the Council's Senior Management

5.1 To enable internal audit to fulfil their role, the Council's Senior Management:

- Engage constructively with the internal audit service, facilitating their role throughout the organisation and recognising the role that audit can play in providing advice and assurance;
- Commit to the principles of good governance, recognising its importance for achieving the Council's strategic objectives; and
- Take account of advice provided by the Shared Services Director for Audit, Fraud, Risk and Insurance in respect of new and developing systems.

5.2 The Executive Director of Finance and resources (S151 Officer), supports the role of the Shared Services Director of Internal Audit, Fraud, Risk and Insurance by:

- Establishing an internal accountability and assurance framework including how internal audit works with other providers of assurance and ensuring internal audit is independent of external audit;
- Setting out how the framework of assurance supports the annual governance statement (AGS) and identifying internal audit's role within this (the Shared Services Director for Audit, Fraud, Risk and Insurance contributes to, but is not responsible for, the AGS);
- Ensuring the Audit and Performance Committee's terms of reference includes oversight of internal audit including the monitoring of adherence to professional standards and the performance of the service;
- Ensuring the Shared Services Director of Internal Audit, Fraud, Risk and Insurance has clear lines of reporting to Senior Management;
- Ensuring the annual internal audit opinion and report is issued by the Shared Services Director for Audit, Fraud, Risk and Insurance in their own right;
- Ensuring that the Internal Audit Charter and Audit Plan are approved by the Audit and Performance Committee in accordance with the PSIAS; and
- Ensuring that an external review of internal audit quality is carried out at least once every five years and the Audit and Performance Committee provides support for and participates in the quality assurance and improvement programme as set out in PSIAS.

## 6. Authority & Access to Records

6.1 Internal audit's remit extends to the entire control environment of the organisation.

6.2 In undertaking their duties and responsibilities, Internal Audit (which includes in house staff and contractors) and the Corporate Anti-Fraud Service shall be entitled to have full access to all of the Council's data, records, cash, stores, property, assets, personnel and information whether manual or computerised, it considers necessary to fulfil its responsibilities. Audit and Investigation staff may enter Council property and have unrestricted access to all locations and officers where necessary, on demand, and without prior notice. Council staff are expected to provide every possible assistance to facilitate the progress of audits and investigations.

6.3 Access rights apply equally to third parties and organisations, as permitted through the associated contract and partnering arrangements. Right of access to other bodies funded by the Council should be set out in the associated conditions of funding.

- 6.4 All records, documentation and information accessed during the course of audit reviews and investigations shall be used solely for that purpose. All audit and investigation staff are responsible for maintaining the confidentiality of information received in the course of their work and compliance with GDPR.

## 7. The Audit and Performance Committee

- 7.1 The Shared Services Director for Internal Audit, Fraud, Risk & Insurance is required to provide the Council and the Executive Director of Finance and resources with an annual opinion, reported through the Audit and Performance Committee, on the adequacy and the effectiveness of the internal control system for the whole Council. To achieve this, the internal audit function has the following objectives:

- To provide a quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources;
- To provide assurance that the Council's operations are being undertaken in accordance with relevant internal and external regulations, legislation, internal policies and procedures;
- To provide assurance that significant risks to the Council's objectives are being identified and managed;
- To provide independent assurance over the corporate governance arrangements in place across the Council;
- To provide advice and support to management to enable an effective control environment to be maintained;
- To promote an anti-fraud, anti-bribery and anti-corruption culture with the Council to aid the prevention and detection of fraud;
- To evaluate specific operations or issues at the request of the Audit and Performance Committee, as appropriate;
- To undertake investigations where there is suspected fraud, bribery or corruption; and,
- To provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

- 7.2 There are inherent limitations in any system of internal control and thus error or irregularities may occur and may not be detected by internal audit's work. When undertaking audit reviews, internal audit will provide management with comments and report on failures or weaknesses in internal control systems together with recommendations for remedial action. It remains a management responsibility to maintain an effective system of internal control and to have adequate systems in place to prevent and detect fraud.

- 7.3 Where appropriate, Internal Audit may undertake consulting work for the benefit of the Council. Internal Audit may also provide assurance to the Council on third party operations (such as contractors and partners) where this has been provided for as part of any associated contract.

- 7.4 The Shared Services Director for Internal Audit, Fraud, Risk & Insurance contributes to the review of the effectiveness of the Audit and Performance Committee, advising the Chair and relevant managers of any suggested improvements.

## 8. Reporting

- 8.1 The UK Public Sector Internal Audit Standards require the Shared Services Director for Internal Audit, Fraud, Risk and Insurance to report directly to the top of the organisation and those charged with governance. This is achieved through the following framework:

- The Internal Audit Strategy and Charter and any amendments to them will be reported to the Audit and Performance Committee;
- The Annual Internal Audit Plan is compiled by the Shared Services Director for Audit, Fraud, Risk and Insurance, taking account of the Council's risk framework and following discussions with stakeholders, including senior managers. The Audit Plan is subject to review by the Council's Executive Management Team and will be reported to the Audit and Performance Committee for noting and comment;
- The Internal Audit budget is reported to the Full Council for approval, as part of the overall Council budget;

- The adequacy, or otherwise, of the level of internal audit resources as determined by the Shared Services Director for Audit, Fraud, Risk and Insurance and the independence of service will be reported to the Audit and Performance Committee (see also the Internal Audit Strategy);
- Internal audit outcomes and progress with the Internal Audit Plan will be reported regularly to the Council's Section 151 Officer and to the Council's Senior Managers;
- Performance against the Internal Audit Plan and any significant risk exposures and control issues arising from audit work will be reported regularly to the Audit and Performance Committee;
- Any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Audit and Performance Committee;
- Any instances of non-conformance with the Public Sector Internal Audit Standards will be reported to the Audit and Performance Committee and will be included in the annual report of the Shared Services Director for Audit, Fraud, Risk and Insurance. If there is significant non-conformance this may be included in the Council's Annual Governance Statement.

## 9. Independence

- 9.1 The Council's governance arrangements give the Shared Services Director for Audit, Fraud, Risk and Insurance free and unfettered access to the following:
- The Chief Executive;
  - The Chair of the Audit and Performance Committee;
  - The Monitoring Officer;
  - All Members of the Executive Management Team.
- 9.2 The independence of the Shared Services Director for Audit, Fraud, Risk and Insurance is further safeguarded by ensuring that any appraisal of personal performance is not unduly influenced by those subject to audit. This is achieved by ensuring that both the Chief Executive and the Chair of the Audit and Performance Committee have an opportunity to contribute to, and/or review the appraisal of the Shared Services Director for Audit, Fraud, Risk and Insurance. The Shared Services Director has responsibility for Fraud and Insurance at the Council. Independence is maintained by ensuring that internal audit reviews of these functions are carried out and supervised independently of the Shared Services Director, including the scoping of the review and provision of the draft and final reports.
- 9.3 All Council and contractor staff in the Shared Services Internal Audit Service and Corporate Anti-Fraud Service are required to make an annual declaration of any potential conflicts to ensure that auditors' objectivity is not impaired and that any requirements of the Council are complied with.
- 9.4 Conducting internal audits is the primary purpose of the internal audit service to provide an objective assessment of the framework of governance, risk management and control to inform the annual internal audit opinion. Consulting engagements (also known as advisory engagements) are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control. This may include providing advice and guidance on current best practice in governance, risk management, systems design and development, internal controls and management.
- 9.5 Non-audit consulting services may impair, or appear to impair, the independence of the internal audit activity or the individual objectivity of the internal auditor and therefore safeguards will be implemented to avoid this.
- 9.6 Any significant consulting activity (over 5% of planned annual audit days) which might affect the level of assurance work undertaken, will be reported to the Audit and Performance Committee. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for at least 12 months.
- 9.7 Internal Audit must remain independent of the activities that it audits to enable auditors to make impartial and effective professional judgments and recommendations. Internal auditors have no operational responsibilities towards the systems and functions audited. If additional responsibilities are taken on by the Shared Services

Director for Audit, Fraud, Risk and Insurance, appropriate safeguards will be put in place to ensure that these responsibilities do not compromise the independence and objectivity of the service.

- 9.6 Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. The Shared Services Director for Audit, Fraud, Risk and Insurance has the freedom to report without fear or favour to all officers and particularly to those charged with governance.
- 9.7 Accountability for the response to the advice and recommendations of internal audit lies with management. Managers must either accept and implement the advice and recommendations, or formally reject them accepting responsibility and accountability for doing so.
- 9.8 The Shared Services Director for Internal Audit, Fraud, Risk and Insurance is responsible for escalating any concerns about maintaining independence through the, the Chief Executive, the Audit and Performance Committee and the Executive Management Team or the external auditor as appropriate.

## **10. Counter Fraud, Corruption & Irregularity**

- 10.1 Managing the risk of fraud and corruption is the responsibility of management. Internal audit procedures alone cannot guarantee that fraud or corruption will be prevented or detected. Auditors will, however, be alert in their work to risks and exposures that could allow fraud, corruption or other irregularity.
- 10.2 The Council has a shared Corporate Anti-Fraud Service as part of the Shared Internal Audit, Fraud, Risk and Insurance Service and the Service has a protocol for close working relations with Internal Audit. The policies and procedures of the Corporate Anti-Fraud Service are detailed in the Council's Anti-Fraud and Corruption Strategy.

## **11. Due Professional Care**

- 11.1 The Internal Audit Function is bound by the following:
- Institute of Internal Auditors' (IIA) International Code of Ethics
  - Seven Principles of Public Life (Nolan Principles);
  - UK Public Sector Internal Audit Standards;
  - The CIPFA Statement on the Role of the Head of Internal Audit in Public Sector Organisations (2019);
  - All Council Policies and Procedures;
  - All relevant legislation.
- 11.2 All staff and contractors are required to sign an annual statement confirming their compliance with the IIA code of Ethics.
- 11.3 Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.
- 11.4 A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies. This is managed through the performance management and appraisal process. Both the Shared Services Director for Audit, Fraud, Risk and Insurance and the Head of Internal Audit are required to hold a professional qualification (CCAB or CMIAA) and be suitably experienced.

**Internal Audit Charter and Strategy Reviewed and Agreed:**

<b>Date</b>	<b>Reviewed by</b>	<b>Comments</b>	<b>Approved by</b>
Oct 2021	James Graham, Audit Manager and Moira Mackie Head of Internal Audit	Reviewed and updated to reflect the requirements of the PSIAS	David Hughes Shared Service Director for Audit, Fraud, Risk & Insurance
Sep 2020	Moira Mackie Head of Internal Audit	Reviewed no material change	David Hughes Shared Service Director for Audit, Fraud, Risk & Insurance
Sep 2019	Moira Mackie Senior Audit Manager	Reviewed no material change	David Hughes Shared Service Director for Audit, Fraud, Risk & Insurance
Sep 2018	Moira Mackie Senior Audit Manager	Revised Charter	David Hughes Shared Service Director for Audit, Fraud, Risk & Insurance

## INTERNAL AUDIT STRATEGY

This Strategy sets out how the Council's Internal Audit service will be developed and delivered in accordance with the Internal Audit Charter.

The Strategy will be reviewed annually and presented to the Audit and Performance Committee for information.

### Internal Audit Objectives

Internal Audit will provide independent and objective assurance to the organisation, its Members, the Executive Management Team and, in particular, to the Executive Director of Finance and resources in support of discharging their responsibilities under S151 of the Local Government Act 1972 relating to the proper administration of the Council's financial affairs.

It is the Council's intention to provide a best practice, cost efficient internal audit service.

### Internal Audit Remit

The internal audit service is an assurance function that primarily provides an independent and objective opinion on the degree to which the internal control environment supports and promotes the achievement of the Council's objectives.

Under the direction of a suitably qualified and experienced Chief Audit Executive (the Shared Services Director for Audit, Fraud, Risk and Insurance), Internal Audit will:

- Provide management and Members with an independent, objective assurance and consulting activity designed to add value and improve the Council's operations;
- Assist the Audit and Performance Committee to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered;
- Drive organisational change to improve processes and service performance;
- Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements;
- Work closely with other assurance providers to share information and provide a value for money assurance function; and
- Participate in local and national bodies and working groups to influence agendas and developments within the profession.

### Service Delivery

The service will be delivered by a mixture of in-house staff and the Council's internal audit partners under the direction of the Shared Services Director for Audit, Fraud, Risk and Insurance.

The Internal Audit Service is a shared service hosted by the Royal Borough of Kensington and Chelsea. The audit service works with the London Borough of Hammersmith & Fulham and Westminster City Council, to deliver audit reviews across the three Councils for sovereign as well as shared services.

## Internal Audit Planning

### Strategic Audit Plan

A strategic audit plan is maintained to document significant, persistent risks that the Council faces and outlines, in broad terms, business areas or themes to be covered over a five-year period. This plan is intended to support the annual planning process and ensure that, in being agile and responsive to a changing risk and assurance environment, internal audit continues to provide assurance over the breadth of the Council's operations and does not become a purely reactive function.

### Annual Audit Planning

Historically the full annual audit plan was prepared for submission to Committee prior to the start of the financial year. The traditional annual audit planning approach has become unsuitable as the original plan fails to keep pace with the organisation's changing assurance needs.

From 2021/22 onwards, the approach to audit planning changed, moving to a '3 plus 9' annual audit plan. We plan out the next three months in detail whilst keeping the remaining nine months more flexible. The plan will then be revisited each quarter to firm up the following quarter's work. Areas for consideration in the plan include:

- Risks to achieving strategic objectives;
- Issues currently affecting the department including emerging risk areas;
- Core operations / Business as usual/ Business Continuity;
- Governance;
- Transformation (Programmes, projects and new initiatives);
- Procurement and Contract Management;
- Information Management, IT and Continuity;
- Compliance;
- Areas where Internal Audit input may be helpful (including outside of that department); and
- Previous Internal Audit Coverage (or lack of) and alternative sources of assurance.

The audit plan will be presented to the Audit and Performance Committee each quarter.

### Follow Up

Internal Audit will evaluate the Council's progress in implementing audit recommendations against set targets for implementation. Progress will be reported to the Audit and Performance Committee on a regular basis.

Where progress is unsatisfactory or management fail to provide a satisfactory response to follow up requests, Internal Audit will implement the escalation procedure as agreed with management.

### Reporting

Internal audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work. Summary reports are also provided to the Audit and Performance Committee on a regular basis. This includes the annual report of the Shared Services Director for Audit, Fraud, Risk and Insurance which contributes to the assurances underpinning the Annual Governance Statement of the Council.

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City of Westminster

# Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	Wednesday 1 <sup>st</sup> December 2021
<b>Classification:</b>	For General Release
<b>Title:</b>	Counter Fraud 2021/22 – Half Year Progress Report
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	No direct financial implications arising from this report.
<b>Report of:</b>	Gerald Almeroth, Executive Director of Finance and Resources
<b>Report author:</b>	Andy Hyatt, Tri-borough Head of Fraud email: <a href="mailto:Andrew.hyatt@rbkc.gov.uk">Andrew.hyatt@rbkc.gov.uk</a> 020 7361 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 2021 to 30 September 2021.

## 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 2021 to 30 September 2021.
- 4.2 CAFS remains a shared service providing Westminster City Council with a complete, professional counter fraud and investigation service for fraud attempted or committed against the authority.
- 4.3 All CAFS work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. CAFS ensures the Council fulfils its statutory obligation under the Local Government Act 1972 to protect public funds and to have an effective system of prevention and detection of fraud and corruption.
- 4.4 During the first six months of this financial year, 2021/2022, CAFS investigated 420 cases, including 152 new referrals, and concluded 186 investigations. A conclusion could mean support of a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and prevents it from continuing, an action that deters fraud, or no further action where there is no case to answer.
- 4.5 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 01/04/21	261	Tenancy & Housing cases	109	107
New referrals received	152	Insider fraud	4	4
Closed investigations (Positive outcomes 103)	186	Other Corporate	60	69
		Parking and Blue Badges	13	44
Live cases as at 30/09/21	227	POCA	0	3

- 4.6 Case details are reported in Appendix 1.
- 4.7 For the period 1 April 2021 to 30 September 2021, CAFS identified 103 positive outcomes. Fraud identified has a notational value of £470,000 and is detailed in the following table. The table also compares the achievements against those for the first six months of 2019/20 (pre-pandemic) and 2020/21 (pandemic).

## 4.8

Activity	Half-year 2019/20		Half-year 2020/21		Half-year 2021/22	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud	6	7,600	1	2,000	8	24,210
Right to Buy	10	12,300	17	22,700	1	3,500
Preventative Activity (incl.pro-active)	6	15,000	-	-	5	6,500
<b>Prevention subtotal</b>	22	34,900	18	24,700	14	34,210
Tenancy Fraud (Council and Registered Providers)	22	223,900	1	17,500	13	194,000
Insider fraud	1	2,000	-	-	3	37,000
High/Medium risk fraud (e.g. NNDR, Procurement, Duplicate invoices)	3	45,000	1	3,500	9	39,638
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	4	5,299	5	4,888	3	1,323
Disabled Parking	33	64,600	20	21,406	50	89,175
Resident's Parking	7	5,300	57*	28,912	6	7,176
<b>Detection subtotal</b>	70	346,099	84	76,206	84	368,312
Proceeds of Crime (POCA)	4	93,371	2	36,262	-	-
Business Grant clawbacks	-	-	-	-	5	67,800
<b>Deterrence subtotal</b>	4	93,371	2	36,262	5	67,800
<b>Total</b>	96	474,370	104	137,168	103	470,322

\*results from a special data matching exercise

## 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 2021, CAFS has received two new referrals. One was closed following a fact-finding investigation that could not corroborate the content of the allegation, while the second remains under investigation.

Allegation	Outcome	Case status
<b>2019/20</b>		
i. Dishonest behaviour and Conflicts of Interest	Following a fact-finding investigation, CAFS were unable to corroborate the allegations. Accordingly, CAFS discussed findings with HR, who were satisfied that the allegation was unfounded and that no further action was required.	Closed
ii. Anonymous letter alleging bribery	The investigation remains ongoing.	Ongoing

## **6. Anti-Fraud and Corruption Strategy**

6.1 The Council's Anti-Fraud & Corruption Strategy covering 2020/23 is based on five key themes:

- i) Govern
- ii) Acknowledge
- iii) Prevent
- iv) Pursue
- v) Protect

6.2 The Strategy is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds. It contains an action plan to provide management with a tool to ensure progress and transparency concerning counter-fraud activities.

### **i) GOVERN**

#### **A robust framework of procedures and policies**

7.1 Minimising any losses to fraud and corruption is an essential part of ensuring that the Council's resources are used for the purposes they are intended and ensuring we remain resilient to the threat of fraud.

7.2 Having a framework of anti-fraud policies is a critical tool in communicating the Council's stance and processes regarding fraud and how it will be dealt with. Anti-fraud policies also raise awareness amongst staff that response plans have been devised to deal with and minimise the damage caused by fraud.

7.3 Therefore, it is vitally important that policies are kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, giving guidance for decision-making, and streamlining internal processes.

7.4 CAFS review the key anti-fraud policies, at least annually or when legislation changes, and these are presented to the Audit and Performance Committee for their review and approval. This demonstrates to staff a tone from the top and that the Council take the threat of fraud seriously and that we will take the most vigorous possible action against those who commit fraud against the Council.

### **ii) ACKNOWLEDGE**

#### **Demonstrating that it has a robust anti-fraud response**

8.1 Counter-fraud activity is reported to the Audit and Performance Committee twice per year, detailing performance and action in line with the Anti-Fraud and Corruption Strategy. The annual performance report also describes the activity, achievements and outcomes against the strategic objectives.

- 8.2 A well-publicised anti-fraud and corruption strategy and framework of policies help build and develop a robust anti-fraud culture. This encourages staff and service users to participate in fraud prevention and to report any suspicions.
- 8.3 CAFS report on investigation outcomes, including successful prosecutions, prevention activity, actions that deter fraud, or no further action where assurance is obtained that there is no case to answer.

### **iii) PREVENT**

- 9.1 In addition to the specialist investigative role, CAFS continue to provide advice and support across the organisation, including the Council's partners and contractors.
- 9.2 This type of advice and support is essential during emergencies such as a pandemic when the fraud threat is higher than at other times for some services.
- 9.3 CAFS continues to remind staff and management of their responsibilities to prevent fraud and corruption and raise awareness training that highlights the risks and consequences of fraud against the Council and the wider community.
- 9.4 Bespoke courses help employees better connect the messages of the training to their daily responsibilities. It also helps staff identify suspicious activity and feel empowered to act against potential fraud.
- 9.5 In response to an audit recommendation regarding fraud awareness, staff working in the Bi-Borough ASC Financial Services undertook bespoke training. A total of 25 officers completed the course and learning assessment, scoring an average of 90% against a 70% pass mark.

### **Corporate investigations**

- 9.6 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 a practical assurance framework.
- 9.7 Since 1 April 2021, corporate investigation work has included:
- Ex-Employee – A successful prosecution of an ex-employee who had stolen several laptops from a storage location at Lisson Grove. The individual was sentenced to 12 months imprisonment (Suspended for 18 months) and ordered to carry out 120 hours of unpaid work.
  - Employee - CAFS received an anonymous whistleblowing referral via the online fraud reporting webpage that an employee was awarding contracts to companies with whom they were a director. Following a fact-finding investigation, CAFS were unable to corroborate the allegations.

CAFS discussed findings with HR, who were satisfied that the allegation was unfounded and that no further action was required.

- Employee – Investigation into an employee who allegedly owned property in India that was never disclosed when claiming welfare benefit. The findings had no bearing on the rate of welfare benefit the individual received.
- Personal Budgets – CAFS investigated the misuse of a clients Personal Budget payments by her son. The investigation identified an overpayment of £25,000, although the prosecution case failed the public interest test. Recovery remains ongoing.
- Employee - CAFS provided support to WCC Employee Relations Team looking into two allegations of secondary employment. Action has included carrying out searches with electronic fraud tools to confirm if there has been any secondary employment in the public sector, Companies House searches for business links, and online research to identify any additional information. The checks identified no secondary work, and the investigating officer fed this back to Employee Relations colleagues to provide assurance and support their ongoing activity.
- Employee - An employee who had registered two businesses from council premises. Premises where the individual worked. In both instances, the council address had received correspondence for these businesses. Management had taken initial action to address the matter directly with the employee, who instantly changed the addresses. CAFS reviewed the incident to ensure that all issues had been addressed and ascertain any previously unknown fraud risks.
- Housing – A resident raised a concern regarding the allocation of social housing and why some successful bidders had less than 100 points. They were concerned that applicants had fraudulently circumvented the allocation process. Basic enquiries confirmed that the addresses referred to were all community support units, only eligible to applicants over 60 who have been assessed for this type of accommodation.

9.8 Cases of note are reported in Appendix 1.

### **Housing/Tenancy Fraud**

9.9 CAFS provides an investigative service to all aspects of housing, including requests for the succession or assignment of tenancies, allegations of subletting or other forms of tenancy breaches, as well as right to buy verification. The objective is to effectively prevent and detect housing tenancy fraud and assure key stakeholders that applicants' eligibility for housing services are appropriately verified before being offered a tenancy.

- 9.10 Last year the pandemic disrupted achievements in this service area. In addition, changes to legislation, social distancing restrictions and limited access to courts all affected the number of fraud recoveries. However, as restrictions began to lift and investigators returned to standard operating procedures, there has been an upshift in achievements.
- 9.11 From 1 April 2021 to 30 September 2021, CAFS had successfully recovered thirteen properties, stopped six false housing applications and prevented one suspicious right to buy.
- 9.12 Additionally, ten recoveries involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties could be promptly reallocated.
- 9.13 Full details of all successful investigation activity regarding social housing are detailed in the table below, and noteworthy cases are reported in Appendix 1.

Landlord	Location	Postcode	Size bedrooms	Reason for recovery	Outcome
Council	Lavendon House	NW8	3	non-residence	Surrendered keys
Council	Naylor House	W10	1	non-residence	Surrendered keys
N/Hill Genesis	Harrow Rd	W9	2	non-residence	Surrendered keys
Council	Huxley House	NW8	2	non-residence	Surrendered keys
Council	Opie House	NW8	1	non-residence	Surrendered keys
Council	1-6 Dufours Place	W1F	1	subletting	Surrendered keys
Soho Housing	Sandringham Flats	WC2H	2	subletting	Court possession
Council	Fourth Avenue	W10	1	false application	Surrendered keys
Council	Rogers House	SW1P	3	false application	Court possession
Council	Lutyens House	SW1V	2	non-residence	Court possession
Council	Rogers House	SW1P	2	false statement	Surrendered keys
Council	Helsby Court	NW8	1	subletting	Surrendered keys
Council	Henry Wise House	SW1V	2	False succession	Succession stopped

### Parking investigations

- 9.14 CAFS continue to investigate the misuse of disabled parking badges and fraudulently claimed residents parking permits. Although the direct monetary value of parking fraud is relatively low, the reputational risk concerning this area is significant for Westminster City Council.
- 9.15 Like other service areas, the pandemic has significantly disrupted achievements, but outcomes have improved as on-street investigative activities returned to normal. Additionally, there has been a clearing of backlogged cases that had been delayed at the Magistrate Courts.
- 9.16 For the period 1 April 2021 to 30 September 2021, CAFS successfully prosecuted 30 offenders for misusing disabled parking badges. In addition, CAFS has also cautioned two offenders and, in two separate incidents, seized badges that had been wrongfully issued.

- 9.17 From the successful prosecutions, the courts imposed fines totalling £6,530, and defendants were ordered to pay the Council a total of £11,700 in costs and victim surcharges.
- 9.18 CAFS also investigate the misuse of residents parking permits and any suspicious applications. For example, CAFS received a tip-off that a café owner in Abbey Road, NW8, had fraudulently obtained a WCC residents parking permit even though they did not live in Westminster.
- 9.19 Following an investigation, CAFS took prosecution action regarding an offence under section 15(1) Theft Act 1968 and section 2 The Fraud Act 2006. The defendant pleaded guilty and was sentenced on 14 July 2021 at the City of London Magistrates Court. The defendant was sentenced to 12 months conditional discharge, ordered to pay £1,700 compensation, costs to the Council of £2,000 and a victim surcharge of £21.
- 9.20 Cases of note are reported in Appendix 1.

### **National Fraud Initiative (NFI)**

- 9.21 A vital component of the anti-fraud and corruption strategy is making better use of information and technology. To this effect, the Council participates in the biennial National Fraud Initiative (NFI), an electronic data matching exercise coordinated by the Cabinet Office.
- 9.22 Over 1,200 public and private sector organisations participate in the NFI, including councils, the Police, hospitals, and nearly 100 private companies, all helping to identify potentially fraudulent claims and errors. The outcomes to date for the 2020/2021 NFI matching exercise are detailed below.

<b>Matches</b>	<b>Fraud/Error</b>	<b>Amounts</b>
Housing Benefits	6	£76,206.11
Blue Badge Parking Permit	16	£9,775.00
Resident Parking Permit	1	£156.00
Common Housing Register	2	£6,480.00
Duplicate invoices	8	£13,646.61
	<b>33</b>	<b>£106,263.72</b>

- 9.23 These figures (except the Housing Benefit cases, DWP matters) are included in the table at 4.8.

### **iv) PURSUE**

- 10.1 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

- 10.2 The Council will always seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the Authority. Since April 2021, CAFS has successfully prosecuted 32 offenders as well as issued two formal cautions where appropriate.

## COVID Business grants

- 10.3 Since the pandemic, Westminster City Council, has supported over 8,000 businesses administering over £200m of the Government's covid business grant support.
- 10.4 Throughout this process, the Council, has been tuned and alert to fraud risks, following all Government guidelines, including low-friction controls designed to ensure councils processed payments swiftly as well as post-event assurance work.
- 10.5 CAFS has supported the Business Grant Team with these checks and due diligence work, including electronic checks to identify and verify the applicant and business, including the beneficiary account.
- 10.6 In some cases, there were instances where the Council paid businesses in error because details of eligibility only came to light as part of the post-event assurance work. For example, where a company had left premises without the landlords disclosing the change to the Council. These were mostly deemed "errors" in line with Government guidance, and the Business Grant Team commenced clawback (recovery) action.
- 10.7 The table below shows the number of clawbacks and recovery to date.

Activity	Cases	Amounts
Clawbacks (Round 1 & 2)	105	£1,370,888
Recovered	49	(£591,250)
Outstanding	56	£779,638

- 10.8 Where information may have been intentionally withheld, or false information provided by the business to obtain grants they were not entitled to, cases were referred to CAFS for further investigation.
- 10.9 The table below details CAFS activity to date.

Activity	Cases	Amounts
Clawbacks referred to CAFS	28	£390,689
Clawback resolved/recovered	5	(£67,860)
Insolvent/Unable to trace – to be passed to Dept. Business, Energy & Industrial Strategy for recovery	8	(£76,334)
Investigation and recovery action ongoing and potential fraud prosecution	15	£246,495
<b>Outstanding</b>	<b>15</b>	<b>£246,495</b>

## **Collaboration**

- 10.10 One of the critical themes that sit under the "Pursue" strategic objective is collaboration. By collaborating effectively, local authorities can use existing powers and tackle fraud locally and across geographical boundaries.
- 10.11 During the pandemic, CAFS worked closely with the Cabinet Office to utilise the facilities of their NFI data matching system.
- 10.12 By matching parking permit data between Westminster City Council and the Royal Borough of Kensington and Chelsea, a total of 60 permits, with a notional fraud value of £31,200, were revoked and the permits cancelled.
- 10.13 The Cabinet Office was so impressed by the simplicity of the match and outcomes achieved that they have now decided to roll this out across the capital and have requested data downloads from all London councils for a more substantial matching exercise later in the year.

## **v) PROTECT**

- 11.1 This aspect of the Strategy covers counter-fraud activity to protect public funds, saving the Council from fraud and protecting itself from future scams.
- 11.2 CAFS remains an active member of the National Anti-Fraud Network (NAFN), disseminating national fraud alerts that CAFS circulates to the appropriate departments. CAFS also offers support and advice to ensure proper action is taken in response to the warnings and protect the Council and the community from fraud.
- 11.3 CAFS also works with a variety of social landlords and statutory agencies to help detect fraud and ensure that those living in affordable housing across the borough are correctly entitled.

**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>Fraud Awareness</p>	<p><b>Bi-Borough ASC Financial Services</b></p> <p>CAFS continue to remind staff and management of their responsibilities concerning preventing fraud and corruption.</p> <p>Raise awareness of fraud against the Council through bespoke training, highlighting the risks and the consequences of fraud against the Council and the wider community.</p> <p>Bespoke courses help employees better connect the messages of the training to their daily responsibilities. This type of anti-fraud training also helps staff identify suspicious activity and feel empowered to act against potential fraud.</p> <p><b>Strategic objective:</b> Developing a more effective anti-fraud culture</p>	<p>In response to an audit recommendation regarding fraud awareness, staff working in the <b>Bi-Borough ASC Financial Services</b> undertook an online course which concluded with a knowledge assessment to evidence learning. The evaluation aims to measure how well a learner has understood the course content. Additionally, these assessments also help learners gauge their knowledge and learning progress.</p> <p>The course highlighted general fraud risks experienced by local authorities and the consequences of fraud on the Council and the wider community.</p> <p>It covered different fraud types and fraud indicators so officers could remain vigilant in how to spot fraud and how to prevent fraud. The course also provided clear advice on what officers should do if they suspect fraud and refer their concerns.</p> <p>A total of 25 officers completed the course and learning assessment, scoring an average of 90% against a 70% pass mark.</p>	<p>N/A</p>

## NOTEWORTHY INVESTIGATIONS AND ACTIVITY

### Case Description

**HOMEOWNERSHIP WESTMINSTER** - Westminster Community Homes (WCH) offers an intermediate rent scheme to assist households who would otherwise not afford to live in Westminster where they have local ties through residency or employment and budget towards homeownership. To help further, WCH contributes up to £10,000 towards the house buying fees, but only if the tenant is moving directly onto homeownership at the end of the tenancy.

A new application for the scheme was received for which the homeownership team became suspicious because of concerns that supporting documentation was false. As a result, the case was immediately referred to CAFS.

The applicant gave an address in W2 where he said he lived with friends. He said he also has three daughters living with him and required a suitable sized property. He provided a range of documents, including scanned passports, identification, wage slips, a TV license, and utility bills.

An initial check of Council data revealed that the applicant was not linked to the W2 address. There were no records of him living there. Investigators visited the address, and the tenants confirmed they had never heard of the applicant and that they didn't have anyone living with them.

As the investigator picked through the documents, it transpired that the TV License was fake. So too were the wage slips. He had declared himself a care worker, but the care company soon confirmed that he did not work for them and that the wage slips were not produced by them.

Open source enquiries revealed he was a Director of a pizza delivery company. Further investigations soon linked him to Widley Road, W9, where he was registered with his wife.

It seemed strange that he had created false documents when he could have legitimately applied for the scheme via the Widley Road address. However, financial enquiries showed that he had a County Court Judgement against him at that property and that this would have deemed him ineligible for the intermediate rent scheme.

The applicant attended an interview under caution, where he denied all knowledge of the application. However, he could not explain how the application included photocopies of his family passports or how someone would have had access to them and submitted them in support of this application. He admitted he ran a pizza delivery business but continued to deny all other questions put to him.

The application was rejected immediately, and while criminal prosecution was a consideration, the matter failed to meet the required thresholds for evidential and public interest tests.

	<p><b>TENANCY FRAUD (Abandonment/cash incentive)</b> - Westminster's Housing Services became suspicious of a tenant in Lavendon House, NW8, when they applied to move addresses under the cash incentive scheme but failed to pursue the application. When officers finally contacted the tenant, he did not refer to the incentive application but instead decided to terminate the tenancy. However, this was a joint tenancy with his wife, and when asked her whereabouts, he said he did not know. The whole matter appeared somewhat strange, and CAFS was asked to review the situation.</p> <p>Investigators soon traced the joint tenant, the tenant's wife, to a property in Oxford, and it transpired that she owned the property and that both husband and wife were living there. The evidence suggested the tenants had abandoned the Lavendon House, but CAFS could find no evidence of subletting or other wrongdoing. Moreover, the applicant had not pursued the application under the cash incentive scheme. Still, it was potentially an attempt to defraud if they had already moved from Lavendon House when he made the application.</p> <p>Due to Covid restrictions, CAFS undertook a telephone interview with the male tenant, who confirmed that he and his wife had vacated the Lavendon House address. He had not pursued the cash incentive as he did not know whether they would be entitled. However, he did agree to terminate the tenancy immediately.</p> <p>Both husband and wife signed and returned a relinquishment form, and the Council took vacant possession of the three-bedroom property on 26 April 21.</p>
	<p><b>EX-EMPLOYEE THEFT</b> – After a former employee had resigned from the Council following a period of long-term sick leave, management discovered that several laptops were missing from the storage area at Lisson Grove. In addition, the former employee's identity card had been used to access this area during a weekend and had also signed the access sheet to verify entering the building.</p> <p>When the individual attended City Hall to return work items, including a mobile phone and ID cards, he was questioned about the laptops at this meeting and denied being involved in their theft.</p> <p>The department referred the matter to CAFS, who quickly obtained CCTV footage from Lisson Grove, which confirmed that the former employee had entered and left the building with a bag and suitcase.</p> <p>CAFS liaised with the Police who arrested the individual in May 2020 and searched his property, but no laptops were recovered. Nevertheless, he was charged and appeared in Magistrates Court in May 2021, where he pleaded guilty to one count of burglary.</p> <p>The matter was adjourned for sentencing, and in August 2021, he was sentenced to 12 months imprisonment (Suspended for 18 months) and ordered to carry out 120 hours of unpaid work. The Court did not make an order for costs or compensation.</p>

	<p><b>TENANCY FRAUD</b> – a case was referred to CAFS by Housing Management, who advised that the tenant of a one-bedroom flat in Opie House, NW8, was never available for the annual gas checks. When they contacted the tenant about this, he stated he would make arrangements when returning to the UK. It was suspected he might be permanently living overseas and subletting.</p> <p>Interrogation of records showed he was listed for council tax liability since 2017 and claimed a single person discount. In addition, welfare benefits were in payment at the property, and finance records all linked the tenant to address.</p> <p>Several visits to the property were unsuccessful, but the investigator made inquiries with UK Border Force due to his comments about being overseas. These checks confirmed that the tenant had been out of the country for over a year.</p> <p>The investigator attempted to contact the tenant, but he regularly replied that he was unavailable for comment as he was still abroad.</p> <p>As a result of CAFS investigation and enquiries, Housing Management served notice. It referred the case to Legal Service to commence repossession, culminating in a Central London County Court hearing.</p> <p>The tenant failed to attend the hearing. Following a presentation of the facts, the Judge granted the Council an outright possession order and issued a Money Judgement Order against the tenant for £3,575.58 (Use and occupation charge) and ordered him to pay costs of £424.50.</p>
	<p><b>EMPLOYEE</b> - Human Resources (HR) asked CAFS to review an incident, having received information that an employee had registered two businesses from council premises. Premises where the individual worked. In both instances, the council address had received correspondence for these businesses. Management had taken initial action to address the matter directly with the employee, who instantly changed the addresses.</p> <p>HR asked CAFS to review the incident to ensure that all issues had been addressed and ascertain any previously unknown fraud risks.</p> <p>CAFS review and investigation found no areas of significant concern. However, further checks with HM Companies House verified that both businesses had changed their registered addresses and were no longer linked to council property.</p> <p>CAFS issued a final report to HR detailing the risk of reputational damage to the authority because council premises remained on the historic Companies House records, despite being changed. The report was present at the subsequent disciplinary hearing. The panel found the employee had breached the Employee's Codes of Conduct and issued a written warning.</p>

	<p><b>BLUE BADGE</b> – A parking investigator observed a black Mercedes parked and unattended in a designated disabled bay on Manchester Square, W1. The vehicle displayed a London Borough of Brent blue disabled badge, which enquiries showed had been issued to a female.</p> <p>A male driver subsequently attended the car and was spoken to by the investigator. He confirmed his identity and stated that the badge belonged to his mother, who was still at home in Wembley. As a result, the badge was seized, and the driver was cautioned.</p> <p>CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver did not attend Court and was found guilty in his absence. The Magistrates fined him £220 and awarded costs and a victim surcharge of £489.</p>
	<p><b>TENANCY FRAUD</b> – A referral from the Home Education team led to the discovery of an abandoned tenancy.</p> <p>CAFS was alerted to a suspicious home-school application by a vigilant officer of the Council’s Children Missing Education and Elective Home Education Team. Following receipt of the application, they carried out several home visits to the address in Lutyens House, Churchill Gardens, SW1, but never managed to find the tenant at the property.</p> <p>Internal records showed that the tenant was registered for Council Tax and receiving welfare benefits but not recorded on the electoral register.</p> <p>Enquiries with UK Border Force confirmed that the tenant had left the UK in 2018 and had not returned to the UK. Finance checks also confirmed that her transactions were overseas.</p> <p>Because of the above, Notices were served on the property in November 2020. A Court Hearing was later scheduled for July 2021, in which the Council sought possession of the property and an unlawful profit order in the sum of £10,100.00.</p> <p>At Court, Deputy District Judge Greenidge subsequently considered the claim and was satisfied that the defendant had lost the security of tenure by not occupying the property as her only or principal home. Accordingly, he terminated the residual contractual tenancy forthwith. However, the Judge was also satisfied that an order should be made on mandatory grounds. Therefore, he awarded costs for £424.50.</p> <p>The Council’s application to amend the claim to introduce the additional ground of subletting and an unlawful profit order will be dealt with at a separate hearing at a date determined by the Courts.</p>

	<p><b>TENANCY FRAUD</b> – WCC Housing attended to a leak in Dufours Place, W1, but could not gain entry to the flat. Eventually, a ‘friend’ of the tenant showed up with a key and let them in, but once inside, officers became suspicious due to the layout, which was reminiscent of a holiday home. For example, the bathroom had soap and shampoo dispensers on the wall akin to hotel décor, and the kitchen had instructions posted on various appliances. In addition, there were no clothes in the cupboards and no personal belongings.</p> <p>The case was referred to CAFS, who commenced enquiries. These checks included travel activity, and this revealed that the tenant was currently in Sweden. Further investigations showed that for the last five years, since 2016, he had remained in Sweden and had only been in the UK for 300 days. Because of this information, CAFS recommended that housing management serve notices to quit the property.</p> <p>Shortly after notices were served on the address, the tenant called the investigating officer. He began the conversation saying he had not done anything wrong and denied any sublet or anything ‘illegal’.</p> <p>Then, just as the investigator was about to stop the call and advise him that he would need to attend an interview, he said he would give the flat back as it was causing his health to suffer. He didn't elaborate further but said his mother would clear the flat, and he'd give it back. He returned the keys the following week.</p> <p>The relinquishment was quick, and due to the excellent condition of the property, the void period was minimal. Housing was able to let the property straight away to a person from the common housing register. Given this and the fact the tenant was still living overseas, no further action was taken.</p>
	<p><b>TENANCY FRAUD</b> – This file was identified through data matching and was raised as part of the 2018/19 national fraud initiative.</p> <p>The match compared housing data to DWP welfare benefit data and suggested that the Council tenant of a two-bedroom flat in Huxley House, NW8, was linked to an address in Pimlico. Enquiries showed that numerous financial records, including bank and insurance, were registered to the tenant at the Pimlico address, which turned out to be another social housing property managed by Peabody Housing Association.</p> <p>The investigating officer duly arranged an interview with the tenant to discuss running two concurrent social tenancies. However, the tenant contacted the investigating officer and said that she was not going to attend on the advice of the Citizen Advice Bureau. Still, during the conversation, she verbally admitted her sister was staying at her Huxley House address. Investigators explained that the Council would take further action, and if appropriate, this would include criminal action.</p> <p>Notices were served, but the tenant signed and returned a tenancy termination form ahead of any legal action, and the Council obtained vacant possession immediately.</p>

	<p><b>BLUE BADGE</b> – A parking investigator observed a black Mercedes parked in a designated disabled bay on Duke Street, W1, outside Selfridges. The vehicle displayed a blue disabled badge issued by the London Borough of Haringey. Enquiries revealed that the badge had been reported as stolen.</p> <p>The driver returned to the vehicle with a man and woman who got into the rear seat. The investigator introduced himself and asked to inspect the badge, at which point the driver took the badge and gave it to the man in the rear seat. Neither the driver nor the passengers were willing to cooperate. The driver and passengers then left the car and went into Selfridges.</p> <p>The driver returned and was apprehended and cautioned by the investigator, who explained that the badge was stolen. However, the driver stated that the badge holder was in the Qatar Embassy and could not be contacted. The driver remained uncooperative, and so Police assisted our investigator with his enquiries. They searched the car but failed to locate the badge, but the driver was identified and provided the Police with his driving licence.</p> <p>CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver pleaded guilty, and the Magistrates fined him £128 and awarded costs and a victim surcharge of £232.</p>
	<p><b>BLUE BADGE</b> – A BMW 418d was observed parked and unattended in a designated disabled bay on Belgravia Square SW1. The vehicle displayed a Royal Borough of Kensington and Chelsea issued badge. However, the investigator suspected it was a counterfeit badge due to its colour and subsequently checked the government blue badge database. This showed that the badge had expired on 30/04/2018 and not 05/07/2021 as was written on the badge.</p> <p>Additionally, the serial number on the badge indicated a different date of birth for the holder, as was recorded on the government database. The government database showed this serial number was allocated to a badge issued by the London Borough of Ealing.</p> <p>Subsequently, the driver attended the car and was spoken to by the investigator. The driver identified himself and confirmed that the vehicle was his and he had put the badge on display. He stated that the badge was given to him by a friend and belonged to her stepdad. However, he was unable to show that either of these people was present. The badge was inspected and seized; the driver was cautioned.</p> <p>CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver failed to attend and was found guilty in his absence. The Magistrates fined her £300 and awarded costs and a victim surcharge of £484. He was ordered to pay within 28 days.</p>

	<p><b>TENANCY FRAUD (Notting Hill Genesis)</b> – A case was referred by NHG for investigation because they were concerned that the tenant of a two-bedroom property in Harrow Road, W9, was subletting. Neighbours had reported not seeing the tenant for some time, and that unknown person appeared to be living there.</p> <p>Our investigation was unable to locate the tenant in the UK. Still, enquiries with UK Immigration revealed that she had travelled to Lebanon in January 2019 but there were no records of her returning.</p> <p>Visits to the address were unsuccessful, but eventually, investigators tracked down the tenant's son. Through him, the investigator made contact with the tenant; she was still in Lebanon.</p> <p>It soon became apparent the tenant would not be returning to the UK, which discounted any criminal action regarding her abandonment. However, investigators persuaded her to relinquish the property without the need for a costly repossession case. The keys were returned shortly after by the son, and NHG established vacant possession. The property has now been allocated to someone in genuine need of support.</p>
	<p><b>RESIDENTS PARKING</b> - CAFS received a tip-off that a café owner in Abbey Road, NW8, had fraudulently obtained a WCC residents parking permit even though they did not live in Westminster.</p> <p>Initial enquiries revealed the permit had been issued to the café owner on the basis that they were living in the café on Abbey Road. In support of his application, he had provided bank statements and car insurance details. However, the investigators soon traced the café owner to a residential address in the Borough of Ealing.</p> <p>Investigators visited the café where they questioned the owner about where he lived, and he showed them a storeroom with no bed or any other furniture. He was later interviewed under caution, where he admitted that his actual home address was in Ealing.</p> <p>CAFS took prosecution action regarding an offence under section 15(1) Theft Act 1968 and section 2 The Fraud Act 2006. The defendant pleaded guilty and was sentenced on 14th July 2021 at the City of London Magistrates Court.</p> <p>He was sentenced to 12 months conditional discharge, ordered to pay £1,700 compensation, costs to the Council of £2,000 and a victim surcharge of £21.</p>

	<p><b>RE-HOUSING FRAUD</b> - CAFS received a referral from colleagues in the Regeneration Team of Growth, Place and Housing. Vigilant officers had noted that the secure tenant of a two-bedroom property in Walden House, SW1, had made an application to be re-housed in three-bedroom accommodation as part of the regeneration process. He claimed that one of his previously undeclared adult daughters now lived with him, requiring more extensive accommodation.</p> <p>Westminster City Council leases Walden House to house tenants, but the lease expires in 2021. The landlords, Grosvenor Group, intend to redevelop the site but agreed to extend the Council's lease to allow all current residents to be offered properties within the City of Westminster.</p> <p>Initial investigations found the additional daughter to have no current links to the address. She was linked to the property until 2008, but this was also the last time she was on the Electoral Roll. Evidence suggested she had married in 2009 and had lived in Surrey until 2017 when she emigrated to Sacramento, California, USA. Subsequent UK Border checks confirmed she left the UK for America in 2017, and there has been no record of her returning to the UK since.</p> <p>The tenant was invited, on two occasions, to attend an interview and was asked to present passports for all members of the household, including his daughter. He failed to respond.</p> <p>A report of the investigation findings was presented to the Regeneration Team. As a result, they removed the daughter from the application and household composition, and he will be offered a two-bedroom accommodation only.</p>
	<p><b>BLUE BADGE</b> – In September 2020, a black BMW 118i was parked in a designated disabled bay on Marylebone Lane, W1. The vehicle displayed a blue disabled badge issued by the London Borough of Brent.</p> <p>The investigating officer observed a female driver was sitting in the vehicle. The investigator identified himself to the driver and requested to inspect the badge. At that point, the driver started the car, undertook a three-point turn and drove away. The investigator was able to video the vehicle, the badge on display and the driver. Subsequent enquiries revealed the badge holder was a male.</p> <p>Using the video evidence to build a case, the Council took prosecution action against the female driver who was the vehicle's keeper. She was prosecuted for two offences; one in respect of the misuse of the badge and the other in respect of her failure to provide the badge for inspection.</p> <p>The case concluded with a hearing at the City of London Magistrates Court on 11/08/21. The driver pleaded guilty to both offences and was fined £120 for misuse and £120 for failure to inspect the badge. In addition, she was ordered to pay costs of £250 and a victim surcharge of £34. A further order was made to pay the total amount within seven days of the hearing date, and the magistrates made a collection order in the event of non-payment.</p>

	<p><b>SUCCESSION FRAUD</b> - An individual applied to succeed a one-bedroom property in Fourth Avenue following the passing of the tenant, who was the applicant's grandmother.</p> <p>The applicant had to prove that the address was his principal home for one year before the tenant's death to qualify for succession. However, initial checks suggested that he had only been a resident at the property for a few months and was linked to an address in Newham. Investigators interviewed the applicant, where he provided a written statement rather than answer the officer's questions. Following this meeting, a document was provided by the applicant in support of his claim to succeed.</p> <p>The document supplied was written confirmation from his employers of him living at Fourth Avenue. However, subsequent enquiries with the employer revealed that the document provided was false. Finally, the employer-provided the correct information, which showed the applicant was not living at the Fourth Avenue address.</p> <p>Investigators conducted another interview, and again he provided a written statement, this time denying that he had created a fake document and confirmed it was supplied to him by his mother. Unfortunately, he would not comment further, and therefore officers needed to interview his mother. She admitted to providing this document in another written statement.</p> <p>Further investigations revealed that the applicant had supplied a total of five false documents, including payslips, a British Gas statement and a mobile phone bill. As a result, he was interviewed a third time but gave a "no comment" interview.</p> <p>Housing stopped the succession, and a notice to quit was served on the address. The applicant was summonsed to attend Court charged with offences under the Fraud Act 2006. He pleaded guilty and cited mitigating factors. He was sentenced to a twelve-month Community Order, including rehabilitation activity requirements and 80 hours of unpaid work. In addition, he was ordered to pay costs £1,500 and a victim surcharge.</p>
	<p><b>BLUE BADGE</b> – In October 2020, a black Fiat 500 parked and unattended in a designated disabled bay on Manchester Square, W1. The vehicle displayed a London Borough of Camden issued badge, and enquiries showed that the badge was given to an older man, but it had been reported lost/stolen.</p> <p>A female was subsequently seen returning to the vehicle and unloaded shopping into the boot space. The investigator interjected and spoke to the lady who identified herself. She stated that it belonged to a gentleman she knew as "Uncle Mo" from Hatton Garden. However, she could not provide the investigator with evidence that the badge holder was nearby or any further details about the badge holder. The investigator seized the badge, and the female driver was cautioned.</p> <p>CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver failed to attend and was found guilty in her absence. The Magistrates fined her £300 and awarded costs and a victim surcharge of £484. She was ordered to pay within 28 days.</p>

**TENANCY FRAUD (Soho Housing)** - A potential abandonment and subletting case was referred to CAFS by Soho Housing Association. The Housing Association suspected that the tenant and his wife were no longer residents and possibly absent for several years. They further believed that the tenants lived abroad (Philippines) and were perhaps subletting the flat to a close relative.

A tenancy audit at the property in Sandringham Flats, Charing Cross Road, prompted the referral when housing officers noted that the sister-in-law of the tenant seemed to be living there with her family.

CAFS initial enquiries showed that the tenant and his wife were listed on the current Electoral Register, and finance checks also linked them to the address. However, it was also noted there was little UK finance activity over the last few years.

Open-source intelligence indicated that the tenants were living in the Philippines, but enquiries with Border Force failed to show any periods of overseas travel. Instead, the response suggested they might have left the UK several years ago beyond Border Force records.

During the investigation, the tenants became aware of our enquiries and contacted the Housing Association to state that they were not subletting the premises. They said they had granted the sister permission to look after the premises whilst they were abroad for an extended period (in the Philippines) to care for an elderly relative.

Given the above, investigators made an appointment for the tenants to attend an interview at the Town Hall, providing a sufficient timeframe to return from overseas. In response, the tenant phoned the investigator to state that he would not return to the UK for this interview. The tenant said that his health had deteriorated in the "*four years*" he had been out of the country, and he was unable to travel.

A case file was presented to Soho Housing Association, and the tenants were sent a Termination of Tenancy form to sign and return. However, Soho never heard back from the tenants, and their solicitors filed for eviction in the courts. At Central London County Court, the Deputy District Judge ordered that Soho Housing Association be awarded possession.

Per our investigation memorandum of understanding, the Council will receive nomination rights for a unit of similar size (two-bedroom flat) that will be used to house a family in genuine need of support and assistance.

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City of Westminster

## Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	Wednesday 1 <sup>st</sup> December 2021
<b>Classification:</b>	For General Release
<b>Title:</b>	Counter Fraud Policy Review 2021/22
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	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.
<b>Report of:</b>	Gerald Almeroth, Executive Director of Finance and Resources
<b>Report author:</b>	Andy Hyatt, Tri-borough Head of Fraud email: <a href="mailto:Andrew.hyatt@rbkc.gov.uk">Andrew.hyatt@rbkc.gov.uk</a> 020 7361 2777

### 1. Executive Summary

- 1.1 The Audit and Performance Committee is responsible for the effective scrutiny of anti-fraud arrangements and activities, the Committee:
- review and approve anti-fraud policies
  - is responsible for gaining assurance that policies are kept up to date and are fit for purpose.
- 1.2 This paper contains three revised anti-fraud policies, reported in *Appendix 1*, for review and approval. They are:
- Fraud Response Plan
  - Anti-Bribery Policy
  - Anti-Money Laundering Policy

## **2. Recommendations**

2.1 The Committee approve the revised anti-fraud and corruption policies.

## **3. Reasons for decisions**

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

## **4. Anti-fraud policies**

4.1 Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended.

4.2 Staff are often the first to spot possible cases of wrongdoing at an early stage and are therefore encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be properly investigated.

4.3 It is therefore vitally important that anti-fraud policies are kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, giving guidance for decision-making, and streamlining internal processes.

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

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

**Officer Contact:**

**Andy Hyatt**

Tri-borough Head of Fraud

**Telephone** 0207 361 3795

**Email** [andrew.hyatt@rbkc.gov.uk](mailto:andrew.hyatt@rbkc.gov.uk)

# WESTMINSTER CITY COUNCIL

## FRAUD RESPONSE PLAN



City of Westminster

<b>Date of Issue</b>	<b>Date of last issue</b>	<b>Review Date</b>
December 2021	November 2020	December 2022

## 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 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.
- 3.5 The council is committed to tackling modern slavery and exploitation and we encourage you to report any concerns you identify. You can alternatively contact the Modern Slavery & Exploitation helpline on 08000 121 700.

#### **ACTION BY MANAGERS**

- 3.6 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**

- 3.7 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**

- 3.8 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.
- 4.6 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.

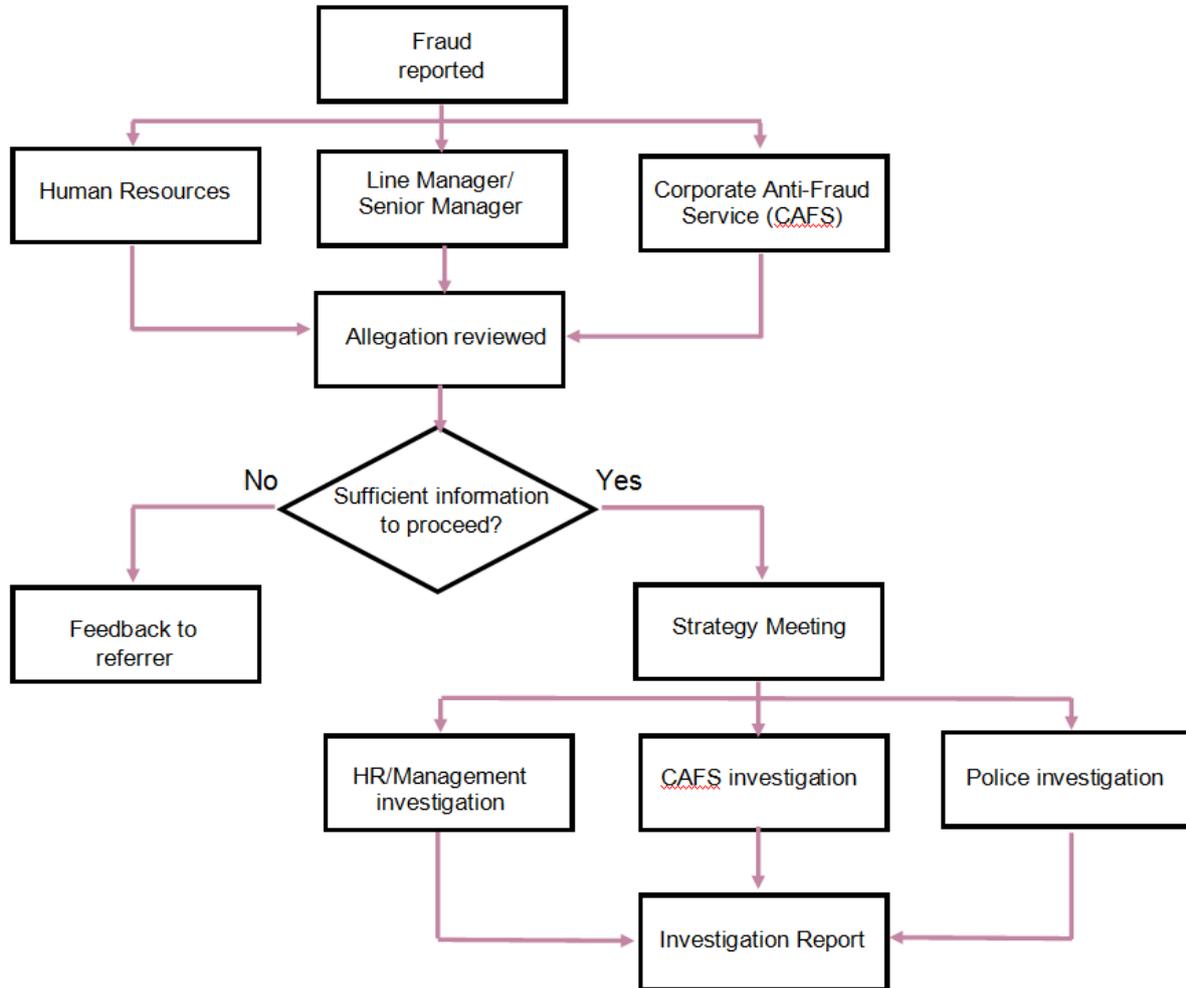
## 6 Recovery of loss

- 6.4 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.
- 6.5 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.
- 6.6 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.
- 6.7 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:
- Executive Director – Finance & Resources: Gerald Almeroth  
galmeroth@westminster.gov.uk, 020 7641 2904
  - 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

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



# **WESTMINSTER CITY COUNCIL**

## **ANTI-BRIBERY POLICY**



City of Westminster

<b>Date of Issue</b>	<b>Date of last issue</b>	<b>Review Date</b>
December 2021	November 2020	December 2022

## 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. What is bribery?

- 3.1 A "**Bribe**" means a financial or other inducement or reward for action which is illegal, unethical, a breach of trust, or improper in any way. Bribes can take the form of money, kickback, gifts, loans, fees, hospitality, services, discounts, the award of a contract, or any other commercial or personal advantage or benefit.
- 3.2 "**Bribery**" includes offering, promising, giving, accepting or seeking a bribe.

3.3 All forms of Bribery are strictly **prohibited**. If you are unsure about whether an act constitutes bribery, raise it with your manager or contact People and Talent.

3.4 Specifically, you **must not**:

- give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received;
- accept any offer from a third party that you know or suspect is made with the expectation that we will provide a business advantage for them or anyone else;
- give or offer any payment (sometimes called a facilitation payment) to a government official in any country to facilitate or speed up a routine or necessary procedure (even if these payments are common in certain countries); or
- threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption.

## 4 Conflicts of interest

4.1 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.

4.2 Conflicts of interests can be damaging for the Council and those concerned, potentially leading to accusations of corruption and impropriety. In such situations the mere perception of wrongdoing can cause huge embarrassment, regardless of whether such accusations prove to be well founded or not.

4.3 All employees need to read the Council's advice regarding declarations of interest ([click here](#)) and decide whether they have any conflicting personal interests and to agree to inform the Council if these circumstances change. A copy of the [declaration of interest and out of work activities form](#) is attached at **Appendix 1**.

- 4.4 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.

## 5 Gifts and hospitality

- 5.1 The acceptance of gifts and hospitality, even on a modest scale, may arouse suspicion and must be capable of public justification.
- 5.2 We must exercise discretion in offering and accepting gifts and hospitality. We consider how it might affect our relations with the party offering it and how elected Members, the public and other staff, might perceive it. If in any doubt we will discuss with our line manager.
- 5.3 Employees are therefore 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.
- 5.4 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 – you can access the Council's policy ([here](#)) and access the register and further information by following this [link](#).

## 6 Reporting your concerns

- 6.1 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.

- 6.2 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.
- 6.3 Employees can also raise their concerns in accordance with the Council's Whistleblowing Policy.
- 6.4 If you have any questions about this procedure, please contact:
- Executive Director – Finance & Resources: Gerald Almeroth, galmeroth@westminster.gov.uk, 020 7641 2904
  - 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

**Declaration of Interests and Out of Work Activities Form**

We are committed to being an open, transparent and accountable organisation. When completing this form please consider whether an external observer might reasonably think that you could be influenced by any interest. If in doubt, complete the declaration and discuss with your line manager.

**Completing the Form**

All parts of the form must be completed (enter “nil” or “N/A” as appropriate if you have no interests to declare under that heading). This form should be completed if your circumstances change. Attach additional sheets as required.

**On completion of the Form,**

Send to your line manager who will work with you to ensure any conflict of interest is avoided and upload a copy to your SAP electronic personal file.

<b>1. Financial Interests</b>	
Name of any other employer	
Name of organisations in which I am a partner or company of which I am a remunerated director	
Name of any incorporated body in which I have a beneficial interest	
Description of any contract for goods, services or works between WCC and myself or any organisation I am connected with.	
Address or other description (sufficient to identify the location) of any land in Westminster in which I have a beneficial interest.	
Address or other description (sufficient to identify the location) of any land where WCC is the landlord and the tenant is an organisation who I am connected with.	

## 2. Other Interests

Membership or position of general control of public authorities or bodies exercising functions of a public nature	
Membership or position of general control of companies, charities or bodies directed to charitable purposes	
Membership or position of general control of bodies whose principal purposes include the influence of public opinion or policy	

## 3. Indirect Interests

Any interest which my partner or other relative may have in WCC or in any organisation which may have an interest in WCC.	
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## 4. In addition, if a holder of a designated post (Band 5 and above or any role with a significant involvement in contract matters or other work which requires a high level of transparency)

Any paid or unpaid activity or work outside WCC employment (including appointments to organisations which are funded or grant-aided by the council)	
Any financial and/or non-financial interest I have in any Council business	
Any relationship with an organisation (or people who work for that organisation) where I may be required to provide advice on the management or funding of that organisation	
Any relationship (business or private) I have, or had, with an external contractor or potential contractor	

## 5. Additional Employment

Any paid or unpaid activity or work outside WCC employment (including appointments to organisations which are funded or grant-aided by the council)	
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Name	
Job Title	
Department	
Signature	
Date	

# WESTMINSTER CITY COUNCIL

## ANTI-MONEY LAUNDERING POLICY AND PROCEDURE



City of Westminster

<b>Date of Issue</b>	<b>Date of last issue</b>	<b>Review Date</b>
December 2021	November 2020	December 2022

## 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
- **Deputy MLRO: Andy Hyatt**, Shared Services Head of Fraud  
([Andrew.hyatt@rbkc.gov.uk](mailto: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 cash payment in excess of exceeds **£10,000** should be accepted, without referral to the MLRO or Deputy MLRO.

## 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. "Tipping off" is a criminal offence
- Report your suspicions immediately to the Council's MLRO or Deputy MLRO
- 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.

## 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.

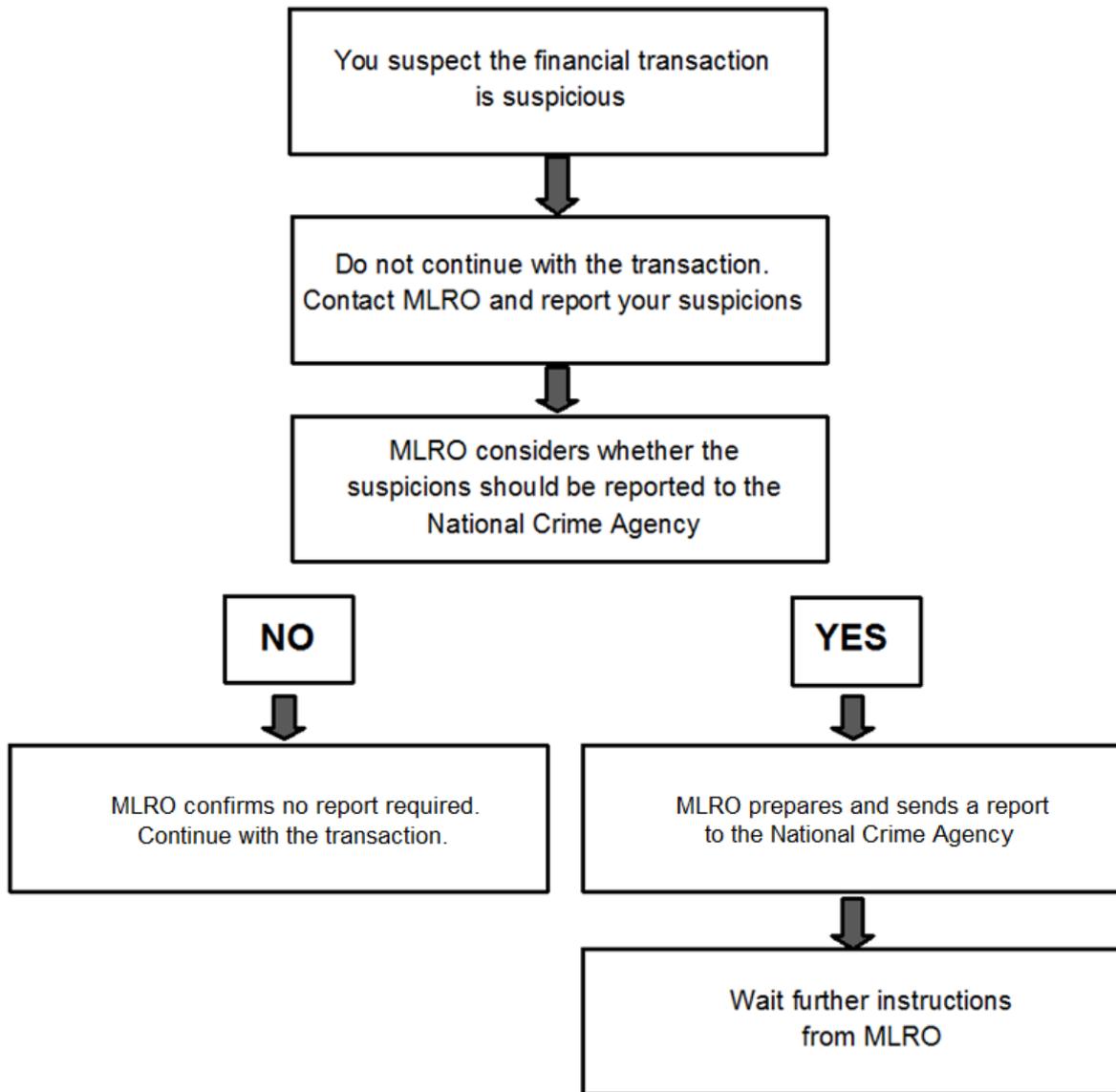
This will assist the MLRO to make a judgement as to whether there are reasonable grounds for assuming knowledge or suspicion of money laundering. The MLRO may initiate an investigation to enable him to decide whether a report should be made to the NCA.

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)



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# Business and Children's Policy and Scrutiny Committee

<b>Date:</b>	Thursday 7 October 2021
<b>Classification:</b>	General Release
<b>Title:</b>	Health and Safety in Schools
<b>Report of:</b>	Ian Heggs, Director of Education
<b>Cabinet Member Portfolio</b>	Young People and Learning
<b>Wards Involved:</b>	All
<b>Policy Context:</b>	...
<b>Report Authors and Contact Details:</b>	Alan Wharton, Strategic Asset Manager (Schools and Children's Services) Weronika Schultz, Senior Health and Safety Adviser  awharton@westminster.gov.uk wschultz@westminster.gov.uk

## 1. Executive Summary

- 1.1 As part of the 2020/21 Internal Audit Plan, a thematic voluntary review was undertaken on health and safety in schools. A summary of this review was included in the Head of Internal Audit's Annual Report which was presented to the Audit and Performance Committee at their meeting on 14 July 2021 (Agenda Item 6, Appendix 2) [APC IA Annual Report July 2021.pdf \(westminster.gov.uk\)](#).
- 1.2 The Audit and Performance Committee noted the relatively low level of responses from the schools and questioned whether the Council could be assured that schools within the borough had appropriate arrangements for health and safety in place. This matter has been referred to the Business and Children's Policy and Scrutiny Committee.

## **2. Key Matters for the Committee's Consideration**

2.1 The following are submitted for consideration by the Committee:

- Does the Council have adequate assurance that health and safety within schools and nurseries, including in community schools where the Council is the employer, and also the landlord of all community schools?
- Should the Council obtain assurances on the adequacy of health and safety compliance in all schools?
- Does the Committee consider additional support, training and oversight is required in respect of health and safety arrangements within schools and nurseries?
- Does the Committee consider that there is an appropriate level of voluntary reporting on health and safety within schools?
- Is there more that could be done to encourage sharing best practice between the Council and schools (i.e. through working with the Dioceses)?

## **3. Background**

3.1 As part of the 2020/21 Internal Audit Plan, a thematic review was undertaken on health and safety in schools. The purpose of this thematic review was to consider the adequacy of arrangements, in an area not covered by the standard audit programme, in respect of a potentially high-risk area for the Council.

3.2 The thematic review was a questionnaire which asked information in a number of different areas relating to health and safety including:

- Health and safety policies available.
- Health and safety training provision and records maintained.
- Records maintained on incidents and accidents.
- Health and safety reporting arrangements.

Details of the questions asked are attached as Appendix 1.

3.3 The questionnaire was sent to all of the schools and nurseries who are subject to internal audit as part of a three-year audit cycle. This was a total of 40 establishments which included Community, Voluntary Aided and nursery schools but excluded academies. The completion of the questionnaire was voluntary and it was recognised that the Covid-19 impact on schools was likely to affect the number of responses received. Some schools indicated that they were reluctant to complete the questionnaire as it was outside of the normal internal audit remit of finance and governance and some Voluntary Aided schools did not consider it to be a matter for consideration by the local authority.

3.4 A total of 10 responses (25%) were received, 6 from Community schools and nurseries and 4 from Voluntary Aided schools which is very low when compared with the responses received from other two Councils where the same exercise was undertaken (65% and 74%).

3.5 The responses to the questionnaire were summarised to identify areas of good practice and to identify areas where there was potential for improvement or sharing of best practice. Whilst the questionnaire was quite high level, it did

provide some assurance that the schools who responded had given appropriate consideration to their health and safety responsibilities with some positive and detailed responses to some of the questions (see Appendix 2 for more details on the responses received).

The key themes from the responses where further action may be required are summarised below:

- Policies and procedures.
- Wellbeing policy
- Frequency of training
- Training records.
- Risk assessments
- Lessons learnt
- Reporting of child injury incidents

3.6 It should be noted that the review only summarised the information provided by the schools and no in-depth compliance checking was undertaken on the statements provided.

3.7 A summary of the review was included in an Appendix to the Annual Report on Internal Audit and Internal Control - 2020/21 which was reported to the Audit and Performance Committee in July 2021. Whilst the Committee accepted that the completion of the questionnaire by the schools was not mandated, they were concerned at the low level of responses received. The Committee were also aware that the Council has limited responsibility over health and safety in non-Community Schools.

3.8 The Committee considered that further scrutiny was required on whether the health and safety arrangements for schools within the borough were adequate and whether there was proper oversight of these arrangements.

#### **4. Health and Safety – Responsibility and Duty for Schools**

4.1 The employer is accountable for the health and safety of school staff and pupils. Whilst the Council is ultimately the employer in community schools, these duties are delegated to the schools' governing body on a day-to-day basis. In most cases, they are responsible for ensuring that health and safety risks are managed effectively. Each governing body will have a nominated Health and Safety governor who will have attended appropriate training.

4.2 Schools must appoint a competent person to ensure they meet their health and safety duties. A competent person is someone with the necessary skills, knowledge and experience to give sensible guidance about managing the health and safety risks at the school. This can be someone appointed directly by the school, one or more of its staff, or the employer can arrange support from outside the school. In most schools, the senior leadership team can manage risks.

## **5. Council Arrangements for Health and Safety in Westminster Schools**

- 5.1 Until about three years ago, the Council's Corporate Health and Safety Team were part of a Bi-borough Service Level Agreement (SLA) which schools could opt into for Health and Safety Support. There are 60+ schools/nurseries within the borough (all types of schools). This arrangement was recently reviewed and, as there were only a few schools who had entered into an SLA, and there was no evidence of any schools contributing financially for the support available, it was decided that the Council would withdraw from the Bi-borough SLA offer.
- 5.2 The Council has maintained responsibility for Health and Safety at all schools and nurseries where staff are ultimately employed by the Council (Community Schools). The Council's responsibility is purely in their role as an employer and this responsibility does not extend to areas such as pupil safeguarding, which is the school's responsibility. Ownership of the school buildings does not affect the responsibilities of the employer in respect of staff health and safety i.e. an Academy where the Council still owns the freehold of the building but the staff are directly employed by the Academy.
- 5.3 Health and safety in non-Community schools and nurseries (such as Voluntary Aided and Academy schools) is the responsibility of the relevant school and its governing body who would need to have in place arrangements that would relate to staff, contractors and pupils. Some schools employ their own staff with health and safety responsibilities and others may procure external support for this.

## **6. Council Health and Safety Audits**

- 6.1 The Corporate Health and Safety Team undertake an annual programme of Health and Safety Audits in respect of the Community Schools (13 primary, special and nursery schools) plus the Westminster Adult Education Service (WAES). The audits examine compliance with health and safety regulations, and outcomes are reported to the schools. These compliance reviews involve the use of software which is designed to cover the areas to be reviewed in an establishment such as a school.
- 6.2 Focussed reviews in areas such as asbestos have also been undertaken. In addition, during 2020/21, the Corporate Health and Safety Team undertook a full review of all Covid-19 Risk Assessments submitted by the schools. Children's Services are undertaking a process of auditing all community schools. Those that have been fully audited within the last two years are now subject to a compliance check for asbestos, Legionella and electrical safety. The audits are used as a benchmark for further inspection and can form part of a Health and Safety plan to improve anything that has been highlighted during the process.

6.3 The Council has recently reinstated its subscription to the Evolve platform which enables schools to submit risk assessments for trips. Negotiations are underway to make this platform available to all schools, not just community schools.

## **7. Health and Safety - Training and Awareness**

7.1 The Corporate Health and Safety Team are available to provide training for Governors, if required, on their role with respect to health and safety at the schools. In addition, the Schools Governance Adviser confirmed that Governor training continues to be available, with the exception to training provided on safeguarding.

7.2 Important information, including training available for Governors, is published in a termly newsletter by the Schools Governance Adviser and issues raised where appropriate at the Chair's Forum. The Dioceses also provide training in a number of different areas and there is liaison between the Council and their Governance Lead on this.

7.3 The Schools Governance Adviser will be offering a session on health and safety for inclusion in forthcoming School Business Managers meeting (these are held each term).

**If you have any queries about this Report or wish to inspect any of the  
Background Papers, please contact  
Alan Wharton, Strategic Asset Manager (Schools and Children's Services)  
and  
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## **APPENDICES:**

Appendix 1 Questions sent to schools by Internal Audit as part of the thematic review.

Appendix 2 Summary of Responses to thematic review

## **BACKGROUND PAPERS**

Appendix 2 of the Annual Report on Internal Audit and Internal Control - 2020/21 which was reported to the Audit and Performance Committee in July 2021.

## Internal Audit Health and Safety in Schools (Thematic Review)

The questions included in the surveys sent to the schools:

- Section 1 School name and general details
- Section 2 Policies and Procedures
- 2.1 Does the school have up to date H&S policies and procedures in place? (those listed for selection: Fire safety, first aid, medicines, security, educational visits, substance misuse management and other).
- 2.3 If other, please specify.
- 2.4 Do policies include wellbeing, given the increased focus on 'Health and Wellbeing'?
- 2.5 Specify the date of approval of H&S policies by GB or delegated committee? Day/Month/Year.
- 2.6 Specify the date when H&S policies were last reviewed? Day/Month/Year.
- 2.7 Are the policies available to all staff?
- 2.8 Where are the policies available?(selections provided: staff intranet, paper copies, website, shared drive or other)
- 2.9 If other, please specify.
- 2.10 Are roles and responsibilities of key groups and individuals clearly defined and communicated to relevant staff?
- 2.11 Does the school have a designated Premises Controller?
- 2.12 If yes, please state the job title of the Premises Controller?
- Section 3 Training & Knowledge
- 3.1 What training is provided to new staff and governors to allow H&S responsibilities to be discharged effectively?
- 3.2 What ongoing/refresher training is provided to staff and governors to allow H&S responsibilities to be discharged effectively?
- 3.3 How often does refresher training take place?
- 3.4 If other, please specify.
- 3.5 Are training records maintained?
- 3.6 Are any H&S experts engaged?
- 3.7 Who has responsibility for overseeing day to day H&S incidents in the school?
- Section 4 Compliance
- 4.1 Are regular staff briefings held which include H&S requirements?
- 4.2 Are regular inspections undertaken by Leadership and Governors?
- 4.3 Are risk assessments undertaken for all relevant policies?
- 4.4 Are incident and accident records maintained?
- 4.5 Is a compliance checklist maintained?
- 4.6 Is compliance with policy monitored by GB or relevant committee?
- Section 5 Incident Reporting
- 5.1 Are incident and accident reports provided to GB or relevant committee?
- 5.2 Is a 'Lessons Learnt' exercise undertaken to ensure that adequate preventative measures are put in place following incidents?
- 5.3 Are performance reports submitted to GB or committee?
- Section 6 Reporting Statistics
- 6.1 Number of H&S issues reported to the Health & Safety Executive
- 6.2 Number of H&S near-misses, incidents and accidents in the last 12 months
- 6.3 Number of incidents reported within the last 12 months that have led to child injury
- 6.4 Number of incidents reported within the last 12 months that have led to staff injury
- 6.5 What is the area that the issues reported within the last 12 months relate to?
- Section 7 Other Comments
- 7.1 Any additional comments around Health and Safety at the school, please detail below.

## Internal Audit Health and Safety in Schools (Thematic Review)

A summary of the responses received are shown below, the red text items were identified as potential areas for improvement:

Summary of Responses
<p><b>Policies and procedures</b></p> <ul style="list-style-type: none"> <li>All 10 schools stated that they have up to date H&amp;S policies and procedures in place.</li> <li><b>Only 1 school has policies that cover all six of the areas suggested in the survey. On average, schools had 4.80 of the six policies suggested.</b></li> <li>Most of the schools outlined other policies, common policies include Asbestos, Safeguarding, Business Continuity Planning and Whistleblowing.</li> <li><b>6 schools stated that policies include Wellbeing, 4 do not.</b></li> <li>Most of the schools that provided a response stated that date of approved for the H&amp;S policies was the same date that the policies were last reviewed (mostly in the last year).</li> <li>All of the schools stated that the H&amp;S policies are available to all staff.</li> <li>Only 1 school held the policies on all four locations suggested in the survey. The most commonly used locations were the shared drive and the website.</li> <li>All 10 schools stated that the roles and responsibilities of key groups and individuals are clearly defined and communicated to relevant staff.</li> <li>8 schools stated that they have a designated Premises Controller. In most instances the job title for this role was Site/Premises Manager, the remainder assigned this role to the Head or Caretaker.</li> </ul>
<p><b>Training and knowledge</b></p> <ul style="list-style-type: none"> <li>Most of the schools state that H&amp;S training forms part of induction training for new staff, two schools reference a local authority run governors training team.</li> <li><b>6 schools stated that H&amp;S refresher training is provided on at least an annual basis, two schools stated that it occurs at least every three years, while one stated it occurs on an 'as required' basis.</b></li> <li><b>9 schools stated that they keep records of training, 1 does not.</b></li> <li>8 schools stated that they engage H&amp;S experts.</li> <li><b>2 schools stated that the SBM has responsibility for overseeing day to day H&amp;S incidents. 1 of the schools indicated that the role belongs to the caretaker while 4 stated it belongs to Headteacher and 1 stated it belongs to the Premises Manager.</b></li> </ul>
<p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>7 schools stated that regular staff briefings are held that include H&amp;S requirements.</li> <li>8 schools stated that regular inspections are undertaken by Leadership &amp; Governance.</li> <li><b>5 schools stated that risk assessments are undertaken for all relevant policies, 5 do not.</b></li> <li>9 schools stated that incident and accident records are maintained.</li> <li>9 schools stated that a compliance checklist is maintained.</li> <li>6 schools stated that compliance with policy is monitored by the governing body or another relevant committee.</li> </ul>
<p><b>Incident Reporting</b></p> <ul style="list-style-type: none"> <li>All 10 schools stated that incident and accident reports are provided to the governing body or other relevant committee.</li> <li><b>8 schools stated that a lessons learnt exercise is undertaken to ensure that adequate preventative measures are put in place following incidents.</b></li> <li>5 schools stated that performance reports are submitted to the governing body or other committee.</li> </ul>
<p><b>Reporting statistics</b></p> <ul style="list-style-type: none"> <li>2 schools reported incidents to the Health &amp; Safety Executive, there were 2 incidents in total.</li> <li>6 schools have had H&amp;S near-misses, incidents and accidents in the last 12 months, there were 121 in total; 114 from one school.</li> <li>3 schools have had incidents reported in the last 12 months that have led to child injury, there were 112 in total; 109 from one school.</li> <li>3 schools have had incidents reported in the 12 months that have led to staff injury, there were 8 in total.</li> <li><b>Most of the schools report that slips &amp; falls were the cause of the incidents, there is a clear difference in approach between some schools as some report the number of incidents in the hundreds.</b></li> </ul>

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## Audit and Performance Committee Report

<b>Date:</b>	1 December 2021
<b>Classification:</b>	General Release
<b>Title:</b>	Appointment of External Auditors for 2022/23 onwards
<b>Wards Affected:</b>	All
<b>City for All Summary</b>	External auditor requirements for the Council's annual statements of accounts
<b>Financial Summary:</b>	This report outlines the options and decisions required to appoint external auditors from 2022/23
<b>Report of:</b>	Jake Bacchus, Director of Corporate Finance

### 1. Executive Summary

- 1.1 The purpose of this report is to provide the Audit Committee with an update on the local authority external audit market and to outline the timeline and options available to the Council in appointing an External Auditor when the current arrangements reach their end.

### 2. Recommendations

- 2.1 To note that the Council will soon be required to make a decision in relation to the appointment of its External Auditors to commence from the financial year 2023/24.
- 2.2 To note the options available to the Council in relation to the appointment of its External Auditors from the financial year 2023/24.
- 2.3 To note the wider context in which the new appointment of External Auditors will be appointed within.

### **3. Background**

#### Establishment of the PSAA

- 3.1 Public Sector Audit Appointments Limited (PSAA) is an independent company limited by guarantee incorporated by the Local Government Association in August 2014.
- 3.2 In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.
- 3.3 Acting in accordance with this role PSAA is responsible for appointing auditors and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme, overseeing issues of auditor independence and monitoring compliance by the auditor with the contracts they enter into with the audit firms.
- 3.4 PSAA invited the Council to opt in, along with all other authorities, so that PSAA could enter into a number of contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council's auditor.
- 3.5 The Council had three options, being 1) To undertake a complete procurement process itself and appoint its own auditor, or 2) Undertake a joint procurement with other bodies, or 3) To opt into a national collective scheme. The decision it made was to opt in to the national collective scheme.

#### Changes in the Audit Market

- 3.6 2018 proved to be a very significant turning point for the audit industry. A series of financial crises and failures in the private sector gave rise to questioning about the role of auditors and the focus and value of their work. In rapid succession we have then had the results of four independent reviews commissioned by Government:
  - Sir John Kingman's review of the Financial Reporting Council (FRC), the audit regulator;
  - the Competition and Markets Authority review of the audit market;
  - Sir Donald Brydon's review of the quality and effectiveness of audit; and
  - Sir Tony Redmond's review of local authority financial reporting and external audit.
- 3.7 In total the four reviews set out more than 170 recommendations which are now in various stages of consideration by Government with the clear implication that a series of significant reforms will follow. Indeed, in some

cases where new legislation is not required, significant change is already underway. A particular case in point concerns the FRC, where the Kingman Review has inspired an urgent drive to deliver rapid, measurable improvements in audit quality. This has already created a major pressure for firms and an imperative to ensure full compliance with regulatory requirements and expectations in every audit they undertake.

- 3.8 By the time firms were conducting 2018/19 local audits, the measures which they were putting in place to respond to a more focused regulator, determined to achieve change, were clearly visible. In order to deliver the necessary improvements in audit quality firms were requiring their audit teams to undertake additional work to gain deeper levels of assurance.
- 3.9 However, additional work requires more time, posing a threat to firms' ability to complete all of their audits by the target date for publication of audited accounts (then 31 July) – a threat accentuated by growing recruitment and retention challenges, the complexity of local government financial statements and increasing levels of technical challenges as bodies explored innovative ways of developing new or enhanced income streams to help fund services for local people.
- 3.10 This risk to the delivery of timely audit opinions first emerged in April 2019 when one of PSAA's contracted firms flagged the possible delayed completion of approximately 20 audits. Less than four months later, all firms were reporting similar difficulties, resulting in more than 200 delayed audit opinions.
- 3.11 2019/20 audits have presented even greater challenges. With Covid-19 also impacting, unprecedented challenges faced the sector. Even with the benefit of an extended timetable targeting publication of audited accounts by 30 November, more than 260 opinions remained outstanding. It is vital that co-ordinated action is taken across the system by all involved in the accounts and audit process to address the current position and achieve sustainable improvement without compromising audit quality.
- 3.12 Delayed opinions are not the only consequence of the FRC's drive to improve audit quality. Additional audit work must be paid for. As a result, many more fee variation claims have been received than in prior years. Within Westminster, additional fees of £27,000 relating to changing audit requirements were proposed in Grant Thornton's 2020/21 Audit Plan, considered by this Committee in June 2021. Additional fees of £58,000 were incurred for 2019/20.
- 3.13 None of these problems are unique to local government audit. Similar challenges have played out throughout other sectors where increased fees and disappointing responses to tender invitations have been experienced during the past two years.
- 3.14 All of this points to an audit industry under enormous pressure and of a local audit system which is experiencing its share of the strain and

unavoidable instability as impacts cascade down to the frontline of individual audits.

- 3.15 While Westminster City Council has always met the audit completion deadlines, it is under increasing pressure to deliver in a timely manner due to the issues laid out above.

### Audit Pricing

- 3.16 Audit fees must ultimately be met by individual audited bodies. The prices submitted by bidders through the procurement will be the key determinant of the value of audit fees paid by opted-in bodies. Regardless of the additional costs incurred by local authorities as fee variations, the PSAA national scheme has reduced the costs of local audits significantly. The core audit fee for the Council was £274,000 in 2014/15 whereas the scale fee quoted in the 2020/21 Audit Plan is £143,004 - £130,996 less.
- 3.17 Additional fees (fee variations) are part of the legal framework. They only occur if auditors are required to do substantially more work than anticipated, for example, if local circumstances or the Code of Audit Practice change or if the Regulator (the FRC) increases its requirement on auditors.
- 3.18 If the changes that relate to audit fees, proposed in MHCLG's recent consultation on the Appointing Person Regulations, are ultimately approved and implemented, PSAA will be able to manage the scale of fees and fee variations more flexibly. This will enable scale fees to be determined taking into account the outcome of more recently completed audits, and fee variations to be managed differently depending on whether they are driven by national or local factors.
- 3.19 Audit developments since 2018 have focused considerable attention on audit fees. The drive to improve audit quality has created significant fee pressures as auditors have needed to extend their work to ensure compliance with increased regulatory requirements. Changes in audit scope and technical standards, such as the requirement in the new Code of Audit Practice 2020 for the auditor to provide a VFM arrangements commentary, have also had an impact.

### Summary of the options available

- 3.20 As a result of the position described in this report, the Council has three options:
1. To undertake a complete procurement process itself and appoint its own auditor, or
  2. Undertake a joint procurement with other bodies, or

3. To opt into a national collective scheme that PSAA is developing.
- 3.21 The option to undertake an individual procurement provides the Council with the independence to select a supplier itself. However this will require the time, effort and skill of having to undertake a procurement and appointment process. It will also involve specifying the service required, inviting tenders, evaluating tenders. In addition a single procurement will lack the buying power to significantly influence quality and price.
- 3.22 There would also be a need to establish an independent auditor panel. In order to make a stand-alone appointment the auditor panel would need to be set up by the Council itself. The members of the panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which audit firm to award a contract for the Council's external audit.
- 3.23 The option of a joint procurement with a small number of councils exists. Whilst previously this option was superseded by the national collective arrangement attracting better economies of scale, it would give the authorities a more direct relationship with the audit firm and allow some pooling of costs and expertise. At this stage it is unclear whether many of our local neighbouring boroughs are likely or not to opt in to the PSAA collective arrangement and would thus be inclined to join a smaller local joint procurement.
- 3.24 The option to take advantage of the national collective scheme is beneficial to the Council for a number of reasons. Although the Council loses some influence on the final outcome and will gain from:
- PSAA will ensure the appointment of a suitably qualified and registered auditor and expects to be able to manage the appointments to allow for appropriate groupings and clusters of audits where bodies work together;
  - PSAA will monitor contract delivery and ensure compliance with contractual requirements, audit quality and independence requirements;
  - Any auditor conflicts at individual authorities would be managed by PSAA who would have a number of contracted firms to call upon;
  - It is expected that the large scale contracts procured through PSAA will bring economies of scale and attract keener prices from the market than a smaller scale competition;
  - The overall procurement costs would be expected to be lower than an individual smaller scale local procurement;
  - The overhead costs for managing the contracts will be minimised though a smaller number of large contracts across the sector;
  - There will be no need for the Council to establish alternative appointment processes locally, including the need to set up and manage an 'auditor panel'; and

- A sustainable market for audit provision in the sector will be easier to ensure for the future.

## **1. Implications**

### **Financial Implications:**

- 1.1. The proposed fees cannot be fully known until the procurement process has been completed, as the costs will depend on proposals from the audit firms. Given the widespread prevalence of fee variations, market uncertainty and the revision to an 80% quality weighting within the procurement, it is almost certain that the fee payable by the Council will rise.
- 1.2. Opting-in to a national scheme provides a strong opportunity to ensure fees are as low as possible, whilst ensuring the quality of audit is maintained by entering in to a large scale collective procurement arrangement.
- 1.3. If the national scheme is not used some additional resource may be needed to establish an auditor panel and conduct a local procurement. Until a procurement exercise is completed it is not possible to state what, if any, additional resource may be required for audit fees for 2023/24.
- 1.4. The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all audit firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council or bid under the proposed arrangements whereby those going through registration or being 'supervised' by an appropriate approved body would be eligible.

### **Legal Implications:**

- 1.5. Section 7 of the Local Audit and Accountability Act 2014 requires a relevant Council to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant Council is a local Council operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the Council under those arrangements;
- 1.6. Section 12 makes provision for the failure to appoint a local auditor: the Council must immediately inform the Secretary of State, who may direct

the Council to appoint the auditor named in the direction or appoint a local auditor on behalf of the Council.

- 1.7. Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.

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

Michelle Badham, [mbadham@westminster.gov.uk](mailto:mbadham@westminster.gov.uk)

**BACKGROUND PAPERS:**

*None*

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City of Westminster

## Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	1 December 2021
<b>Classification:</b>	General Release
<b>Title:</b>	Annual Complaints Review 2020/21
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	There are no financial implications from this report
<b>Report of:</b>	Zoe Evans, Complaints and Customer Manager Telephone: E-mail: zevans@westminster.gov.uk

### 1 Executive Summary

- 1.1 The purpose of this report is to present to the Audit and Performance Committee the Council's Annual Complaints Review for 2020/21 (**see Appendix 1**).
- 1.2 The attached report (**Appendix 1**) summarises the Council's complaints performance (complaint stages 1 & 2), complaints received from the Local Government and Social Care Ombudsman (LGSCO), and a limited review of dealing with the Leader and Cabinet Member correspondence. A copy of the Local Government and Social Care Ombudsman Annual Letter/Review for the year ended 31 March 2021 (**Appendix 2**) is also attached.
- 1.3 Adults and Children's Social Care Services each have their own separate statutory complaints procedure and as such separate reports are produced (**Appendix 3 and 4**).

### 2 Recommendations

- 2.1 Members are requested to review and note the information about complaints set out in the Annual Complaint Review 2020/21 (**Appendix 1**) and review the Local Government and Social Care Ombudsman Annual Letter/Review (**Appendix 2**).

### 3 Complaints Handling

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

- **Stage 1** - Complaints are addressed by the local service manager (10 working day turnaround).
- **Stage 2** - A Chief Executive's review (20 working day turnaround). This is currently delegated to ELT members.

If the complainant remains dissatisfied, they can take their concerns to the Local Government and Social Care Ombudsman (LGSCO)

Note - the target response time for stage 2 was changed from 16 June 2021 to 20 working days

3.2 The procedure covers most council services. However, Adults and Children's Social Care Services each have their own separate statutory complaints procedure and as such separate reports are produced for Member and Officer oversight (**Appendix 3 and 4**).

3.3 The Council's definition of a complaint as redefined and agreed by the policy and Resources Committee in April 1994 is:

**'Dissatisfaction expressed by the customer which the customer wishes to be treated as a complaint, whether expressed in writing, on the telephone or in person. If in doubt, it's a complaint'**

3.4 This definition is quite broad and also includes complaints made by email or via the Council's website.

3.5 It should be noted that most contacts from the members of the public are dealt with outside the Council's complaints procedure, and there can be confusion about what constitutes a complaint. Generally, when an initial request from a customer is received this is not usually considered a formal complaint. The request becomes a complaint should the person make further contact if they consider the matter has not been dealt with satisfactorily, or to protest the Council's policies and procedures. Departments apply common sense when deciding what is a complaint as the majority of customers simply wish the Council to put something right and a service area may attempt to do this a couple of times before the matter is put into the formal complaints procedure.

3.6 There are some concerns which cannot be dealt with under the council's corporate complaint procedure. These include issues where there are separate statutory appeals procedures such as disputes over parking tickets, planning applications appeals and Housing Benefit appeals, as an appeals process takes precedence over the complaints procedure. Issues which are, or have been subject to Court action, complaints about staff and issues involving insurance claims against the

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

#### **4 Findings from the Annual Complaint Review (Appendix 1)**

- 4.1 A total of **1785** complaints (1542 at stage 1 and 243 at stage 2) have been recorded across both stages of the corporate complaints procedure. This is a decrease (19%) on the previous year. However, there has been an overall increase at stage 2.

##### **Stage 1 summary**

- 4.2 Response times – The 10 working day response target has been met in 69% of stage 1 complaints which is an 8% reduction on the previous year. It is likely that the pandemic has slowed down response times as in some services officers were displaced to undertake priority pandemic duties.
- 4.3 Complaint Learning – Items 6.12 to 6.29 of the Annual Complaints Review provides some examples of how complaint data has been used for complaint learning.

##### **Stage 2 summary**

- 4.4 Complaint Volume/Escalation – 243 stage 2 complaints have been received which represents a 38% increase on the previous year. This is generally due to the increase in Housing Management Services complaints and Housing Solutions Services complaints.
- 4.5 Response Times – 17% of stage 2 complaints were responded to in target response time (10 working days) against 13% in the preceding year. Performance has been impacted by the increase in the volume of stage 2 complaints, the number of complex investigations and some services have generally been slower in replying to requests for information which can be attributed to the displacement of staff during the pandemic.
- 4.6 Complaint Escalation Rate – Across all services the escalation rate from stage 1 to stage 2 is 16%.

##### **Local Government and Social Care Ombudsman (LGSCO)**

- 4.7 One formal published report was issued on 10 June 2020 regarding a complaint made to Adult Services. The report found fault causing injustice. This was the first public report issued against the Council since September 2013.
- 4.8 The Council received 23 first time enquiries in 2020/21 against 24 the previous year.

## **LGSCO Annual letter 2020/21**

- 4.9 Complaint Outcomes – 71% of all LGSCO complaints and enquiries received in 2020/21 were either referred back to the Council's complaints procedure or the case was closed after initial enquiries were made.
- 4.10 The annual letter highlighted that the LGSCO issued a public report (the first against the Council since 2013) about the Council's failure to provide a blind man with a care and support plan that properly met his assessed adult care needs. Their investigation found the care and support plan did not provide for access to community services, which meant the resident was denied the opportunity to access activities and services that would benefit his well-being, such as assisted walks. The Council accepted all their findings and recommendations, which included an apology and a payment to the resident. The Council also agreed to review other cases to ensure the same thing had not happened to anyone else.

## **Leader and Cabinet Member Correspondence**

- 4.11 The volume of correspondence has increased during 2020/21. This is generally because residents have increased their contact with the Council during the pandemic; the increase is about 30%.

## **5 The Management of Complaints**

- 5.1 The Council published a formal Complaints policy on 22 February 2021. Using the 'policy elements' of the Council's Complaints Best Practice Guide a council-wide public document was developed and behind this are the procedures for staff.
- 5.2 From 16 June 2021 the target response time for stage 2 increased from 10 working days to 20 working days which was a change to the Council's Complaints policy. The Council recognised that meeting the 10 working days target was challenging. This was because more complex complaints were escalating to Stage 2 across all departments and the target did not give sufficient time to conduct a reasonable and thorough review and allow the relevant department sufficient time to have the draft cleared through their own internal procedures, and then for the final version to be signed off by the relevant ELT lead.

## **6 Financial Implications**

There are no financial Implications associated with this report.

## **7 Legal Implications**

There are no legal implications associated with this report.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Zoe Evans, Complaints and Customer Manager**

**E-mail:** [zevans@westminster.gov.uk](mailto:zevans@westminster.gov.uk)

## **BACKGROUND PAPERS**

None

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City of Westminster

## **Annual Complaints Review 2020/21**

July 2021

For further information contact: Zoe Evans,  
Customer and Complaints Manager  
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## 1. Introduction

- 1.1. This report presents complaints performance trends for 2020/21, and a comparison of performance between 2019/20 and 2020/21, where applicable across stage 1 and stage 2 of the corporate complaints procedure, with limited information on Children's and Adults Services statutory complaints. It also includes a performance review of Local Government and Social Care Ombudsman (LGSCO) first time enquiries, and a review of Leader and Cabinet Member correspondence.
- 1.2. Data used in this report has been taken from the Council's complaints database (icasework).

## 2. Background

- 2.1. The Council's two stage complaints procedure is as follows:
  - **Stage 1** - Complaints are addressed by the local service delivery manager (10 working day turnaround).
  - **Stage 2** - A review by a senior officer delegated by the Chief Executive can be requested (20 working day turnaround).
  - **LGSCO** - If the complainant still remains dissatisfied with the stage 2 reply they can take their concerns to the LGSCO.
- 2.2. The Council's corporate complaints procedure covers most council services although Adults and Children's Social Care Services must adhere to separate statutory complaints procedures for some complaints as defined under the relevant legislation. There is limited information about statutory complaints within this report as separate reports are produced for Member and Officer oversight. Data about Children's Services complaints which can be addressed within the corporate complaints procedure are included in this report.

## 3. The Management of Complaints

- 3.1. The Council published a formal complaints policy on 22 February 2021. Using the 'policy elements' of the Council's Complaints Best Practice Guide a council-wide public facing complaints policy was developed and behind this are the procedures for staff. The Policy reiterates the Council's current approach and it did not create new policy therefore did not need to go through decision making. It has also been reviewed by officers in Legal Services and Communications.
- 3.2. A change was made to the Council's complaints policy and on 16 June 2021 the target response time for completing a stage 2 complaint increased from 10 working days to 20 working days. The change came about following comments made by the Chair of Audit and Performance Committee when reviewing the Annual Complaints report for 2019/21 and following the approval of the Cabinet Member for Finance and Smart City. The Council recognised that meeting the 10 working day target for stage 2 responses has been a challenge for a number of reasons and as a consequence very few stage 2 complaint responses were meeting this target.

## 4. **Headline findings** **Complaints Management**

- 4.1. The Council published a formal complaints policy on 22 February 2021.
- 4.2. The complaints policy was changed on 16 June 2021 and the target response times for stage 2 complaints was increased from 10 to 20 working days.

#### **Summary of Complaint Numbers**

- 4.3. A total of **1785** corporate complaints (1542 at stage 1 and 243 at stage 2) have been recorded across both stages and represents a decrease (19%) on the previous year. However, there has been an overall increase at stage 2.

#### **Stage 1 Summary**

- 4.4. **Response times** –The 10 working day response target has been met in 69% of stage 1 complaints which is a 8% reduction on the previous year.
- 4.5. **Complaint Learning** – Items 6.12 to 6.29 provides examples of how complaint data has been used for complaint learning.

#### **Stage 2 Summary**

- 4.6. **Complaint Volume/Escalation** – 243 stage 2 complaints have been received which represents a 38% increase on the preceding year. The increase is generally due to the increase in Housing Management Services complaints and Housing Solutions Services Complaints. Most other service areas have seen a reduction in volume.
- 4.7. **Response Times** – 17% of stage 2 complaints were responded to in target response time (10 working days) against 13% in the preceding year.
- 4.8. **Complaint Escalation Rate** – Across all services the escalation rate from stage 1 to stage 2 is 16%.

#### **Local Government and Social Care Ombudsman (LGSCO)**

- 4.9. One formal published report was issued on 10 June 2020 regarding a complaint made to Adult Services. The report found fault causing injustice. This was the first public report issued against the Council since September 2013.
- 4.10. The Council received 23 first time enquiries in 2020/21 against 24 enquires in the previous year.
- 4.11. **Compensation** – In 2020/21 a total of £15,200 was offered and in 2019/20 a total of £5024.00 offered.

#### **LGSCO Annual letter 2020/21**

- 4.12. **Complaint Outcomes** – 71% of all LGSCO complaints and enquiries received in 2020/21 were either referred back to the Council's complaints procedure or the Ombudsman closed the case after initial enquiries were made.

#### **Leader and Cabinet Member Correspondence**

- 4.13. The volume of correspondence has increased during 2020/21. This will come as no surprise as residents have increased their contact with the Council during the pandemic; the increase is about 30%.

- 4.14. This report presents complaints performance trends for 2020/21, and a comparison of performance between 2019/20 and 2020/21 where applicable across stage 1 and stage 2 of the corporate complaints procedure, with limited information on Children's and Adults Services statutory complaints. It also includes a performance review of Local Government and Social Care Ombudsman (LGSCO) first time enquiries, and a limited review of Leader and Cabinet Member correspondence.
- 4.15. Data used in this report has been taken from the Council's complaints database (icasework).

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

- 5.1. As indicated in **Table 1** a total of **1785** corporate complaints (1542 at stage 1 and 243 at stage 2) have been recorded across both stages (withdrawn complaints not included). When all the statutory complaints are included the overall total is **1879** (1633 for all stage 1 complaints and 245 for all stage 2 complaints and 1 Children's stage 3 complaint).

**Table 1 – Complaints (both corporate and statutory) across Stage 1 and Stage 2 for 2020/21**

Directorate/ Division	Stage 1 Total for 2020/21	Stage 2 totals for 2020/21	Children's Statutory Stage 3	% escalated to Stage 2
<b>Finance and Resources</b>	<b>194</b>	<b>10</b>	<b>N/A</b>	<b>5%</b>
<i>Housing Benefit</i>	53	2	N/A	4%
<i>Council Tax</i>	78	1	N/A	1%
<i>Business Rates</i>	63	7	N/A	11%
<b>City Management and Communities</b>	<b>278</b>	<b>23</b>	<b>N/A</b>	<b>8%</b>
<i>Waste and Parks</i>	107	1	N/A	1%
<i>Public Protection and Licensing</i>	62	7	N/A	11%
<i>Parking Services</i>	62	12	N/A	19%
<i>Highways and Public Realm</i>	16	3	N/A	19%
<i>Libraries and Archives</i>	13	0	N/A	0%
<i>Community Services (Sports &amp; Leisure)</i>	18	0	N/A	0%
<b>Growth, Planning and Housing</b>	<b>1016</b>	<b>205</b>	<b>N/A</b>	<b>20%</b>
<i>Development Planning</i>	43	4	N/A	9%
<i>Housing Solution Services</i>	242	48	N/A	20%
<i>Housing Mgt (was CityWest Homes)</i>	731	153	N/A	21%
<b>Children's Services</b>	<b>50</b>	<b>5</b>	<b>N/A</b>	<b>10%</b>
<b>Adults Services</b>	<b>1</b>	<b>0</b>	<b>N/A</b>	<b>0%</b>
Sub Total for all Corporate Complaints	1542	243		16%
<b>Children's Statutory Complaints</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>33%</b>
<b>Adults Services Statutory Complaints</b>	<b>85</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Totals all complaints corporate and statutory</b>	<b>1633</b>	<b>245</b>	<b>1</b>	<b>15%</b>

NB: The statutory complaints procedure for Adults Services is a one stage process after which the complainant can escalate to the LGSCO. The statutory complaints procedure for Children's services has three stages.

- 5.2. **Table 2** (below) indicates that this represents an overall decrease in complaint volumes across all services although stage 2 totals have increased.

**Table 2 - A Comparison of corporate complaint volumes 2019/20 and 202210 across all services**

	2019/20	2020/21	Variance
Stage 1	1628	1542	-86
Stage 2	176	243	67
Total	1804	1785	-19

## 6. Stage 1 Complaints over 2020/21

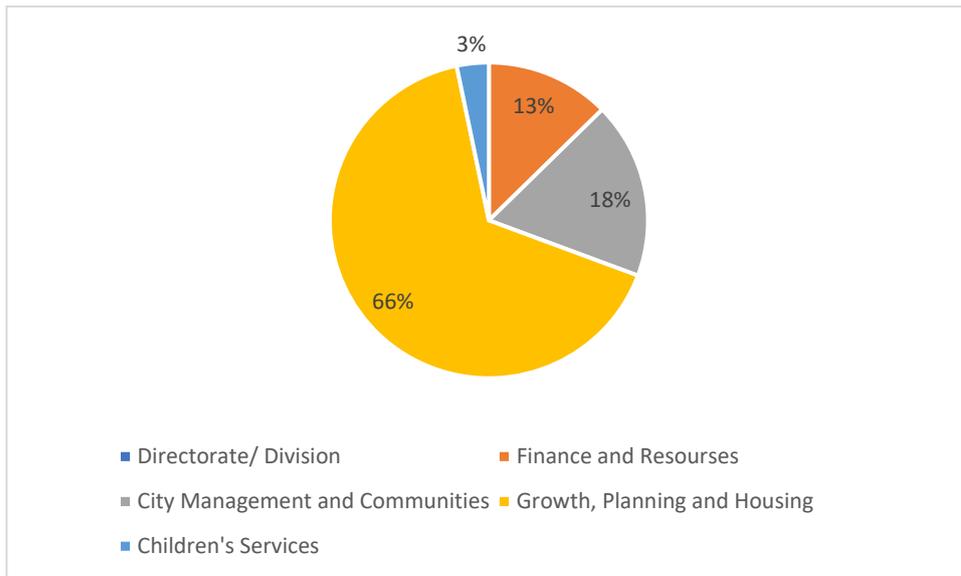
Total number of Stage 1 Complaints received by directorate (withdrawn complaints not included) - **1542**

**Table 3 -Comparison of Stage 1 totals by Divisions within Directorates for 2019/20 & 2020/21 (Adults and Children's statutory complaints data is not included)**

Directorate/ Division	Total for 2019/20	Total for 2020/21	Variance
<b>Finance &amp; Resources</b>	<b>274</b>	<b>194</b>	<b>-80</b>
<i>Housing Benefit</i>	66	53	-13
<i>Council Tax</i>	180	78	-102
<i>Business Rates</i>	28	63	35
<b>City Management and Communities</b>	<b>349</b>	<b>278</b>	<b>-71</b>
<i>Waste and Parks</i>	118	107	-11
<i>Public Protection and Licensing</i>	82	62	-20
<i>Parking Services</i>	91	62	-29
<i>Highways and Public Realm</i>	21	16	-5
<i>Libraries and Archives</i>	12	13	1
<i>Community Services (Sports)</i>	25	18	-7
<b>Growth, Planning and Housing</b>	<b>922</b>	<b>1016</b>	<b>94</b>
<i>Development Planning</i>	62	43	-19
<i>Housing Solution Services</i>	178	242	64
<i>Housing Mgt (was CityWest Homes)</i>	682	731	49
<b>Chief Executives</b>	<b>9</b>	<b>0</b>	<b>-9</b>
Electoral Services	9	0	0
<b>Policy, Performance and Communications</b>	<b>9</b>	<b>0</b>	<b>-9</b>
<i>Campaigns / Engagement</i>	4	0	-4
<i>City Promotions, Events and Filming</i>	5	0	-5
<b>Westminster Adult Education Service (WAES)</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>Children's Services</b>	<b>62</b>	<b>50</b>	<b>-12</b>
<b>Total</b>	<b>1628</b>	<b>1541</b>	<b>-87</b>

- 6.1. For large parts of the year the pandemic has meant that there have been restrictions affecting some service areas and in how services can be delivered. Table 3 (above) indicates that overall the majority of service areas have seen a decrease (-87) which equates to 5.49% in stage 1 complaint volumes when compared with the previous year despite the pandemic. However, Housing Solution Services (HSS), Housing Management Services (HMS), and Business Rates (from F&R) have seen an overall increase in volume. The increase in complaints from Business Rates is attributed to the pandemic as the complaints procedure was used as the review mechanism for those businesses who applied for Business Support grants and were not successful in their applications for the various business rates grants awarded by central government. There were delays in NNDR business as usual as resources had to be re-directed to grants administration.

Chart 1 - Profile of complaints made by directorate with a total of 10 complaints or over in 2020/21



6.2. As seen in **Chart 1** complaints from Growth Planning and Housing (GPH) represent 66% of all stage 1 complaints received and the situation was similar in 2019/20 as GPH represented 57% of all stage 1 complaints.

## Stage 1 Response Time by Directorate

### Speed of response for all Directorates

6.3. 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.

6.4. As indicated in **Table 4** (below) the average response time for all complaints completed within target response time across all directorates in 2020/21 is 69% against 77% for the preceding year. It is likely that the pandemic has slowed down response times as in some services officers were displaced to undertake priority pandemic duties.

6.5. An average response time of 80% or above is considered a very good performance and although performance is slower than the preceding year it can be considered as a “good performance” given the back drop of the pandemic, restrictions on how services could be delivered and staff being displaced to work in priority areas.

Table 4 - Percentage of Stage 1 complaints completed in target response time for 2020/21 & 2019/20

Percentage Total for 2020/21	69%
Percentage Total for 2019/20	77%

6.6. **Table 5** below provides a breakdown of response times for all directorates,

**Table 5 - A breakdown of stage 1 response times for all directorates 2020/21**

Directorate/ Division	Stage 1 totals	% in target time
<b>Finance and Resources</b>		<b>93%</b>
<i>Housing Benefit</i>	53	100%
<i>Council Tax</i>	78	92%
<i>Business Rates</i>	63	87%
<b>City Management and Communities</b>		<b>67%</b>
<i>Waste and Parks</i>	107	67%
<i>Public Protection and Licensing</i>	62	58%
<i>Parking Services</i>	62	81%
<i>Highways and Public Realm</i>	16	25%
<i>Libraries and Archives</i>	13	85%
<i>Community Services (Sports &amp; Leisure)</i>	18	78%
<b>Growth, Planning and Housing</b>		<b>66%</b>
<i>Development Planning</i>	43	58%
<i>Housing Solution Services</i>	242	73%
<i>Housing Mgt (was CityWest Homes)</i>	731	64%
<b>Westminster Adult Education Service (WAES)</b>	<b>3</b>	<b>67%</b>
<b>Children's services</b>	<b>50</b>	<b>56%</b>
		<b>69%</b>

Further analysis will be completed for those services where performance is below 60% (PPL, Highways, Planning and Children's) and actions put in place to improve performance. However, the reasons given for the slower response times for these areas include complexity of cases, staff being deployed to undertake priority duties during the pandemic, delay in processing complaints received by post during the pandemic and issues with the assignment of cases on icasework.

#### **Adults and Children's Services statutory complaint response times**

	Stage 1 totals	% in target response time	Stage 2 totals	% in target response time	Stage 3 totals
Statutory Complaints					
Children's Statutory Complaints	6	67%	2	100%	1
Adults Services Statutory Complaints	85	65%	N/A	N/A	N/A
<b>Totals</b>	<b>91</b>		<b>2</b>		<b>1</b>

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.

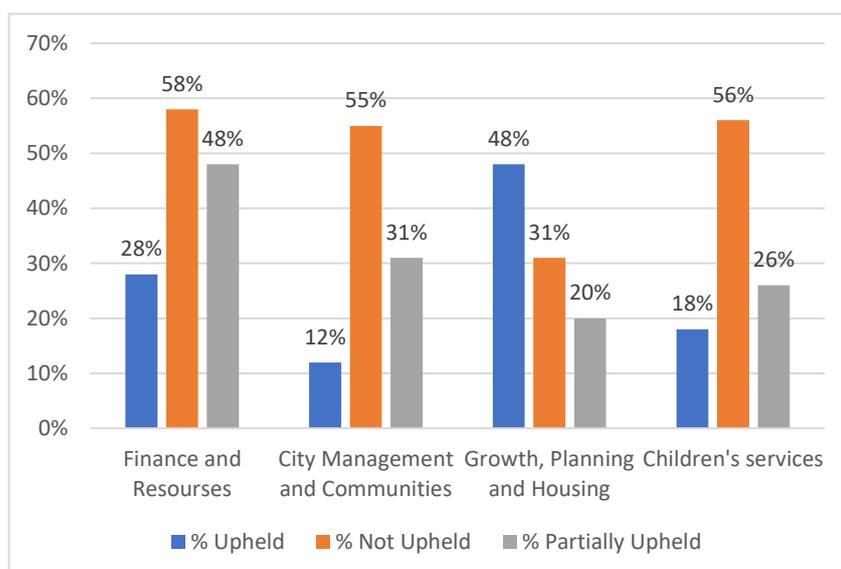
## Complaint Outcomes

- 6.7. Each complaint response should indicate what is the complaint outcome (finding), explain if the Council considers that 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.
- 6.8. An Upheld decision indicates that we accept that there was fault. A Partially Upheld complaint decision is reached if 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.
- 6.9. 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 to try and find any mistakes and put right any wrongs. This should then prevent the need for the complainant to escalate to the final stage of the complaint procedure.
- 6.10. As seen in **Table 6** below across all directorates the percentage of Not Upheld remains the same as the previous year although there are more upheld decisions. Decisions on their own say little about the quality of the complaint response and should be viewed with the escalation rate from stage 1 to stage 2, as we expect small volumes escalating to the next stage of the complaints procedure if service faults found have been rectified at stage 1. This issue is addressed in Item 7.8.

Table 6 – A comparison of Stage 1 Outcomes for 2019/20 and 2020/21 across all Directorates

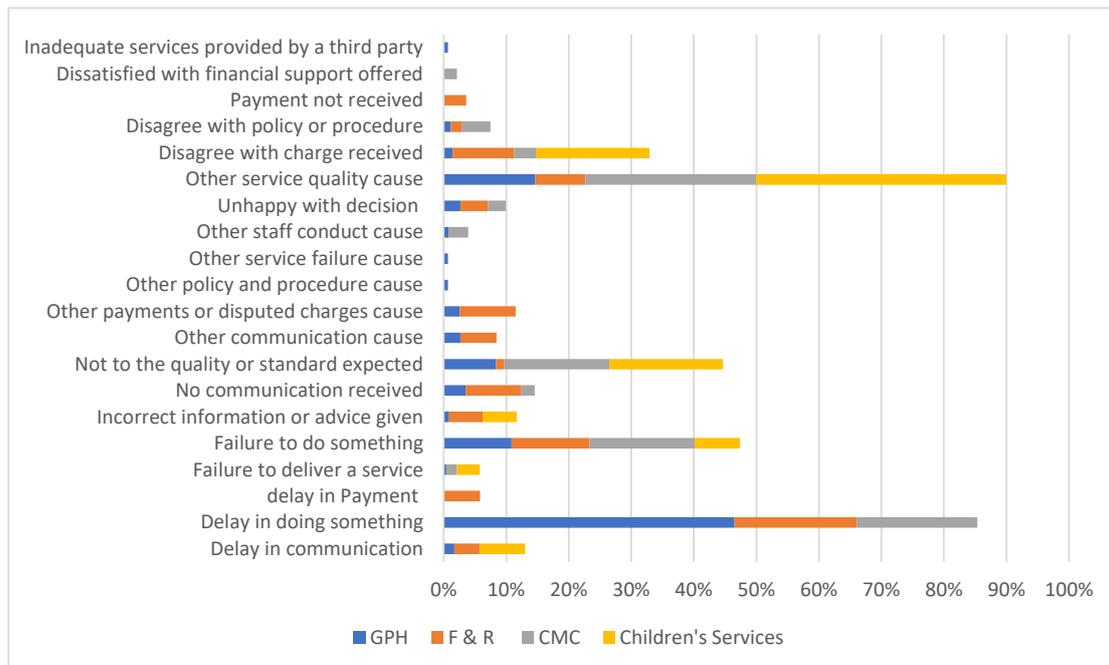
	2019/20	2020/21
Not Upheld	40%	40%
Partially Upheld	38%	22%
Upheld	22%	37%

Figure 2 Outcome by Directorates



## Reasons for Complaining

Figure 3 - Cause of complaint by Directorate



6.11. In view of the complexity of all the different services offered by each directorate generic causes are used so we can track at a corporate level the overarching cause of complaint. As seen in Figure 3 service quality, delay in doing something, not done to the quality or service standard expected are the most common cause of complaint.

1.1

### Complaints Learning

6.12. As the volume of complaints from all the service areas vary it can be difficult to capture all complaint learning or there may be little complaint learning when volume of complaints are low. The below highlights that complaint data is being analysed and provides some examples of complaint learning coming out of this.

6.13. **Parking Services** - All stage 1 complaint data was analysed to ascertain if processes/behaviours required improvement. On a case by case basis a decision is taken to decide if the concern is forward for coaching, feedback and or development plans. No processes were changed from the outputs of stage 1 complaints however 38 complaints were put forward for additional staff coaching and feedback to for staff.

6.14. **Business Rates** - The analysis of complaints identified that a high proportion of complaints received related to the Covid 19 Business Support Grants. The increase was to be expected and is predominately down to the distress and disappointment at learning a grant had not been awarded as the Council must adhere to strict government guidance when calculating people's entitlement.

6.15. The Business Rates team has been using the Stage 1 response template which has generally improved complaint responses; and the service is working to ensure that all responses cover all questions raised.

6.16. **Housing Benefit** – Additional workload has been generated by Covid-19 due to the effect that it has had to people's circumstances. Despite this complaint numbers have not risen in line with this extra workload, due in part to good communication with customers, and the relaxed evidence

requirements called “Trust and Protect” which were part of a national DWP trust initiative instigated for Covid. This relaxed certain evidence requirements to allow for faster processing of applications during the pandemic.

- 6.17. The benefits service suspended all reception site and home visits during the outbreak of Covid-19. However, it has been proactively calling and emailing customers instead to try and help with the speedy resolution of claims. The complaints received highlighted the importance of timely, clear communication and what happens when that fails. Something as simple as a conversation on the phone can help make a customer feel that their issues are being taken seriously and that they are not isolated or alone with the issues that they are trying to resolve.
- 6.18. **Council Tax** – A review of complaints indicated some areas where additional information added to the information in the Council’s web site can provide more clarity in two areas.
- Students who haven’t provided their student certificate for an exemption – the service is looking to see if additional information can be inserted outside in other parts of the web site other than in the section Discounts/Exemptions where a form can be completed and a student certificate uploaded
  - Enforcement Action (EA) in response to debtors saying that they were not aware of debt the website is being reviewed to see if additional text can be added to explain “.....*EA action will only take place after the bill, reminder, summons is issued and a liability order is obtained at court.....*” in the hope that debtors will seek clarification from the service regarding their position.
- 6.19. The service is also undertaking the following actions having kept all upheld and partially upheld complaints under review:
- On a monthly basis all stage 1 complaints are discussed with the Council Tax team and the findings and recommendations from these discussions are cascaded to include the contact centre agents and the indexing team. Regular meetings also take place to ensure the communication flow is accurate.
  - Where an individual officer has made errors they are individually taken through their errors/oversights and refresher training is provided to prevent a re-occurrence. The contact centre manager carries out a similar process with contact centre agents.
  - If documents (email/letter) have been found not to have been correctly indexed, the indexer will be shown how to use the “search engine” to ensure they pick up the correct address or name. This is then closely monitored.
  - Support is provided to ensure responses cover all points raised to avoid repeat contact, and a manager will now proof read each complaint before the response is issued to the complainant.
  - The service undertakes daily quality checks of 5% of each staff member’s output to check accuracy and any errors are addressed by the Team Leader with their respective member of staff, and refresher training is provided.
  - The procedure notes for the service (Council Tax and Contact Centre) are continually reviewed and if required procedures improved and this measure is reducing the number repeat contact, follow-up complaints and escalation to Stage 2.
  - Requests for copies of bills have been improved through the recommendation that the monthly batch jobs for copy bills be revised to

ensure copy bills spanning 6 years are issued within a 10-day turnaround which has reduced complaints in this area and repeat calls and correspondence.

- 6.20. **Housing Solutions Service (HSS)** – Delays/Administrative delays relating to the processing of housing and homeless applications was the cause of many complaints that was made against HSS in 20/21. In the first half of the year, complaints about delays in concluding non-statutory reviews and concluding medical assessments featured highly. The service process new housing applications, and most are done within 10 working days. However, this generated more reviews and the submissions of further information, for example, medical information which then generated a high volume of documents that needed processing. As a result, the service reviewed its processes and introduced a number of measures to improve response times and by the end of the financial year all outstanding reviews were responded to.
- 6.21. Many of the complaints relating to homeless applications were linked to a backlog the service had in the previous year when it was processing approximately 900 applications. This was reduced to 400 and has remained at that number. Having had the main housing duty accepted, some applicants complained about the length of time it had taken to accept the duty when they realised that they were likely to be facing a long wait for long-term or permanent accommodation. To ensure that the staffing levels in the team were maintained, the service recruited to its casework academy with the new staff receiving comprehensive training in homeless legislation and casework. However, their inexperience led to some delays because they were still learning and can take longer to make decisions on cases.
- 6.22. Communication issues - Poor response times to customer enquiries was also identified as the reason that some customers complained. Technical issues that resulted from remote working meant that contact centre staff were unable to transfer calls, instead emailing messages that were sent to the relevant member of staff advising them to return the call, and this adversely affected response times. With the implementation of the 8 x 8 telephony system calls can be transferred, which has improved communication with customers. The system also allows managers in the HSS contact centre to listen back to recorded calls for monitoring and training purposes. It also provides better evidence where complaints are made and the call back function allows callers to end their call and wait for it to be returned.
- 6.23. Lessons learned - Improvement in service quality:
- Central administration team to be set up to manage various administrative processes across the service in order to ensure a more standardised and efficient approach
  - Additional capacity in Quality & Reviews team with a new team manager post under the delivery lead
  - New process for responding to non-statutory reviews, moving from service area led, to Quality & Reviews team
  - Monthly meetings led by the Quality & Reviews team with Housing Solutions Service delivery leads and team managers have commenced. Meetings are used to discuss the complaints relating to each service area and agree actions needed for service improvement
  - New KPI's set for the contract providers around members enquiries and complaint handling response times for 2021/22
  - Additional oversight of complaints performance via standing agenda item

- on monthly contract monitoring meetings and quarterly overview report
  - 'Lessons Learnt' monitoring linked to the service monthly meetings will form part of monthly monitoring meetings to discuss and action how complaints can be addressed
  - Additional audit checks as part of the Quality Assurance activity will be used to track service improvement and service issues, which have been identified from the 'lessons learnt' monitoring.
- 6.24. **Housing Management Services** - Tenants who are unable to carry out repairs that are their own responsibility are frustrated when Westminster Housing does not agree to carry them out for them. In response Housing have updated the information on tenants' repairing responsibilities on the website, updated the tenants' handbook and are in the process of producing a series of 'how to' animations to help tenants carry out their own repairs. The service is also developing a series of animations to provide advice and guidance on repair issues that are often requested and the subject of complaints. Other actions taken are as follows:
- Following an increase in the number of repairs complaints escalated to S2, repairs complaints are now inspected by a surveyor at both S1 and S2 to improve diagnosis. Those repairs are tracked to completion and residents are called to confirm completion of the work.
  - Following a complaint that a H&S repair to a fire door was not completed during lockdown, a new process is being developed to ensure repairs identified by the Compliance Team (as a result of estate inspections) are completed in a timely manner and any delays can be escalated and resolved effectively.
  - Following a large volume of complaints related to repairs that were not completed due to lockdown restrictions, communications were increased to inform residents of new arrangements. The repairs team called residents whose jobs were to be put on hold and communicated arrangements for re-booking after lockdown.
  - Following a complaint from a tenant who exchanged homes with a housing association tenant that they had lost their right to buy, the procedure for managing RTB has been amended to ensure tenants are advised that a move to a landlord other than a council will result in a loss of the RTB and to seek their own advice regarding the tenancy they are taking on.
  - Following a complaint about inconsistent advice regarding an application to succeed to a tenancy, the process has been changed so that residents contacting the housing service are referred direct to a housing manager for specialist advice and to handle the succession claim. Processes and procedures have been updated accordingly and the qualifying information required has been clarified.
- 6.25. **PPI** - With regards to lessons learnt PPI is making sure staff are fully aware of processes and procedures around managing complaints by offering further training and will also be reviewing their list of officers who are currently on the complaints system and reviewing areas to make sure the Complaints team is fully aware which managers covers each ward across Westminster with regards to triaging of cases.
- 6.26. **Waste and Parks** – These are highly visible front-line services with extremely high levels of customer interactions (one million individual waste collections every week alongside several thousand kilometres of street cleaning). Complaint data is highly useful information to the service in terms of identifying problem 'hotspot' locations that require a new approach or process issues that need correcting (ordering a bulky waste collection/recycling bags etc.). The most important category of

complaints we investigate involve employee behaviour (speeding HGV drivers, rude sweepers etc.). The monthly Veolia Contract Meeting has a standing agenda item to review in detail all individual 'behaviour' related complaints and what lessons can be learned for the delivery of services alongside potentially disciplinary action being taken for inappropriate behaviour.

6.27. **Adults Services-**

- Refresher training was delivered to staff on the importance of checking support plans very carefully before sign off to ensure all eligible assessed needs are included in a support plan clearly.
- There is better communication between the Adult Social Care operational teams and the Finance Team to ensure effective resolution of complaints.
- Training has been arranged for Social Work Teams around Direct Payments (DP) to focus around the process and criteria for suspending a DP. A new process is being implemented to ensure that a DP cannot be suspended without the explicit agreement of the relevant Adult Social Care Head of Service.

6.28. **Children's Services**

- The need to explain to and ensure that the service user understands what an assessment report entails.
- Social workers to inform service users if they are leaving the Council's employ or are no longer handling their case

6.29. **Sports and Leisure-** The Physical Activity, Leisure and Sport (PALS) team work very closely with their contractor Everyone Active and this assists in identifying complaint trends and in resolving them effectively and efficiently. The team has worked with Everyone Active to improve their own complaints procedure and also to develop a banning policy underpinned by a customer sanctions guide all of which they feel has helped make complaint handling more robust. Changes to Everyone Active and their banning/sanctions policy has informed and rolled out as their national policy

## 7. **STAGE 2 COMPLAINTS**

### **Volume of Complaints by Directorate**

- 7.1. **Total** number of Stage 2 Complaints in 2020/21 – **243** (withdrawn and statutory cases not included). There were 176 stage 2 complaints received in the preceding year and this represents a percentage increase of 38%.
- 7.2. The increase in stage 2 volumes is generally due to the increase in Housing Management Services complaints and Housing Solutions Complaints. Most other service areas have seen a reduction in volume.

**Table 8 - A comparison of stage 2 volumes by Divisions within each directorate for 2019/20 & 2020/21**

Directorate/ Division - Stage 2	Total for 2019/20	Total for 2020/21	Variance
<b>Finance &amp; Resources</b>	<b>24</b>	<b>10</b>	<b>-14</b>
<i>Housing Benefit</i>	7	2	-5
<i>Council Tax</i>	15	1	-14
<i>Business Rates</i>	2	7	5
<b>City Management and Communities</b>	<b>42</b>	<b>23</b>	<b>-19</b>
<i>Waste and Parks</i>	5	1	-4
<i>Public Protection and Licensing</i>	13	7	-6
<i>Parking Services</i>	14	12	-2
<i>Highways and Public Realm</i>	4	3	-1
<i>Libraries and Archives</i>	0	0	0
<i>Community Services (Sports)</i>	6	0	-6
<b>Growth, Planning and Housing</b>	<b>100</b>	<b>205</b>	<b>105</b>
<i>Development Planning</i>	7	4	-3
<i>Housing Solution Services</i>	31	48	17
<i>Housing Mgt (was CityWest Homes)</i>	62	153	91
<b>Chief Executives</b>	<b>9</b>	<b>0</b>	<b>-9</b>
Electoral Services	9	0	-9
<b>Children's Services</b>	<b>8</b>	<b>5</b>	<b>-3</b>
<b>Total</b>	<b>176</b>	<b>243</b>	<b>67</b>

## Stage 2 – Responses times

- 7.3. As indicated in **Table 9** below response times have slightly improved on the previous year. The slowing down in response times has been due in part to the increase in the volume of stage 2 complaints, the number of complex investigations, some services have generally been slower in replying to requests for information and that the corporate complaints team has also been down an officer. In response to this the team now has a full compliment of staff and following comments made by the Chair of Audit and Performance Committee when reviewing the Annual Complaints report for the preceding year, and with the approval of the Cabinet Member for Finance and Smart City changes to the complaints policy were made to increase the stage 2 target response time to 20 working days. This was effective from July 2021 therefore next year's annual report will indicate what impact the change in policy has had and currently the change is being monitored.

**Table 9 - Response Time (target of 10 working days)**

Stage 2 - Within Target Response Times	2019/20	2020/21
	13%	17%

## Stage 2 Outcomes

- 7.4. As with stage 1 each stage 2 complaint response should indicate what the complaint outcome is.
- 7.5. **Table 10** below, indicates that that the percentage of Not Upheld decision for 2020/21 has decreased when compared with 2019/20, and there has been an increase in overall percentage of complaints that have been Upheld and Partially Upheld. The percentage change in decisions is small therefore it is

difficult to draw conclusions given that stage 2 volumes are also small when compared to stage 1 volumes and coupled with the fact that Housing Management make up 63% of all stage 2 complaints.

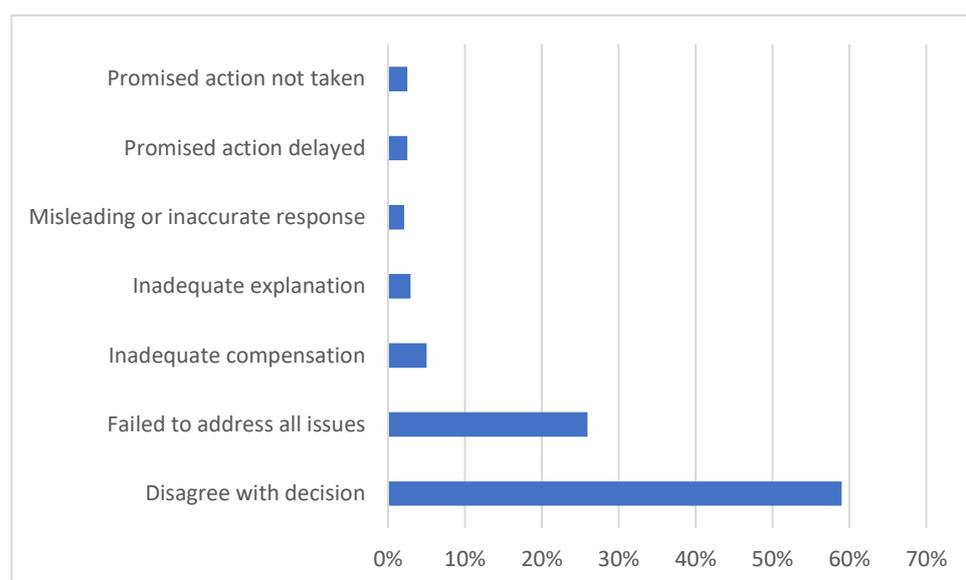
**Table10 - A comparison of % Complaint decision by Directorate and overall % totals for 2019/20 and 2020/21**

	2019/20 Upheld decision	2019/20 Not Upheld decision	2019/20 Partially Upheld decision	2020/21 Upheld decision	2020/21 Not Upheld decision	2020/21 Partially Upheld decision
<b>Finance &amp; Resources</b>	29% (7/24)	33% (8/24)	38% (9/24)	<b>10% (1/10)</b>	<b>50% (5/10)</b>	<b>40% (4/10)</b>
<b>City Management and Communities</b>	5% (2/42)	69% (29/42)	26% (11/42)	<b>4% (1)</b>	<b>74% (17/23)</b>	<b>22% (5/23)</b>
<b>Growth, Planning and Housing</b>	20% (20/100)	38% (36/100)	42% (42/100)	<b>27% (56/205)</b>	<b>28% (58/205)</b>	<b>44% (91/205)</b>
<b>Children’s Services</b>	13% (1/8)	50% (4/8)	38% (3/8)	<b>20% (1/5)</b>	<b>0% (0/0)</b>	<b>80% (4/5)</b>
<b>Totals</b>	<b>17% (30/176)</b>	<b>45% (80/176)</b>	<b>38% (66/176)</b>	<b>24% (59/243)</b>	<b>33% (80/243)</b>	<b>43% (104/243)</b>

### Reasons for complaint escalation

- 7.6. The Council has an open complaints procedure and welcomes complaints even if the complainant does not fully explain their dissatisfaction with the stage 1 response. **The Figure 4** below indicates that 59% of stage 2 complaints sited no specific reason(s) for escalating) their complaint other than to generally disagree with the stage 1 finding. Of those complainants who did cite specific reasons for escalating their complaint 26% said that the stage 1 response failed to address all the issues raised in the complaint.
- 7.7. **Table 12** indicates that the escalation rate from stage 1 to stage 2 across all directorates, is 16%. This is a good performance given that there are only two stages in the complaints procedure, and the volume of stage 1 complaints. This is a therefore a reasonable indicator that stage 1 complaint handling is effective, and faults are being identified and rectified at this stage.

**Figure 4 Reasons complaint escalation**



**Table 12 – The Escalation rate from stage 1 to stage 2 across all directorates for 2020/21**

Directorate/ Division	Stage 1 Total for 2020/21	Stage 2 totals for 2020/21	% escalated to Stage 2
<b>Finance and Resources</b>	<b>194</b>	<b>10</b>	<b>5%</b>
<i>Housing Benefit</i>	53	2	4%
<i>Council Tax</i>	78	1	1%
<i>Business Rates</i>	63	7	11%
<b>City Management and Communities</b>	<b>278</b>	<b>23</b>	<b>8%</b>
<i>Waste and Parks</i>	107	1	1%
<i>Public Protection and Licensing</i>	62	7	11%
<i>Parking Services</i>	62	12	19%
<i>Highways and Public Realm</i>	16	3	19%
<i>Libraries and Archives</i>	13	0	0%
<i>Community Services (Sports &amp; Leisure)</i>	18	0	0%
<b>Growth, Planning and Housing</b>	<b>1016</b>	<b>205</b>	<b>20%</b>
<i>Development Planning</i>	43	4	9%
<i>Housing Solution Services</i>	242	48	20%
<i>Housing Mgt (was CityWest Homes)</i>	731	153	21%
<b>Children's Services</b>	<b>50</b>	<b>5</b>	<b>10%</b>
<b>Totals</b>	<b>1538</b>	<b>243</b>	<b>16%</b>

## 8. Local Government and Social Care Ombudsman (LGSCO)

### First Time Enquiries

- 8.1. 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 websites or set out in legislation. If they want to obtain specific information from a local authority, such as asking questions or requesting copies of correspondence to assist in an investigation they will write to the relevant Council with their request. This is known as first time enquiries.
- 8.2. As shown in **Table 13** there has been a slight decrease (-1) in the number of first-time enquiries when compared with the preceding year.

**Table 13 - LGSCO total First Time Enquiries for the years 2019/20 & 2020/21**

	First Time enquiries Totals 2019/20	First Time enquiries Totals 2020/21	Variance
F&R - HB	0	2	2
F&R- CT	2	0	-2
F&R- NNDR	1	1	0
GPH - Planning	1	2	1
CMC - Parking	1	1	0
CMC - Highways & Infrastructure		1	1
CMC-Public Protection & Licensing	2	4	2
CMC - Physical Activity, Leisure & Sport	1		-1
Adult's	5	2	-3
Housing Solution Services	7	8	1
Children's Services	4	2	-2
<b>Totals</b>	<b>24</b>	<b>23</b>	<b>-1</b>

### Compensation

- 8.3. 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.
- 8.4. A comparative breakdown of LGSCO financial remedies for 2019/20 and 2020/21 can be found below (**Table 14**).

**Table 14 – Comparison of LGSCO compensation settlements**

Financial Local Settlements	2019/20	Nos of complaints offering compensation		2020/21	Nos of complaints offering compensation
GHP - HSS	£900	3		<b>£14,400</b>	<b>5</b>
Adult Services	£250	1		<b>£250</b>	<b>1</b>
Children Services	£2,050	3		<b>£150</b>	<b>1</b>
CMC - Sports & Leisure	£100	1		nil	<b>0</b>
CMC - PPI	£1,400	1		nil	<b>0</b>
CMC - Highways & Infrastructure	nil	0		<b>£300</b>	<b>1</b>
CMC - Parking Services	£324	1		<b>£100</b>	<b>1</b>
<b>Totals</b>	<b>£5,024</b>	<b>10</b>		<b>£15,200</b>	<b>9</b>

- 8.5. When applicable compensation is usually paid by the relevant contractor/provider and not from the Council's purse.
- 8.6. It is difficult to make performance comparisons between financial years as each complaint is dealt with on its merits.
- 8.7. In the majority of cases for 2020/21 each single award is for payments of £300.00 or less. However, HSS had three complaints which awarded compensation of £4,500, £7,200 and £2,200 respectively. The complainant has not accepted the award of £7,200 therefore no payment has been made in this complaint. The other two payments have been paid by RMG the HSS contractor although the HSS housing provider will be recharged the amount of £4,500 for that complaint, and RMG paid the compensation for the case that awarded £2,200 and the additional payment (not a compensation payment) made to the landlord accrued because of rent arrears will be split between the Council and RMG.
- 8.8. Below is a summary of the complaint made to the Ombudsman about these three cases.
- In the case of the award for £4,500 the complaint was about disrepair issues in temporary accommodation. The Council failed to ensure the defects were resolved promptly, leaving the family in unsuitable accommodation for 10 months longer than they should have. We apologised, agreed to pay the compensation and review service level agreements with managing agents
  - The award of £7,200 is a significant payment but takes into account that the error stems from 2017 when the Council accepted a full housing duty for the family after they had made a homeless application. However, the letter confirming this, was sent to an address they had already left. The fault meant the family were homeless for a period and have since been living in unsuitable private rented accommodation. The award was made to the family to remedy the injustice arising from their period of homelessness, the loss of opportunity to request a review of the suitability of their accommodation, and for their time and trouble in pursuing this complaint. We also agreed to consider what practical changes we can make to our procedures and systems, to help prevent a recurrence.
  - In the case of the award totalling £2,200 the failure was to provide interim accommodation in response to a homeless application and we delayed in taking action between February 2018 and February 2020. The delays included issuing a section 184 decision, failure to offer interim accommodation, failure to offer accommodation until the day before eviction a delay in issuing a personal housing plan and referring him to Westlets. We also agreed to pay rent arrears accrued by the complainant over and above which housing benefit and universal credit would have covered.

### **LGSCO – Annual Letter 2020/21**

- 8.9. Attached as **Appendix 1** is the Local Government and Social Care Ombudsman Annual Letter for 2020/21.
- 8.10. The Annual letter says very little about performance and refers the reader to the statistical information available via a tool on the LGSCO web site. The Council's complaints manager has access to this tool and can arrange for Members or managers to have access. The LGSCO data will not match the data held by the Council as the LGSCO captures all the contacts, enquiries,

and complaints made to them about a local authority and most of these complaints are not formally investigated by the LGSCO. Also the LGSCO only reports on those cases decided in 2020/21, and some of those complaints were received by the Council in 2019/20. The Council tracks what it has received in a financial year and what is decided in that same year.

- 8.11. At the end of March 2020, the LGSCO temporarily stopped their casework, in response to the pandemic and the wider public interest, so to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. They restarted casework in late June 2020.

### Public Report

- 8.12. On 10 September 2020 a formal public report finding maladministration with injustice was issued against the Council (Adult Services) and this report was published on 22 October 2020. The report was issued under Section 31(2) of the 1974 Act, and the Serious Case Review Committee met on 24 November 2020 to consider the report and findings. The complaint was about the failure to provide a blind man with a care and support plan that properly met his assessed adult care needs. The care and support plan did not provide for access to community services. The Council accepted the finding and recommendations, which included an apology and compensation of £2,000. The Council also agreed to review other cases to ensure the same thing had not happened to anyone else. This is the first public report issued against the Council since September 2013.

### LGSCO data

- 8.13. The LGSCO data records 83 complaints and enquiries against the Council and of these 79 have been decided, there are 4 cases which are still ongoing. Of those decided 71% were either not formally investigated as they were either returned to the authority to answer within our own complaints procedure or were closed after initial enquiries. It should also be noted that the annual letter is referring to all the decisions made in 2020/21 and some of these complaints were received in the preceding year.

**Table 15 – a comparison of all the LGSCO Complaint decisions & Enquiries for 2019/20 and 2020/21**

	2019/20	2020/21
<b>Total number of complaints and enquiries decided</b>	<b>107</b>	<b>79</b>
Cases referred back to Council or advice given or cases not completed for valid reasons	58 (54%)	38 (48%)
Cases closed after initial enquiries made	20 (19%)	18 (23%)
Cases Upheld	21 (19%)	12 (15%)
Cases Not Upheld	8 (7%)	11 (14%)

- 8.14. The LGSCO either finds a complaint is Upheld or Not Upheld. When a complaint is Upheld the Ombudsman will decide if there was injustice or no injustice caused by the fault(s) they have found. To uphold a complaint some fault must be found, and this means that if a stage 2 complaint has been either upheld or partially upheld then the LGSCO decision will also find the complaint to be upheld.

### Compliance

- 8.15. When a case is closed, and a remedy agreed the LGSCO will track whether the local authority completes the remedy, and if this was done in time. The statistics held on the LGSCO system indicates that we have complied with 100% of their recommendations.
- 8.16. The Council has delivered on all 11 of the agreed remedies, although 2 were late. In the previous year 5 remedies out of 13 were delivered late.

## 9. Leader and Cabinet Members Correspondence

### Members Correspondence

- 9.1. Correspondence addressed to the Leader, Cabinet Members (specifically in their capacity as an Executive portfolio-holder rather than as a Ward Councillor), and backbench Members, will often take the form of a complaint or issue with a service that is provided by the City Council. For the purposes of this report the majority of this correspondence is considered as part of this team and not as part of the formal complaints procedure.
- 9.2. As can be seen from **Table 19** the figures have increased during 2020/21. This will come as no surprise as residents have increased their contact with the Council during the pandemic; the increase is about 30%.
- 9.3. The largest increase is correspondence relating to the Finance and Smart City portfolio. The enquiries were mainly from businesses asking about rate relief and grants. For the purpose of this report, they have been recorded under the finance portfolio rather than the business one, as that is the department that provided the responses, hence the large increase from 2019/20.
- 9.4. The increase shown in City Management correspondence includes queries and concerns over the al fresco and movement strategy schemes put in place during the year.
- 9.5. Over the past year the Governance and Councillor Liaison team have found that the individual services and sign off from Members has in most cases been timely and the turnaround time has dropped to an average of just under 13 days, compared to 15 days last year.
- 9.6. The data provided in **Table 19** shows the breakdown of correspondence by Cabinet portfolio. It should be noted that correspondence that has been addressed to the Leader but relates to other portfolios, apart from her own, have been counted under that portfolio; therefore, this does not represent the high volume of correspondence the Leader received throughout the year.

**Table 19: A breakdown of correspondence totals received by Cabinet Portfolio**

Portfolio	2020/21	2019/20
Leader	3	8
Finance and Smart City	63	14
Adult Social Care and Public Health	20	18
Communities and Regeneration <i>(2019 figures include Regeneration and Public Protection cases from previous portfolio)</i>	62	32
Young People and Learning	5	8
Business, Licensing and Planning <i>(2019 figures include Licensing cases from previous portfolio)</i>	39	47
Housing	72	78

<b>City Management</b>	<b>125</b>	<b>66</b>
<b>Totals</b>	<b>389</b>	<b>271</b>

*\*Portfolios were revised in January 2021*

*City Management replaces Environment and Highways*

*Housing Services has been renamed Housing*

*Children's Services has been renamed Young People and Learning*

*Finance and Smart City replaces Finance, Property and Regeneration. Regeneration cases have been added to the Communities and Regeneration portfolio from 2019 for comparison*

*Community Services and Digital has been replaced with Communities and Regeneration; Public Protection and Regeneration cases have been added from 2019 for comparison*

*Licensing has merged into the Business, Licensing and Planning portfolio and cases from 2019 have been added for comparison.*

**Sue Howell**  
**Complaints and Customer Manager**

**Appendix A : Local Government and Social Care Ombudsman Annual Report 2020/21**

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21 July 2021

*By email*

Mr Love  
Chief Executive  
Westminster City Council

Dear Mr Love

### **Annual Review letter 2021**

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2021. At the end of a challenging year, we maintain that good public administration is more important than ever and I hope this feedback provides you with both the opportunity to reflect on your Council's performance and plan for the future.

You will be aware that, at the end of March 2020 we took the unprecedented step of temporarily stopping our casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. We restarted casework in late June 2020, after a three month pause.

We listened to your feedback and decided it was unnecessary to pause our casework again during further waves of the pandemic. Instead, we have encouraged authorities to talk to us on an individual basis about difficulties responding to any stage of an investigation, including implementing our recommendations. We continue this approach and urge you to maintain clear communication with us.

### **Complaint statistics**

This year, we continue to focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have focused statistics on three key areas:

**Complaints upheld** - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.

**Compliance with recommendations** - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

**Satisfactory remedy provided by the authority** - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 28 July 2021. This useful tool places all our data and information about councils in one place. You can find the decisions we have made about your Council, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the resource with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

As you would expect, data has been impacted by the pause to casework in the first quarter of the year. This should be considered when making comparisons with previous year's data.

This year, we issued a public report about your Council's failure to provide a blind man with a care and support plan that properly met his assessed adult care needs. Our investigation found the care and support plan did not provide for access to community services, which meant the man was denied the opportunity to access activities and services that would benefit his well-being, such as assisted walks. I am pleased the Council accepted all our findings and recommendations, which included an apology and a payment to the man. The Council also agreed to review other cases to ensure the same thing had not happened to anyone else.

### **Supporting complaint and service improvement**

I am increasingly concerned about the evidence I see of the erosion of effective complaint functions in local authorities. While no doubt the result of considerable and prolonged budget and demand pressures, the Covid-19 pandemic appears to have amplified the problems and my concerns. With much greater frequency, we find poor local complaint handling practices when investigating substantive service issues and see evidence of reductions in the overall capacity, status and visibility of local redress systems.

With this context in mind, we are developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services. We want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We are at the start of this ambitious work and there will be opportunities for local authorities to shape it over the coming months and years.

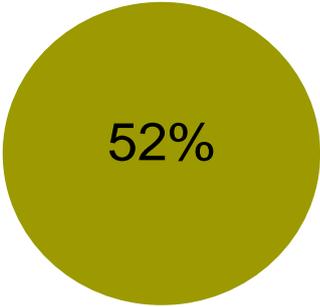
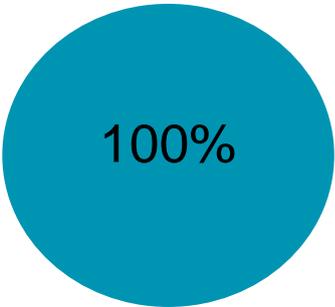
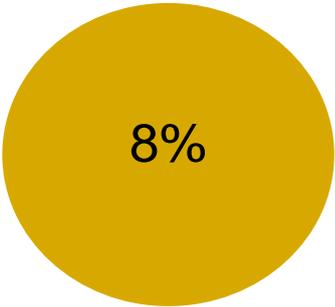
An already established tool we have for supporting improvements in local complaint handling is our successful training programme. During the year, we successfully adapted our

face-to-face courses for online delivery. We provided 79 online workshops during the year, reaching more than 1,100 people. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M King', with a horizontal line underneath.

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

Complaints upheld		
	<p><b>52%</b> of complaints we investigated were upheld.</p> <p>This compares to an average of <b>72%</b> in similar authorities.</p>	<p><b>12</b> upheld decisions</p> <p>Statistics are based on a total of 23 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>
Compliance with Ombudsman recommendations		
	<p>In <b>100%</b> of cases we were satisfied the authority had successfully implemented our recommendations.</p> <p>This compares to an average of <b>99%</b> in similar authorities.</p>	<p>Statistics are based on a total of 11 compliance outcomes for the period between 1 April 2020 to 31 March 2021</p>
<ul style="list-style-type: none"><li>• Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.</li></ul>		
Satisfactory remedy provided by the authority		
	<p>In <b>8%</b> of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.</p> <p>This compares to an average of <b>12%</b> in similar authorities.</p>	<p><b>1</b> satisfactory remedy decision</p> <p>Statistics are based on a total of 23 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>

**NOTE:** To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.

# ADULT SOCIAL CARE ANNUAL COMPLAINTS REPORT

## 2020-2021



## Table of contents

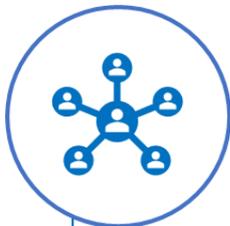
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**85** Statutory Complaints Received



**19%** Upheld  
**49%** Not Upheld  
**32%** Partially Upheld



**52%** Relate to Care and Assessment Teams  
**16%** Relate to Home Care Providers



**32%** About Service Quality  
**22%** About Service Failure



**233** Members Enquiries Received



**1** Local Government and Social Care Ombudsman Investigation Completed

## About this report

This report provides an overview of complaints, compliments and investigations between April 2020 and March 2021. The report highlights how various services within Adult Social Care (ASC) have performed in line with key principles outlined in the Local Authority Social Services and National Health Complaints (England) Regulations 2009 and the complaints process.

## About the process

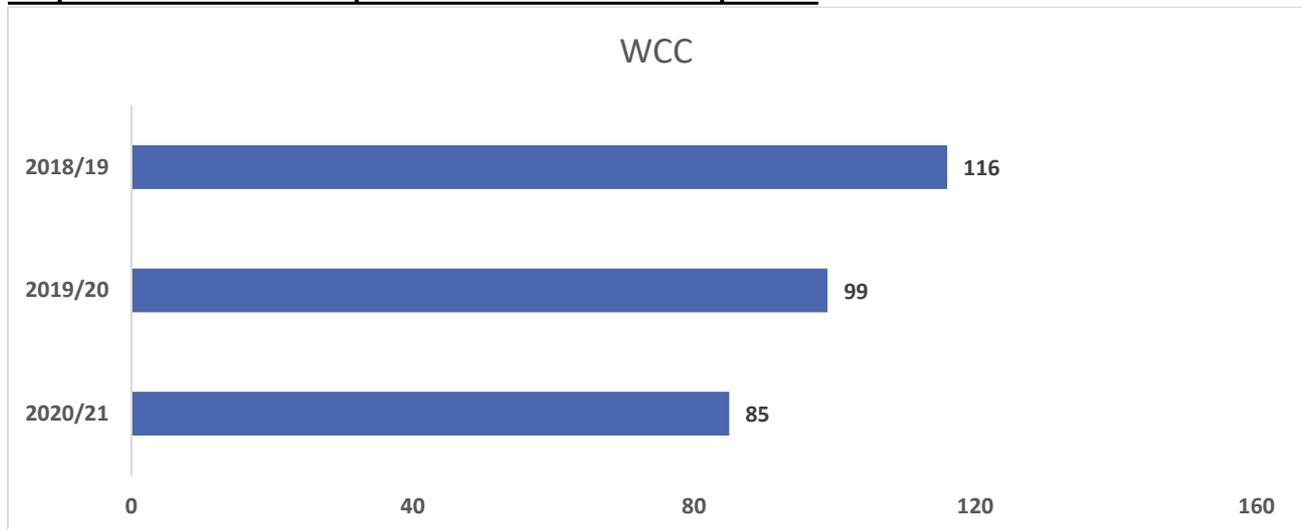
Our process for statutory complaints is in line with the Department of Health and Care's legislation and guidance. This is a one stage process. All complaints are logged and acknowledged by the Customer Engagement Team (CE Team) within 3 working days. The Council will try to resolve the complaint as soon as possible, and no later than within 10 working days. If more time is required, this is agreed with the complainant.

Anyone who has received a service, is currently receiving a service, or is seeking a service from us can make a statutory complaint. This includes anyone who is affected by decisions we may make about social care, including a service provided by an external provider acting on behalf of the Council. We will conduct a thorough and fair investigation into the concerns raised and provide a comprehensive written response with clear findings and recommendations. We will also set out the complainants right to escalate to the Local Government and Social Care Ombudsman (LGSCO) should they remain dissatisfied with our response.

## Volume of complaints

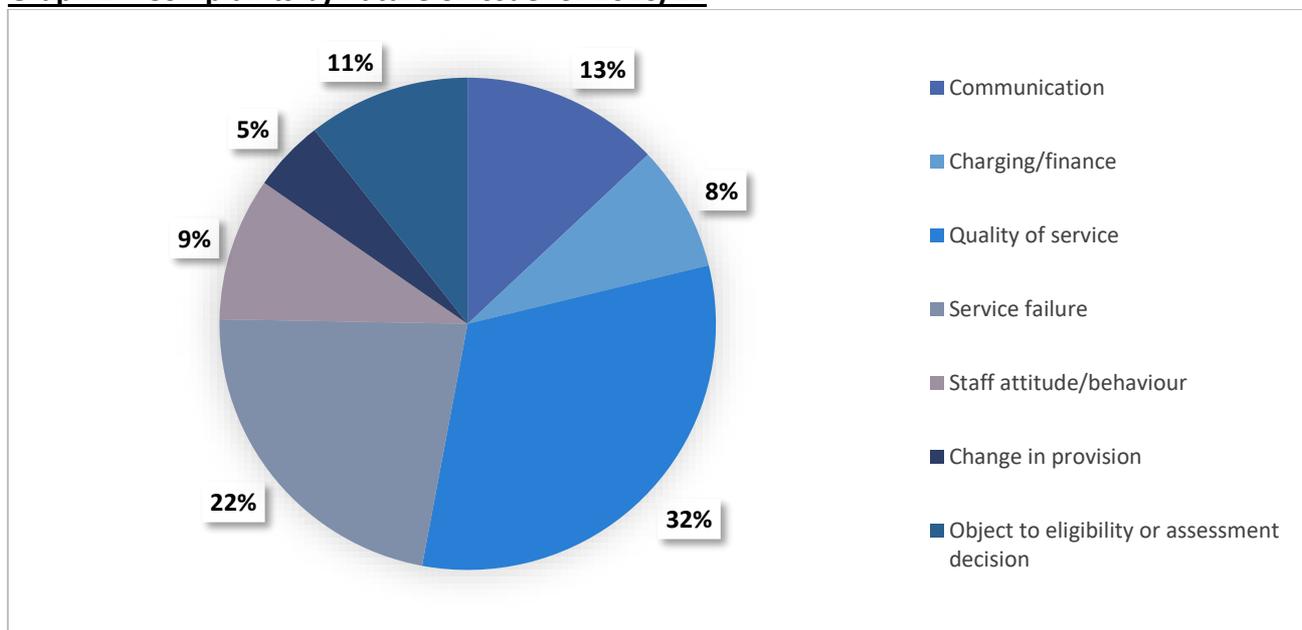
The CE Team recorded and investigated 85 complaints in 2020/21. This number is slightly lower than last year's figure. The number of complaints has been falling consistently over the last three years due to the proactive and collaborative work that we are doing with the service users and teams.

**Graph 1 – Number of complaints received over last 3 periods**



## Nature of issue

**Graph 2 – Complaints by nature of issue for 2020/21**



Of the complaints received, 32% related to quality of service and 22% to an allegation of service failure. Quality of service can refer to many things, in terms of home care it can mean lack of cleanliness, inconsistency in carers, not completing care tasks and/or to a good standard, loss/breakage of items to name a few. Staff attitude (9%) are allegations about the way staff have dealt with an assessment or how homecare staff have conducted themselves whilst providing care. 11% of the complainants raised concerns about the assessment or its outcome not being implemented and 13% about the way we communicated with residents.

## Complaints activity by team

Majority of the complaints (52%) in 2020/21 were about assessment and care services. The nature of these complaints relates to service failure, objection to eligibility or assessment decision or the quality of service that has been offered.

This year 16% of complaints in WCC were about homecare services. Most homecare complaints have been about the quality of service or service failure. We are committed to work with providers and the Contract Monitoring Team to ensure issues are identified and dealt with in line with contractual arrangements and the guidelines issued by the Local Government and Social Care Ombudsman.

The complaints that are made to the Council are investigated and resolved in line with statutory guidance. These are separate to the complaints received directly by the provider and resolved under a Care Quality Commission (CQC) compliant process directly by these organisations. The LGSCO advises that it is the responsibility of the Local Authority to ensure there is oversight on such complaints as well as those made directly to us. We work in partnership with the providers to investigate these complaints and ensure that action is taken to resolve the complaint and prevent recurrence of the issue.

In line with the LGSCO's categorisation we have tabulated all the complaints we have received in 2020/21 in the table on the next page. **Page 209**

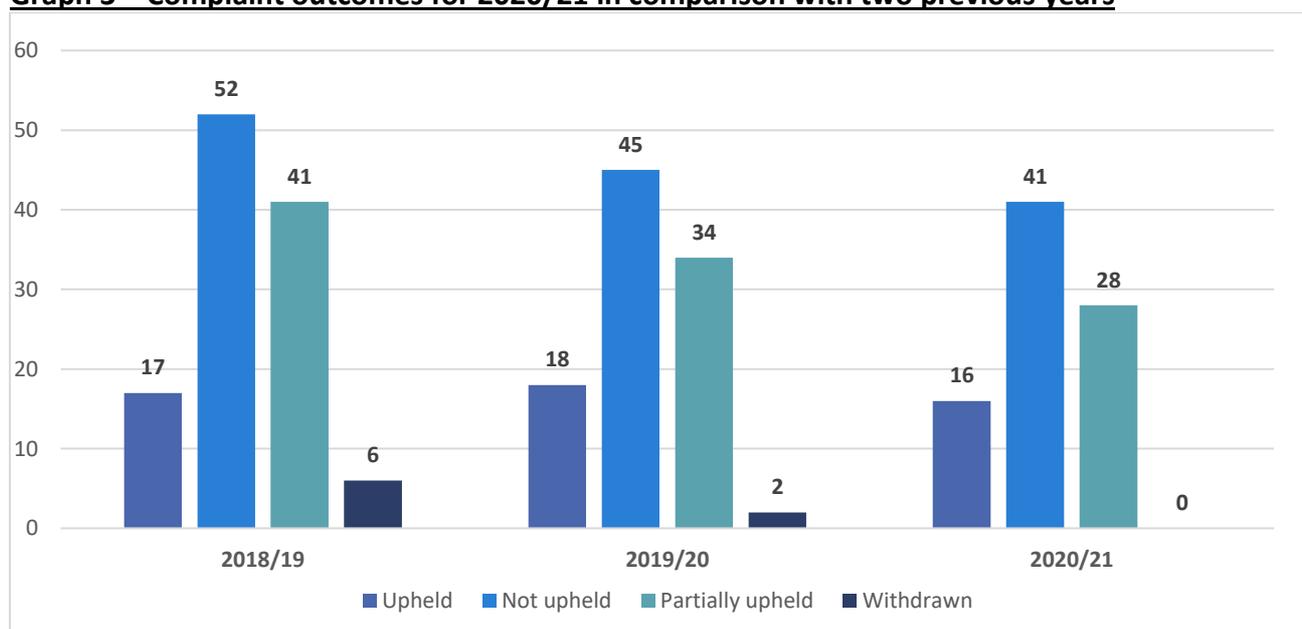
**Table 1 – Number complaints by the LGSCO breakdown in 2020/21**

	Area	Total no of complaints	LGSCO cases
Arranging Social Care	Assessment & care planning	44 (38 complex care and 6 LD)	1
	Charging/Finance	6	0
	Hospital SW Team	2	0
	Mental Health	8	0
	Older People’s MH	2	0
	DFG/OT	1	0
Providing Social Care	Residential Care	2	0
	Homecare	14	0
	Reablement & Medequip	1	0
	Other	5	0

### Outcomes

The graph below shows the outcomes of all complaints made to ASC, and comparisons with the previous two years. Just over half of the complaints received have been either fully or partly upheld. Most of the complaints that were upheld were in relation to the quality of service or staff attitude and were related to external providers commissioned by the Council. Where the complaint has been upheld, we (or our commissioned partners) have offered an apology for things that have gone wrong, with a commitment to improve the service, explained clearly reasons for delay and addressed ineffective communication if that was identified as an issue.

**Graph 3 – Complaint outcomes for 2020/21 in comparison with two previous years**



The Department of Health’s regulations on statutory complaints stipulate that the method and timeframe for responding must be commensurate to the seriousness of the complaint and completed

within 6 months. We always seek to resolve the complaint as soon as possible, and in the absence of a prescribed timescale use an internal timescale of **10 working days**, in consultation with the complainant.

65% of the complaints were responded to within 10 working days. A further 28% needed an additional 10 working days and only 7% took more than 20 working days to complete. This is a substantial improvement on the previous year.

We always aim to investigate and resolve complaints as quickly as possible however, some delays are unavoidable and reasons for this include;

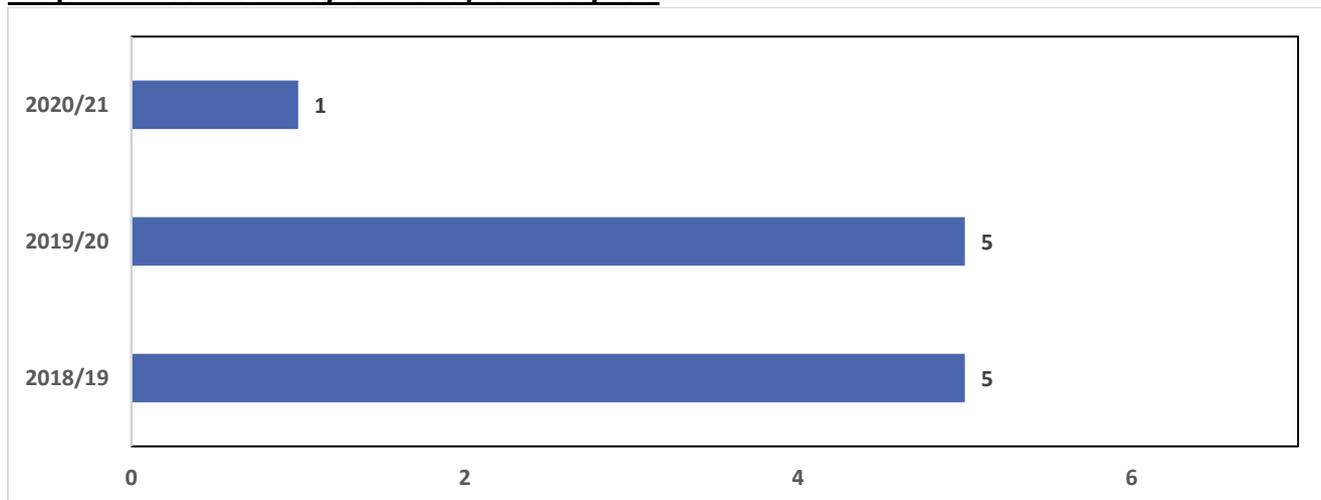
- Complexity of the case.
- Co-managed cases i.e. with health partners, commissioned providers etc.
- Provision of supplementary/additional response
- Availability of key staff to participate in the investigation.

When it has not been possible to meet the timescale the complainant is kept up to date with the progress of the investigation and advised of revised timescales.

### Local Government and Social Care Ombudsman (LGSCO) activity

The LGSCO only referred one case to the Council for investigation this year. The case was about care and assessment services.

**Graph 4 – LGSCO activity over the previous years**



The number of cases sent to WCC for investigation this year is very low compared to previous years. This is partially because during the first lockdown the LGSCO suspended its operations between March and July 2020 and also due to our proactive approach in trying to provide a resolution to complaints before they are escalated to the LGSCO. Upon restarting operations in July, they were dealing with a backlog of cases and investigation outcomes.

We received the outcome of some of the cases that remained open from the previous year. One of these complaints was upheld and was given public report status. All recommendations were completed and met to the LGSCO's and complainant's satisfaction.

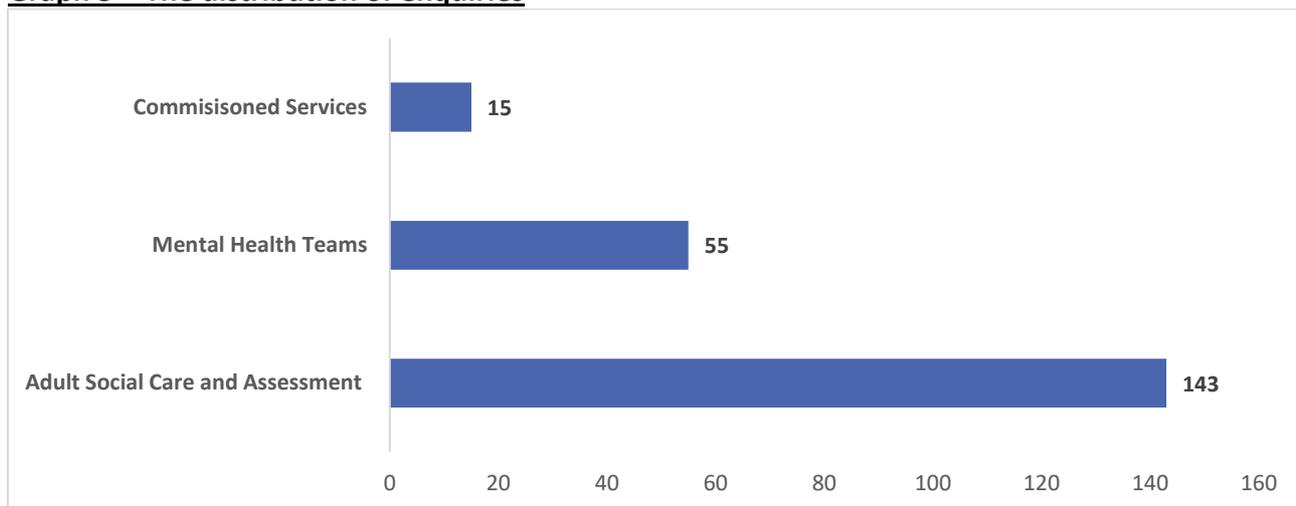
The investigation pertaining to the current year was about a Direct Payment (DP) plan that had been stopped as there was lack of evidence as to how the DP was being used. Before the LGSCO completed its investigation, the Department found that there had been some oversights and as a result

overtured the decision and took action to remedy the issues. The LGSCO accepted and supported the councils resolutions.

## Member enquiries

Member enquiries are defined as enquiries received from Elected Members of the Council or Members of Parliament acting on behalf of their constituents. The CE Team facilitated 233 Member Enquiries in 2020/21. A significant proportion of the enquiries have been on behalf of constituents and in relation to either a request for care and support or about existing arrangements within Adult Social Care and Mental Health Teams. The graph below shows these enquiries by service area.

**Graph 5 – The distribution of enquiries**

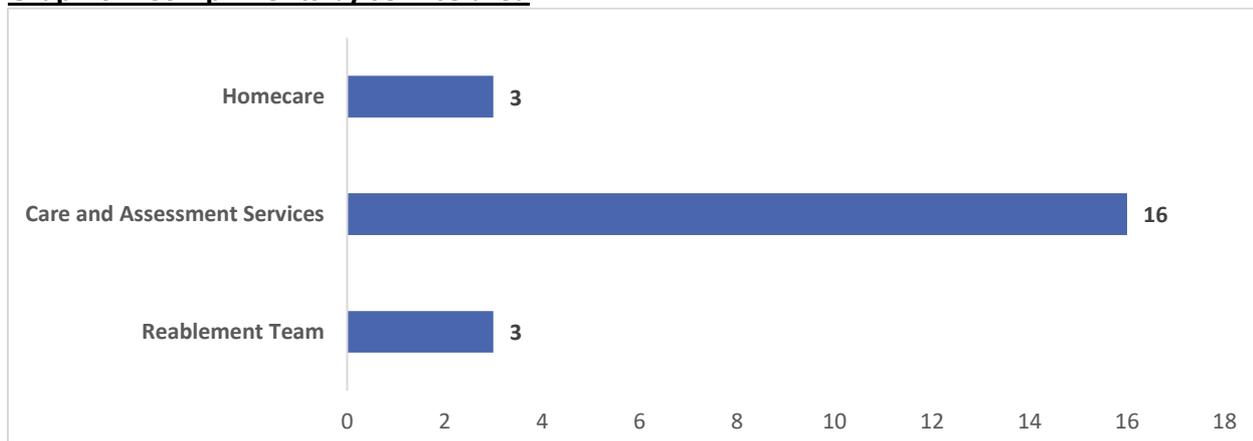


95% of enquiries were responded to within the agreed Council wide 5 working day timescale, which is an 5% improvement on the previous year. In some cases, where the issue being raised is complex, requires consent or involves input from a different Department the response may take longer to complete. In such cases elected members are advised of the delay and provided an expected date for response. The teams are committed to working together to ensure that there is one cohesive response for the resident.

## Compliments

Customers and their representatives are encouraged to tell the Council if they are happy with their care or to highlight a good service. They can complete a feedback form as well as contact the relevant social care team to express this. 22 compliments were recorded this year for WCC.

**Graph 6 – Compliments by service area**



Below are a few examples of what our service users and/or their relatives have shared with us in terms of their positive experience about the service they receive.

**From a service user about a member of the North Complex Team;** The service user spoke highly of members of staff that had recently dealt with her issues on duty and she conveyed that ‘they had time to listen to me and the experience was really positive’.

**From a service user who received Reablement Service;** ‘Thank you and your staff for your great kindness in looking after me, for providing the alarm system, the new banister rail, the pieces of equipment, and the carers service. You have been most kind and helpful. And thank you for arranging the financial aspect. Everything has been most useful, and has turned out well.

**From a service that had an interaction with I&A Team;** ‘I can’t praise you enough for all your inputs and most importantly your compassion and understanding to support such vulnerable families. I have been in touch with several agencies, individuals and departments – most of them explaining to me the procedures, systems and constraints. Your call and your email is certainly a breath of fresh air and it is so very encouraging to note that the social workers are not all “case” orientated people and that you actually value your clients and treat them with dignity and care.’

### Learning from complaints

Learning from complaints provides opportunities for services to be shaped by customer experience. Staff and managers responding to complaints are required to identify learning’s that can lead to service improvement and Learning Outcome Action plans are completed for the more complex complaints received. Lessons learnt, actions and the themes drawn from complaints are presented regularly for discussion and challenge at meetings with Heads of Service and Operational Teams to improve the quality of social care practice.

Our organisational and departmental aim is to improve services through complaints and some instances are shared below;

**You complained:**

about the quality of communication about your family members’ care package being transferred to a different provider and how this caused the family frustration and disappointment.

**We:**

Investigated this carefully and realised that communication had been unsuccessful and the way the package was transferred was not in line with our normal practice. We investigated this with the care provider after meeting with you and have put better systems in place to monitor and review the reasons for transfers as well as making sure this is appropriately communicated.

**You complained:**

that you felt pressured to into making a decision about respite care and that your family was not consulted properly.

**We:**

conducted an internal investigation and partly upheld your complaint. We advised you that the short notice was as a result of initial limited spaces due to the pandemic suddenly becoming available. Any lack of consultation was unintentional and as a result of this complaint and your feedback rapport was built and developed between you, the family and the social worker which has been key in getting you the right care and support.

**You complained:**

that the department did not get in touch with you appropriately and promptly when there were urgent concerns about your family member's welfare. You found this distressing and unprofessional.

**We:**

investigated this with a number of teams that were involved with your relative's case at the time. Due to records being made on two different systems, the investigation took longer than required, however our investigation did show that the worker did not provide you with clear details about their role and responsibilities hence resulting in distress for you. We have passed this feedback onto the Team Manager where a reminder has been issued to all staff to ensure that clear details about actions taken or next steps are provided and if in doubt matters should be escalated to the manager for action/advice.

**You complained:**

that you were concerned about your relative's homecare and reported that for double up visits both carers were not arriving at the same time to provide the care.

**We:**

worked with the provider to establish the facts and explore why the care was not being delivered as expected. The agency advised that they had some rota issues and apologised to you that the carers were unable to keep time for their visits. These issues have been resolved and care was resumed effectively.

**Future development work for 21/22**

In 21/22 we will be making further developments in the following areas;

- Developing the work we do with all our partner providers to ensure there is effective handling of complaints including organising complaints handling and investigation training for them in line with the Ombudsman's guidance on third party complaints.
- Continue to work with social care managers and commissioning teams to improve access to the complaints process, improve complaints investigations and responses as well as implementing learning outcomes consistently.
- Undertaking service user consultation activity on behalf of the Department where services are being transformed.
- Working with our Principal Social Worker and Learning and Development Team to develop and provide effective training on complaints resolution and dealing with difficult customers.

**Final comments**

We hope you have found our report informative. Please contact us if you have any further questions or suggestions about this report.

Adult Social Care Customer Engagement Team

[ASCCustomerfeedback@westminster.gov.uk](mailto:ASCCustomerfeedback@westminster.gov.uk)

020 7361 2552 – 0800 587 0072



City of Westminster

Family Services

Children's Social Care Annual Complaints  
Report

1st April 2020 to 31st March 2021

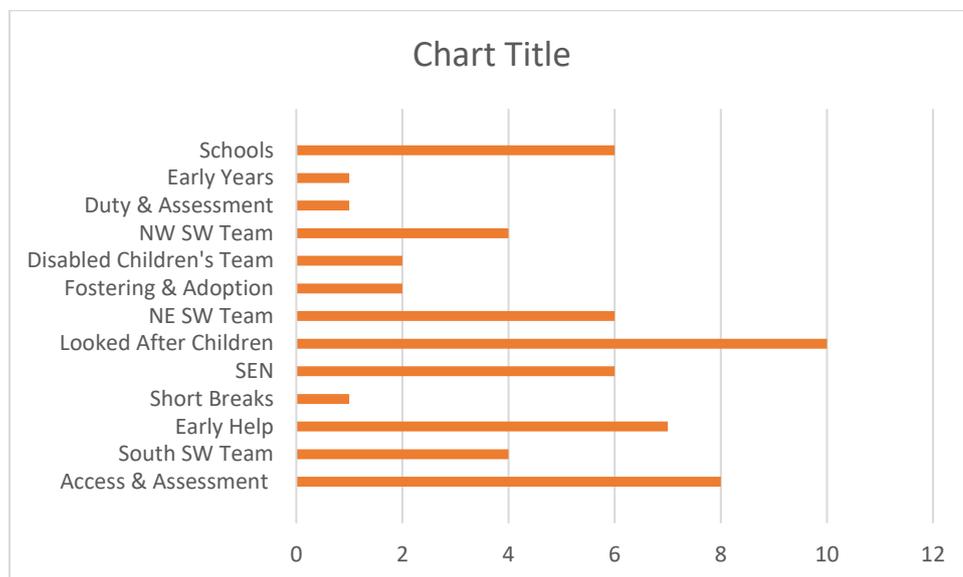
*Adetoro Ojewale*  
Bi-borough Customer Relationship Manager  
Children's Services

## 1. EXECUTIVE SUMMARY

- 1.1 The Children's Social Care Statutory Complaints Procedure stipulates that an annual report must be produced for complaints made under the Children's Act 1989 Representation Procedure (England) Regulations 2006. The procedure further requires that the report should provide a mechanism by which the Local Authority can be kept informed about the operation of its complaint and representations procedure; and that it should be presented to staff; the relevant management committee and be made available to the regulator and the general public.
- 1.2 The focus of this report is on all complaints about Children's Services (Statutory and non-statutory) and on the themes, trends and volumes of complaints received between 1<sup>st</sup> April 2020 and 31<sup>st</sup> March 2021. It also highlights the learnings identified and the service changes that have already been implemented in response to learning from complaints.
- 1.3 A complaint accepted under the Statutory Children's complaints procedure is one that considers services provided to Children and young people under Part 3 and some of parts 4 & 5 of the Children's Act 1989, as well as some adoption and special guardianship services, under the Adoption and Children's Act 2002. These could be complaints about contact or accommodation issues or an assessment decision involving looked after children for example. These types of complaints are considered under the Statutory three stage complaints process. See Appendix **A** for an explanation of the different stages of the Statutory complaints process.
- 1.4 Complaints which are outside of part 3 of the Children's Act as well as some parts of part 4 & 5 are categorised as non-statutory complaints. These complaints including those about Special Educational Needs (SEN), Transport and Commissioned services were considered under the Council's three stage corporate complaints process. See Appendix **B** for an explanation of the different stages on the non-statutory complaints process.
- 1.5 In 2020/21, the Customer Relationship Team (the Team) received and responded to 58 complaints about Children's Services. Of these complaints, 6 were recorded as Statutory Children's Services complaints and the remaining 52 were considered under the non-statutory complaints' procedure. Of the total 58 complaints received, 2 were resolved at initial contact and 2 were rejected as they pertained to other Local Authorities.
- 1.6 The pandemic is thought to have had a knock-on effect on the number of complaints received (58) when compared with the numbers received in 2019/20 (85). This represents a 47% decrease in the number of complaints received.
- 1.7 The table below shows the volume of complaints received by the social care teams from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021. It is a positive thing to note that

services users are using the complaints' channel to lodge their concerns. This reflects the awareness raising that the Team have continuously engaged in.

### Complaints received from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021

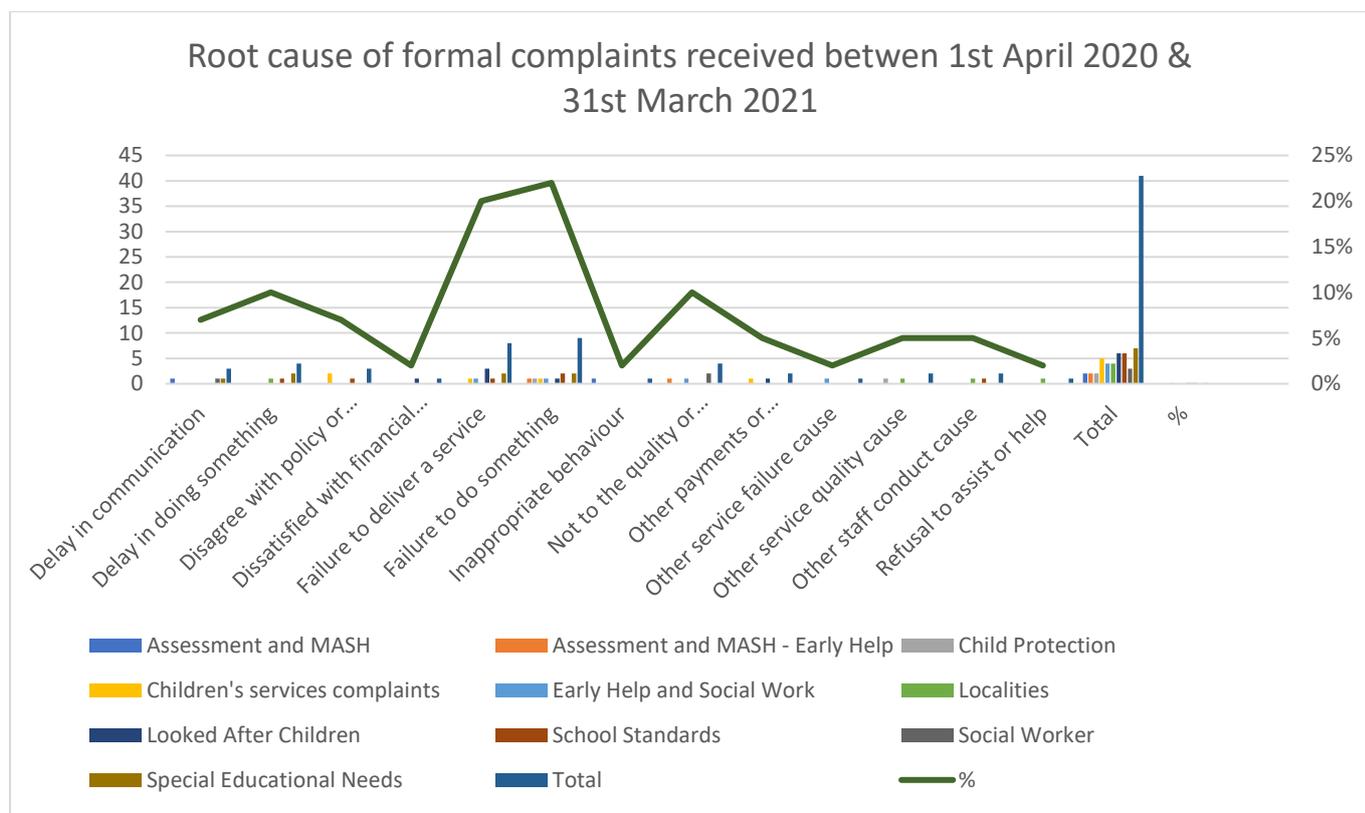


- 1.8 Over the past year the Team have continued to strengthen their direct engagement with colleagues to more fully explore the issues raised by the complainant. Given the current context, this was carried out virtually via Teams rather than face to face.
- 1.9 The Team has also continued to maintain engagement with Services by prioritising the building of strong working relationships with colleagues in other teams, practitioners, and the Children's advocate in a bid to promptly resolve complaints, with a substantive and robust response.
- 1.10 The Team encourages Service Managers to notify them of complaints being resolved directly with the resident. This ensures that these are reflected upon, and a record made of the actions taken to resolve the concerns.
- 1.11 In the last 12 months, the Team received notification of 2 complaints resolved at initial contact. None of the 2 escalated to Stage 1.
- 1.12 The focus of the Team very much remains continuous engagement with complainants prior to accepting complaints at the different stages. This has enabled officers to not only build and sustain the rapport built with service users, but also to have transparent conversations about realistic outcomes and to help manage their expectations. These actions have resulted in a decrease in the request to escalate complaints to the next stage.

## 2 PERFORMANCE OVERVIEW

2.1 This section of the report provides an overview of the top 10 reasons for making a formal complaint across the total volume of complaints.

2.2 42% of the complaints received have been about the failure or refusal to offer or deliver a service. This continues to be a common theme in the complaints received about Family Services.



2.3 It is important to emphasize that complainants often raise issues about several areas outlined in the chart above. For example, within a single complaint, a service user may complain about non consistent contact arrangements set up with their child and about the contents of a letter written in support of an ex-partner. The complaints, therefore, are categorised by the area which forms most of the complaints.

2.4 The table below shows the breakdown of complaints received across Teams in Family services.

Team	Number of Complaints
Access & Assessment Team	5
Special Educational Needs	8
North East Social Work Team	4
Fostering and Adoption Team	2
Disabled Children's Team	1
North East Early Help Team	11
Looked After Children & Leaving Care	11
School Standards	6
Short breaks	1
Localities	7
Total	56

- 2.5 In analysing these complaints, the predominant theme remains that of parents or service users highlighting their concerns about a failure or refusal to meet their expectations in an area of service.

### 3. RESPONSE TIMES AND OUTCOMES OF COMPLAINTS

- 3.1 In this reporting year, Family Services responded to 74% of stage 1 complaints within the timescales, compared to 79% in 2019/20. This represents a 5% reduction in response times. This was mainly due to covid restrictions. Complaints received in hard copy by post could not be responded to within statutory timescales as per normal procedures. This was due to the Team working from home during the 1<sup>st</sup> five months of the pandemic and not being able to access post sent to them.
- 3.2 The Team continues to work to strengthen the relationship with colleagues in other teams to improve on the timeliness of responses. In the cases where the customer experienced a delay, the team continued to maintain contact with the service users and were able to meet the revised deadline for response.
- 3.3 42% of the total complaints received were either upheld or partially upheld. A complaint is upheld or partially upheld where it is identified that things did not happen as they should have done. For example, some of the complaints identified a feeling of being let down by the social worker or a failure to communicate information properly. In one instance, there was considerable detriment to the family. In addition to the learnings identified at Stages 2 and 3 of the complaints processes, a summary of all learnings is reflected in section 4.

## Stage 2 and 3 complaints

- 3.4 5 complaints (statutory & non-statutory) of those responded to at stage 1 were considered at stage 2. Only one of the 5 complaints considered at stage 2 was a statutory complaint and this complaint progressed to stage 3. This was responded to within the Statutory complaints' procedure and timescales. This complaint related to the actions of the social worker in failing to identify the victim of domestic abuse in a family and therefore not providing the necessary support needed at that time.

Recommendations made to the Council were:

- ***That the City of Westminster continues to roll out its training programme so that staff have sufficient awareness of domestic violence to ensure that there is no institutional blindness going forwards when men are the victims.***
  
- ***Furthermore, that the City of Westminster, through one of the voluntary sector organisations set up for male victims of domestic violence, consider inviting a male victim to participate in any future training programmes.***
  
- ***That, Family services should ensure that all evidence sent in support of a complaint or an allegation is correctly recorded on the case recording System (Mosaic) used by social workers.***

- 3.5 Regarding the remaining 4 non-statutory complaints, please find below an explanation of the cause of the complaints.

- *One of the complaints was from a young person requesting for back dated payment of the leaving care grant. This was a historic complaint as the young person was involved with Family services back in 2015 and accommodated under s20 of the Children's act.*
  
- *The 2<sup>nd</sup> non-statutory complaint was about a sec 17 report in which the parent stated that he was not given a copy of the report and it contained inaccurate information.*
  
- *The 3<sup>rd</sup> complaint focused on a single assessment carried out in relation to a child where it was alleged that the social worker had omitted to include in the report the numerous issues reported by the child.*
  
- *The 4<sup>th</sup> complaint related to a letter written in support of a victim of domestic abuse. The complainant felt that the contents of the letter would negatively affect his future contact with his children.*

3.6 It is worth mentioning that no SEN complaints in this reporting year progressed to stage 2 or 3.

## **LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN DECISIONS**

3.8 The Ombudsman received 3 complaints about Children's services, all of which have been investigated and closed.

3.9 The table below shows the outcomes reached across the 3 cases where a decision has been made by the LGSCO. In the case that the LGO did not investigate, this was because it was out of their jurisdiction. It was a matter for the Court to decide.

<b>Decisions</b>	<b>Number of Complaints</b>
Out of Jurisdiction	1
Fault leading to Injustice	2

3.10 Regarding the complaints investigated by the Ombudsman, please find below a brief overview of each complaint.

- *The Ombudsman found fault leading to injustice in both complaints. In the one case involving a foster carer, the Council provided five written responses to the complainant which was confusing as it was unclear as to what stage the complaint was at.*
- *The second complaint was about a parent who complained that the Council failed to properly consider her application for transport assistance for her daughter. The Ombudsman recommended that the Council should review its travel assistance policy on appeals to ensure that it complies with Government guidance.*

3.12 Children's Services remain committed to improving services and complaints handling in cases where things have not happened as they ought to. The Children's complaint team continues to work collaboratively with the Council's complaints team to ensure a consistent approach in the handling of complaints.

## **4. Learning from Complaints**

4.1 An important aspect of the culture in Children's Services is learning from complaints. Team Managers responding to complaints are encouraged to identify any failings within the service as part of their response, and to inform the resident of actions which will be taken to prevent a reoccurrence.

4.2 In addition to the recommendations made by the Investigation Team for statutory complaints across the Bi-Borough Children's services, listed below are some of the learnings identified by services across all complaints.

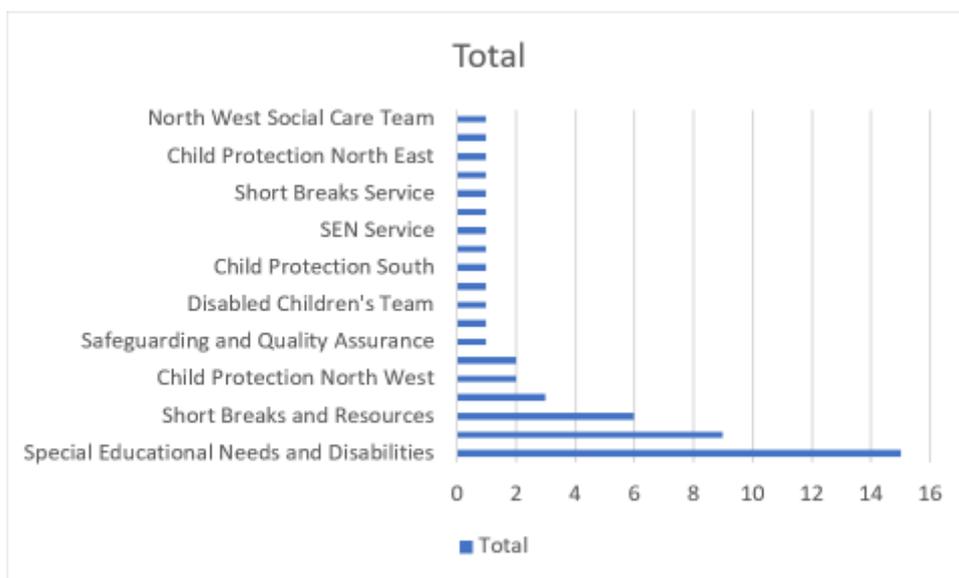
- a) *The need for parents to be kept informed/updated about changes to a school route especially where a special needs child is affected.*
- b) *Improved communications between Social workers and service users in general.*
- c) *The need for Social Workers to produce a leaflet that details information on how an assessment is carried out and which informs the service user of their right to view the draft report and make comments where they disagree with what's been written*
- d) *The need to provide domestic abuse training for Social workers to enable them to identify male survivors of domestic abuse and signpost them to relevant support as required.*
- e) *Where management have identified tasks for action by a Social Worker and some of those tasks cannot be completed, a case note as to the action that is incomplete must be included within the case file records.*
- f) *Case recording needs to be of a sufficient level to enable clear accurate and thorough reviewing of case files. Relevant staff should be reminded of the importance of following case recording procedures and ensuring that information (including emails) are routinely uploaded and properly recorded on to the electronic systems.*
- g) *The child protection process can be a stressful and an emotional environment. Social work teams should ensure that families have time to process information in their own time, and also, consideration should be given to the production of written information (in the form of a leaflet, for example) which explains key trigger points of the process.*

4.3 Following on from learnings identified from complaints, some service improvements have been put in place to demonstrate that the service actively listens to and takes feedback from complainants seriously. Please find below some service improvements made:

- *The assessment team has been working in how assessments are carried out, thinking particularly about engagement with referrers, and how to better engage with families and professionals together.*
- *In response to some informal complaints received, the service is considering whether the MARF can be amended to better capture the families' agreement to referral.*
- *A group of senior practitioners in the assessment team are working together to devise better ways of capturing family feedback on conclusion of assessments. This is part of the work currently being done in the team's quarterly forums – "Towards an anti-racist front door".*
- *The Section 20 template for young people when they make the decision to come into care has been redesigned.*

## 5. Compliments

- 5.1 In addition to learning from complaints, Children's services welcome compliments from its service users. These compliments act as indicators of good practice and are also reflective of the type of service that families find helpful, thereby enabling the service to further improve on the activities that are working well. A flavour of some of the compliments received by the different teams within Children's services is listed in Appendix C.
- 5.2 During 2020/21, 59 compliments were sent to the Team. The chart below shows the distribution of these across the various team within the service. The SEN team recorded the highest number of compliments this financial year.



## 6. Customer Relationship Team - Delivery against priorities for 2020/21

- 6.1 Information on the progress made against each of the priorities set for the Team is outlines below:

- 1) **To track learning outcomes and recommendations from Stage 2 & 3 complaints and to share these with Senior Management and services on a quarterly basis.**

Learnings and recommendations are captured on the case management system – Integrated Casework (ICW) and these are shared with the relevant Director, service and the Heads of Service quarterly.

- 2) **To review recommendations and work with other teams within the service to ensure case specific and service wide commitments to change in approach, or practise is completed, and service delivery improved.**

Most of the recommendations received especially from the Local Government and Social Care Ombudsman (LGSCO) are time specific. The Team shares these with the Director and relevant team managers and ensures that the recommendations are carried out by the specified dates. For example, where the LGSCO recommends that an apology and some financial compensation be made to the complainant within a month from the date of the issue of the final report - The Team works together with the service to draft the letter and ensure that the recommendation is completed by the date specified. The Team also processes the payment and keeps the complainant updated. Once all the tasks have been finished, the Team feeds back to the LGSCO for completeness.

- 3) **To compile datasets and complaint themes identified from stage 1 complaints and to share these with respective teams within the service, thereby supporting areas of improvement and embed better ways of working.**

The complaints case management system captures data accurately and is used by the Team to produce data for quarterly reporting on complaints. This data and the themes identified is shared with respective social care teams. They in turn use the themes to drive service change and improve on the quality of services offered to service users.

- 4) **To continue to promote agile and flexible approaches to resolving complaints, meeting with the service managers for each statutory complaint accepted by the Team with a view to resolving these in 10 working days.**

The Team continues to meet with service managers to consider the complaint received and decide on the best approach to resolving the concerns.

## 7. Customer Relationship Team - **PRIORITIES FOR 2021/22**

The Key priorities for the Customer Relationship team over the next 12 months are as follows:

- 1) To review the current process being adopted when a new complaint is received. One approach may be to arrange a Teams meeting (in view of current restrictions still in place) within three days of receipt so that the process of investigating and drafting the response is started much earlier.
- 2) To reduce the number of complaint escalation requests received for stage 2 and 3 complaints by ensuring that the responses at stage 1 are robust, fair and transparent.
- 3) To continue to promote the functions of the team in relation to complaints handling across the service by organising lunch and learn sessions and inviting colleagues from various teams to attend.

- 4) To promote good systemic practice among service users – such as calling a complainant to better understand their concerns and facilitating meetings between the relevant team and the service users. Thereby making the complaints process less daunting.
  
- 5) The Team to avail themselves of relevant courses and training which will enhance the quality of complaint responses.

## **APPENDIX A**

### **COMPLAINTS PROCEDURES FOR STATUTORY COMPLAINTS**

The Children's Act 1989 Representations Procedure (England) Regulations 2006, Children (Leaving Care) Act 2000, Adoption and Children Act 2002 and the Health and Social Care Acts 2003 require the Local Authority to have a procedure for resolving complaints and representations received by, on behalf of, or relating to children and young people.

To facilitate the procedure in a fair and consistent way the Local Authority follows guidance provided by the Local Government and Social Care Ombudsman (LGSCO), who also provide practical information on how processes can be improved. The Council also follows the principles outlined in the publication 'Getting the Best from Complaints' which was produced by the Department for Education.

The complaints procedure has three stages and has a strong emphasis on resolving complaints quickly and informally.

#### **Stage 1 – Local Resolution**

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

#### **Stage 2 – Investigation**

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

#### **Stage 3 - Independent Review Panel**

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

There are various timescales relating to Stage 3 complaints which include:

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

## **APPENDIX B**

### **Non-Statutory complaints**

In line with the Council's complaints procedure, the Team also accepts complaints that are not covered by the Children's Act 1989 but relate to the involvement of Family Services. For example, complaints made by the grandparent of a child who does not have parental responsibility but is unhappy with the actions taken by Family services or perhaps a complaint about the length of time taken by an allocated worker to return calls which is dissatisfaction with the service provided.

The Council has a 2 stage complaints procedure for these types of complaints.

**Stage 1** of the complaints' process should be completed within 10 working days and the Team will encourage services to consider alternative ways to resolve the complaint throughout the process.

**Stage 2** is usually initiated when the complainant is dissatisfied with the findings at stage 1, or the complainant has not received a response within timescales or where it has been agreed that Stage 1 is not appropriate. The stage 2 response is signed off by the Chief Executive and has a 10 working days deadline.

### **Advocacy**

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

### **Local Government and Social Care Ombudsman**

If the complainant is not satisfied with the outcome of a statutory or non-statutory complaint, they have the right to take their complaint to the Local Government and Social Care Ombudsman (LGSCO).

Complainants can refer their complaint to the Ombudsman at any time, although they may be referred back to the Local Authority if the complaint has not been considered or escalated through the Council's complaint process.

## **APPENDIX C - A sample of compliments received across the teams in Children's services.**

### **Sen Team**

*Thank you for running yesterday's annual review meeting so calmly and efficiently. It was most helpful to have the relevant documents on the screen. I was certain that I would muddle the 100 plus pages littered over my messy desk so - a huge relief!*

*Thanks for your prompt response to my concern. Very much appreciated.*

*Thank you so much I really appreciate your time, effort and input into getting H's EHCP together. I feel a lot more confident and happy that H will get the right kind of support to help him thrive in his education with the given help and guidance. Thank you.*

### **North East Social Work Team**

*When I spoke to the family yesterday they praised A's' work with Y and were very grateful for all he has done to ensure that Y's needs are being met. They also told me that Matt Hancock's office had recently asked how things were and they reported to them that things were much better now and Y would receive good services.*

*The Judge praised Toby's oral evidence saying it was comprehensive, thorough and balanced*

### **Early years/Education**

*I just wanted to say a big thank you and well done for Fridays' early years conference, I think it went extremely well. The morning speakers were excellent and of a very high quality. I always feel proud to work as part of Westminster city council, and thought this conference really put our early years practice on the map. Well done, I hope you have had really positive feedback*

### **Gangs and Serious Youth violence service**

*A huge thank you for a really informative, fascinating and stimulating presentation. We are circulating your presentation to all and i know Colleagues will learn a lot from the material provided.*

### **Short breaks and Resources Team**

*thank you for the amount of help and support you have given to my family*

*I thought it would be nice for you to know that mum of J explained that Tresham staff is extremely helpful and is her only helpline without them she doesn't know what she would do and wanted to thank the staff.*

*I sincerely appreciate your support and for having faith in us as a team. From working here, i have seen much dedication and passion from all staff members and am grateful for all the hard work and support you as well as staff behind the scenes have provided in order to help vulnerable children in Westminster.*

*I'm writing to let you know that I'm very sad as both Online Courses You have kindly suggested and send to me for signing in with " Webex Meetings Mentoring by N "& "Parents Autism Awareness course " Mentoring from S & P are nearly due to the end.... 😞*

*I'm very happy to let you know how much both commitments have benefit, nourish & empowering with my depression, confidence & appreciation with my own self as mother... woman & human being. ♀*

### **Assessment Team**

*Thank you to you and your team for all your hard work and commitment you have achieved in perhaps the most difficult year. It was great to see such care and consideration towards children at this time.*

### **North West Child Protection Team**

*'Hi R it's m's mum. D is H's social worker. I just wanted to let you know how amazing she has been she has gone out of her way so many times to help us it is more than just a job to her she is so caring and dedicated. Thank you all.*

*S and D who wanted me to share with our managers how helpful and supportive they've found you over the past few weeks around contact. S said she felt you really empowered her and understood her situation, and that you offered lots of reassurance when S was being naughty yesterday.*

### **Look After Children & leaving Care Team**

*I miss Jamaica and mom but I am happy to be in the UK, as it was very hard in Jamaica, especially for mom. Again I would like to say thank you to my social worker P for everything she has done for me and my brother to be in England. P showed us videos of the flat before and after she had furnished it. I was nice of her to do that as we were able to see where we would be staying before we arrived.*

*I found that A has been one of the best people that have been assigned to me from the service. When I changed PAs things really started to look up for me. A is extremely diligent and makes an effort to keep me updated regardless of the news. He both helped me leave my tumultuous hostel and make other arrangements and found me my current job at Partnership for Young London. This has been one of the best things to come out of my life as a care leaver and*

*has allowed me to have some kind of control and stability in my life. A has continued to send me various networking opportunities and events outside of work that I have really enjoyed and have allowed me to better my work.*

*After speaking with J (who was the duty worker) yesterday, both mum and G were full of compliments, saying how kind J is and understanding and really took time to listen. Both asked if J could be his allocated worker from now on, which after careful consideration we were able to achieve.*



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**Decision Maker:** Audit and Performance Committee

**Date:** 1 December 2021

**Classification:** General Release

**Title:** Treasury Management Strategy Mid-Year Review 2021-22

**Wards Affected:** All

**Policy Context:** To manage the Council's finances prudently and efficiently

**Cabinet Member:** Cabinet Member for Finance and Smart City

**Financial Summary:** This report forms part of the monitoring of the treasury function as recommended in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice. It reviews the implementation of the strategy to date and allows for any changes to be made depending on market conditions.

**Report of:** Gerald Almeroth  
Executive Director for Finance and Resources

**Mathew Dawson**

**Report Author:** Strategic Finance Manager

## 1. EXECUTIVE SUMMARY

1.1. The purpose of this report is to:

- update Members on the delivery of the 2021/22 Treasury Management Strategy approved by Council on 3 March 2021; and
- approve the recommendations in paragraph 2.1.

1.2. Treasury management comprises:

- investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security of capital and liquidity. The Council operates a balanced budget, which broadly means cash raised during

the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially, before considering optimising investment return.

- managing the City Council's borrowing to ensure funding of the Council's future capital programme is at optimal cost. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.

1.3. This report complies with CIPFA's Code of Practice on Treasury Management, and covers the following:

- a six-monthly review of the Council's investment portfolio for 2021/22 to include the treasury position as at 30 September 2021;
- a review of the Council's borrowing strategy for 2021/22;
- a review of compliance with Treasury and Prudential Limits for the first six months of 2021/22; and
- an economic update for the first part of the 2021/22 financial year.

1.4. The Council has complied with all elements of the Treasury Management Strategy Statement (TMSS).

## 2. RECOMMENDATIONS

2.1. The Committee is asked to note the annual treasury strategy mid year review 2021/22.

## 3. TREASURY POSITION AS AT 30 SEPTEMBER 2021

3.1. As at 30 September 2021, the net cash position was £437.8m, an increase of £310.6m on the position at 31 March 2021 as shown below:

	30 September 2021 (£m)	31 March 2021 (£m)
<b>Total Borrowing</b>	(200.7)	(206.1)
<b>Total Cash Invested</b>	638.5	333.3
<b>Net Cash Invested</b>	<b>437.8</b>	<b>127.2</b>

3.2. The increase of £310.6m reflects the forecast pattern of the Council's cashflows and is mainly dependant on the timing of precept payments, receipt of grants, council tax and business rates, and progress on the capital expenditure programme.

### Investments

3.3. The Council's Annual Investment Strategy, which forms part of the annual Treasury Management Strategy Statement (TMSS) for 2021/22, was approved by the Council on 3 March 2021. The Council's policy objective is the prudent investment of balances to achieve optimum returns on investments, subject to maintaining adequate security of capital and a level of liquidity appropriate to the Council's projected need for funds over time.

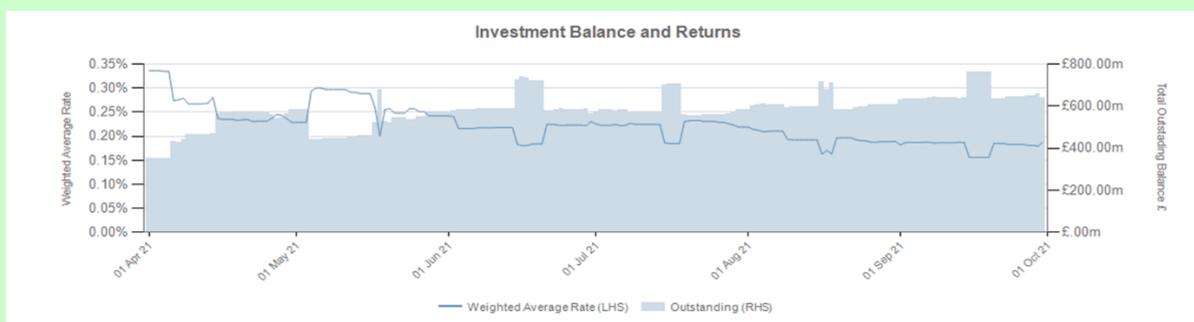
- 3.4. The table below provides a breakdown of investments with comparisons for the previous financial year end.

	Investment Balance 30 September 2021 (£m)	Investment Balance 31 March 2021 (£m)	Movement (£m)
<b>Money Market Funds</b>	140.0	77.8	62.2
<b>Notice Accounts</b>	100.0	20.0	80.0
<b>Term Deposits</b>	238.1	235.5	2.6
<b>UK Government Treasury Bills</b>	160.4	0.0	160.4
<b>Total:</b>	<b>638.5</b>	<b>333.3</b>	<b>305.2</b>

- 3.5. In the current economic climate, it is considered appropriate to keep new investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before mid-2022, investment returns are expected to remain low.
- 3.6. Liquid balances are managed through Money Market Funds, providing same day liquidity. Cash has been invested in alternative and less liquid instruments, particularly term deposits and UK Government Treasury Bills. The average level of funds available for investment in the first six months of 2021/22 was £579.9m.
- 3.7. The table below provides a more detailed breakdown of the Council's treasury investment position and interest rate generated as at 30 September 2021.

	Investment Balance (£m)	Interest Rate (%)
<b>Money Market Funds</b>	140.0	0.02
<b>UK Banks</b>	140.0	0.19
<b>Non UK Banks</b>	70.0	0.15
<b>UK Government</b>	220.5	0.03
<b>Local Authorities</b>	68.0	1.05
<b>Total:</b>	<b>638.5</b>	<b>0.19</b>

- 3.8. The shaded area in the chart below shows the daily investment balance from 1 April 2021 to 30 September 2021. The line shows the weighted average return of the investment portfolio, which has fallen steadily throughout the first half of 2021/22. The daily investment balance is shown by the grey shaded area. This balance rises and then falls each month and follows a monthly fluctuating cycle.
- 3.9. Daily investment balances have steadily increased from £350.0m at 1 April 2021 to £638.5m at 30 September 2021. Investment returns which had been low during 2020/21, reduced further during 2021/22 to near zero or even into negative territory, though the Council avoided placing any investments at a negative rate in the year.



3.10. On 4 August 2016, the Bank of England reduced the bank rate to 0.25%, staying at this level until 2 November 2017 when there was an interest rate increase to 0.50%. On 2 August 2018, there was another rate rise to 0.75% where it stayed until 11 March 2020 when it reduced to 0.25%. This was followed by a further decrease on 19 March 2020 to 0.10%.

3.11. All short-term money market investment rates have only risen slightly since the Bank Rate was cut to 0.10% on 19 March 2020 until the MPC meeting on 24th September 2021 when 6 and 12 month rates rose in anticipation of a Bank Rate increase in 2022.

3.12. The Bank Rate is not expected to continue to increase after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so the UK should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021.

3.13. It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

3.14. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surplus of cash available at the very short end of the market. This has seen a number of market operators, offering low rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions. Inter local authority lending and borrowing rates have also declined.

3.15. The table below shows the forecast investment income to be achieved in the year: budget versus actual and the variance. The Council's budgeted investment return for 2021/22 is £2.013m, and performance for the year is expected to be £0.518m above budget. The total portfolio weighted average yield performance for the first half of 2021/22 to 30 September 2021 was 0.22%

Year 2021/22	Budget £000	Actual £000	Variance £000
<b>Investment Income</b>	2,013	2,531	518

3.16. Appendix 1 provides a full list of the Council's limits and exposures as at 30 September 2021.

## Borrowing

- 3.17. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2021/22 unfinanced capital expenditure, and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 3.18. At £200.7m, the Council's borrowing was well within the Prudential Indicator for external borrowing, namely, that borrowing should not exceed the estimated capital financing requirement (CFR) for 2021/22 of £1,074m.
- 3.19. During 2021/22, the Council maintained an under-borrowed position of £836m. This meant that the capital borrowing need (the Capital Financing Requirement) was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim funding measure. This strategy was prudent as investment returns were low and counterparty risk was minimised. It also saved a considerable amount of interest payable, known as the 'cost of carry'.
- 3.20. The table below shows the details around the Council's external borrowing as at 30 September 2021, split between the General Fund and HRA.

Total Borrowing	30 September 2021 (£m)	31 March 2021 (£m)
HRA	175.6	181.0
General Fund	25.1	25.1
<b>Total Borrowing</b>	<b>200.7</b>	<b>206.1</b>

- 3.21. The breakdown of the existing loans is shown below:

Borrowing Type	Loan Balance 30 September 2021 (£m)	Loan Balance 31 March 2021 (£m)	Movement (£m)
PWLB	130.6	136.0	5.4
LOBO	70.0	70.0	0.0
Mortgage Annuity	0.1	0.1	0.0
<b>Total:</b>	<b>200.7</b>	<b>206.1</b>	<b>5.4</b>

- 3.22. During 2021/22, the Council repaid £5.423m of loans using investment balances. This consisted of the principal element of two mortgage annuity loans and a PWLB loan.
- 3.23. Gilt yields and PWLB rates were on a falling trend between May and August 2021. However, they rose sharply towards the end of September 2021. The 50-year PWLB target certainty rate for new long-term borrowing started 2021/22 at 1.90%, rose to 2.00% in May 2021, fell to 1.70% in August 2021 and returned to 2.00% at the end of September 2021 after the MPC meeting of 23rd September 2021.
- 3.24. The capital programme is being kept under regular review due to the effects of coronavirus and shortages of materials and labour. The Council's borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, in order to achieve optimum value and risk exposure in the long-term.

## Forward Borrowing

- 3.25. As anticipated in the 2021/22 TMSS, the Council took no additional borrowing for the financial year due to the high level of cash holdings. Officers are monitoring market conditions and reviewing the need to borrow at current low rates if a requirement is identified for either the General Fund or Housing Revenue Account (HRA). The monitoring process includes the setting of various trigger points, the breaking of which will require officer consideration of borrowing requirements and market conditions.
- 3.26. Due to the overall financial position and the underlying need to borrow for capital purposes, it is prudent for the Council to lock in affordability by placing some forward borrowing for the amounts it can be relatively certain it will need, while maintaining some forward flexibility as projects may or may not proceed within the expected timeframes.
- 3.27. During the financial year 2019/20, the Council arranged forward borrowing loans totalling £400m. These loans have enabled the Council to agree competitive rates in advance of need which eliminates the “cost of carry”, i.e., the difference between loan interest cost and the rate of return on cash investments.
- 3.28. An analysis of these loans can be found in the table below.

Counterparty	Amount (£m)	Start Date	Maturity Date	Rate (%)	Profile
Phoenix Group	37.5	15 March 2022	15 March 2062	2.706	Annuity
Barings LLC	150.0	15 August 2022	15 August 2052	1.970	Maturity
Phoenix Group	12.5	15 March 2023	15 March 2063	2.751	Annuity
Rothsay Life Plc	200.0	08 May 2023	08 May 2063	2.887	Equal Instalment of Principal
<b>Weighted average interest rate</b>	<b>400.0</b>			<b>2.579</b>	

## 4. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

- 4.1. During the financial year to 30 September 2021, the Council operated within the Treasury Limits and Prudential Indicators set out in the TMSS approved by Council on 3 March 2021 as set out below.
- 4.2. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2021, the Council has operated within the treasury and prudential indicators set out in the Council’s Treasury Management Strategy Statement for 2021. The Executive Director of Finance and Resources reports that no difficulties are envisaged for the current or future years in complying with these indicators.

PI Ref	2021/22 Indicator	2021/22 Forecast	Indicator Met?	
1	Capital expenditure	£493m	£493m	Met
2	Capital Financing Requirement (CFR)	£1,110m	£1,074m	Met
3	Net debt vs CFR	£872m underborrowing	£836m underborrowing	Met
4	Ratio of financing costs to revenue stream	GF 11.40% HRA 34.19%	GF (10.38)% HRA 45.10%	Met
5a	Authorised limit for external debt	£1,110m	£1,074m	Met
5b	Operational debt boundary	£287m	£287m	Met
6	Working Capital Balance	£0m	£0m	Met
7	Limit on surplus funds invested for more than 364 days (i.e. non specified investments)	£450m	£18m	Met
8	Maturity structure of borrowing	Upper limit under 12 months: 40% Lower limit 10 years and above: 35%	Upper limit under 12 months: 0% Lower limit 10 years and above: 64%	Met

### Capital expenditure and borrowing limits

- 4.3. The capital expenditure forecast to 31 March 2022 totals £493m for both the General Fund and the HRA. The initial capital expenditure budget at the time of the approval of the annual Treasury Management Strategy Statement 2021/22 was £493m.
- 4.4. Westminster City Council's refreshed vision, City for All, will provide the strategic context for the Capital Strategy and responds to the significant impacts of the COVID-19 pandemic on the city, our communities and the council. Four distinct themes within the City for All shape the approach: Greener and Cleaner, Vibrant Communities, Smart City and Thriving Economy. These thematic areas are underpinned and enabled by key plans and programmes including Westminster's City Plan 2019 – 2040, the Customer Experience and Digital Strategy, Climate Action Programme and the delivery of affordable homes.
- 4.5. The programme's delivery objectives continue to take place against the background of financial challenges. Covid has had a significant impact on the Council, from delays caused to existing projects meaning budgets being reprofiled and reviewed. The programme reflects the Council's approach to support the rebuilding of the economy and ensure all our residents have access to employment opportunities.
- 4.6. The pandemic has accelerated the Council's ambition to become smarter in how it connects, collaborates and responds to both challenges and opportunities in the city. An ambitious smart city vision has since been outlined which seeks to position Westminster as a global centre of innovation, empowered by creative partnerships that work with our residents and communities to deliver a better quality of life for all.
- 4.7. External borrowing was well within the Capital Financing Requirement, Authorised Borrowing Limit and the Operational Boundary as shown in the table above:
- The Authorised Limit is a level for which the external borrowing cannot be exceeded without reporting back to Full Council. It therefore provides sufficient headroom

such that in the event that the planned capital programme required new borrowing to be raised over the medium term, if interest rates were deemed favourable and a thorough risk analysis determined and the cost of carry was appropriate, this borrowing could be raised ahead of when the spend took place.

- The Operational Boundary is set at a lower level and should take account of the most likely level of external borrowing. Operationally, in accordance with CIPFA best practice for Treasury Risk Management, a liability benchmark is used to determine the point at which any new external borrowing should take place.

4.8. The purpose of the maturity structure of borrowing indicator is to highlight any potential refinancing risk that the Council may be facing if, in any one particular period there was a disproportionate level of loans maturing. The table below shows that the maturity structure of the Council's borrowing as at 30 September 2021 was within the limits set and does not highlight any significant issues.

Actual Maturity at 30 September 2021	Duration	Upper Limit	Lower Limit
0	Under 12 Months	40	0
0	12 Months and within 24 Months	35	0
13	24 Months and within 5 Years	35	0
23	5 Years and within 10 Years	50	0
64	10 Years and Above	100	35

4.9. The Council is not subject to any adverse movement in interest rates in its current loans portfolio as it only holds fixed interest borrowing.

4.10. The average rate on the fixed interest borrowing is 4.21% with an average redemption period of 19 years. This reflects the historical legacy of borrowing taken out some years ago which is now higher than PWLB interest rates for comparable loans if they were taken out now. Officers have considered loan re-financing but premiums for premature redemption are prohibitively expensive making this option poor value for money.

4.11. The Council's borrowing portfolio contains £70m of Lender Option Borrower Option loans (LOBOs). These are long-term loans of up to 60 years, which are subject to periodic rate re-pricing. The rates are comparable with loans for similar durations provided by the PWLB. There is some refinancing risk associated with these loans because of the lender option to increase interest rates. Some banks are offering premature repayment or loan conversion for LOBOs to fixed term loans and officers will remain alert to such opportunities as they arise.

### Investment limits

4.12. Investment in non-specified investments at £18.0m is well within the limit of £450.0m for such investments. This reflects the fact that 97% of the Council's investments have a life of less than 12 months. The highest level of non-specified investments during the year was £18.0m.

4.13. Whilst the short duration is within approved limits, there is scope within the Investment Strategy to extend the duration of investments for up to five years. Using longer duration investments and marginally lower credit ratings is likely to increase the yield the Council earns from its investments.

## 5. THE ECONOMY AND INTEREST RATES

- 5.1. The Bank of England's Monetary Policy Committee (MPC) voted unanimously at its September 2021 meeting to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn. Two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- 5.2. There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August 2021 which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August 2021 MPC meeting, Governor Andrew Bailey said, "The challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures."
- 5.3. This pointed to a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system. The MPC are prepared to look through a temporary spike in inflation.
- 5.4. The MPC's dialogue indicate there has been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October 2021 and due again next April, are, indeed, likely to lead to faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. To emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement.
- 5.5. This is a reversal of its priorities in August 2021 and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. In August 2021, the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021. Now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.
- 5.6. Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in early 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furloughing ends at the end of September 2021. At the MPC's meeting in February 2022, it will only have available the employment figures for November 2021: to get a clearer picture of employment trends, it would need to wait until the May 2022 meeting when it would have data up until February 2022. At its May 2022 meeting, it will also have a clearer understanding of the likely peak of inflation.
- 5.7. The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

- Placing the focus on raising Bank Rate as “the active instrument in most circumstances”.
- Raising Bank Rate to 0.50% before starting on reducing its holdings.
- Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
- Once Bank Rate had risen to at least 1%, it would start selling its holdings.

5.8. Covid 19 vaccines have been the game changer which have enormously boosted confidence that life in the UK could largely return to normal during the summer after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

5.9. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

5.10. As a footnote to the above commentary, on 4 November 2021, the BoE MPC voted 7-2 to maintain the official Bank Rate at 0.1% and also voted unanimously to maintain the corporate bond purchase at £20bn. The MPC also voted by a majority of 6-3 to maintain the UK government bond purchases at £875bn, leaving the total target stock of asset purchases at £895bn.

## **6. BACKGROUND**

6.1. The Local Government Act 2003 (“the Act”) requires the Council to ‘have regard to’ the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable. These are contained within this report.

## **7. FINANCIAL IMPLICATIONS**

7.1. Financial implications are contained in the body of this report.

## **8. LEGAL IMPLICATIONS**

8.1. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments. This report assists the Council in fulfilling its statutory obligation under the Act to monitor its borrowing and investment activities.

## 9. BACKGROUND PAPERS

### Full Council Report

Treasury Management – Annual Strategy for 2021/22, including Prudential Indicators and Statutory Borrowing Determinations – 3 March 2021.

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

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### APPENDIX

See Appendix 1

## Limits and exposures as at 30 September 2021

## Appendix 1

Category	Limit per Counterparty (£m)	Duration Limit	Counterparty Name	Current Exposure (£m)	Interest Rate (%)
UK Local Authorities	£100m per local authority; £500m in aggregate	3 years	Cardiff Council	8.0	1.80
			Dudley Metropolitan Borough Council	10.0	1.55
			East Ayrshire Council	10.0	1.70
			Thurrock Council	30.0	0.30
				10.0	1.55
Money Market Funds	£70m per fund. £300m in aggregate.	Three day notice	Deutsche Platinum Sterling Liquidity Fund	70.0	
			Morgan Stanley Sterling Liquidity Fund	70.0	
UK Government	Unlimited	Unlimited	Debt Management Office	6.5	0.01
			Debt Management Office	53.6	0.01
			Treasury Bill	10.4	0.02
			Treasury Bill	30.0	0.02
			Treasury Bill	30.0	0.03
			Treasury Bill	30.0	0.06
			Treasury Bill	30.0	0.06
			Treasury Bill	30.0	0.06
UK Banks (A-/A3/A)	£50m	3 years	Goldman Sachs International	20.0	0.18
				20.0	0.31
			Lloyds Bank	20.0	0.10
				20.0	0.20
			Santander UK Plc	20.0	0.25
				10.0	0.20
Non-UK Banks (AA-/Aa2/ AA-)	£50m	5 years	Standard Chartered	30.0	0.15
			Svenska Handelsbanken	40.0	0.05
Non-UK Banks (A/A2/A)	£35m	3 years	Australia & New Zealand Banking Group	30.0	0.28
<b>TOTAL</b>				<b>638.5</b>	<b>0.19</b>



City of Westminster

## The Westminster Audit and Performance Committee

<b>Date:</b>	1 December 2021
<b>Classification:</b>	General Release
<b>Title:</b>	Pay Policy 2021-22
<b>Wards Affected:</b>	All
<b>City for All Summary:</b>	N/A
<b>Financial Summary:</b>	N/A
<b>Report of:</b>	Lee Witham, Director of People Services
<b>Author:</b>	Natalie Monaghan, Strategic Wellbeing and Reward Lead Contact Details: <a href="mailto:nmonaghan@westminster.gov.uk">nmonaghan@westminster.gov.uk</a>

## **1. Executive Summary**

The Council is required to publish its Pay Policy by 31<sup>st</sup> March every year.

The Pay Policy brings together all the Council's existing policies on pay and includes details in relation to all aspects of Chief Officer's remuneration, increases and additions to remuneration, bonuses, termination payments and remuneration on recruitment.

It also includes information about the relationship between the remuneration of its highest paid officer (the Chief Executive) and the median salary of all employees (the "pay multiple").

Gender and BAME pay gap data from 2019 can be found in the Pay Policy 2021-22 (appendix 1) and the data for 2020 is enclosed in appendix 2.

### **APPENDICES:**

Appendix 1 - Pay Policy 2021-22

Appendix 2 – 2020 Gender and BAME Pay Gap

## Westminster City Council Pay Policy 2021- 2022

### Introduction

Westminster City Council's (the Council) Pay Policy is published in line with the Localism Act 2011, Section 38 (1) which requires all Local Authorities in England and Wales to publish their Pay Policy annually, at the start of each financial year.

The Council's Pay Policy is presented to full Council for approval on 3<sup>rd</sup> March 2021. It brings together the Council's approach to pay and remuneration<sup>1</sup> which was approved by Cabinet on 27<sup>th</sup> August 2008 and is detailed in various Council policies. It is published on the Council's [website](#).

We are committed to diversity and inclusion, celebrating and recognising the contribution of all our people in a fair and transparent way and we will comply with all relevant employment legislation related to pay and remuneration. This includes but is not limited to the Equality Act (2010) and the Part-time Workers (Prevention of Less Favourable Treatment) Regulations (2000).

The Council publishes salaries of Chief Officers and senior staff earning over £68,346 (FTE) and above on the Council's [website](#) in line with Local Government Transparency Code 2015.

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, mandatory gender pay reporting is required of all employers with over 250 employees from March 2018. The gender pay gap is a measure of the difference between men's and women's average earnings across the organisation. It is expressed as a % of men's earnings.

The gender and BAME pay gap data for Westminster City Council as at 31<sup>st</sup> March 2020 will be published on the Council's [website](#), where currently is published the report true to 31<sup>st</sup> March 2019. The 2019 report show a mean gender pay gap of 7% and a median gender pay gap of 11.8%. In 2019 the Council also published detail of its BAME pay gaps, showing the difference between BAME and White employees pay as a percentage of White employees' pay. This shows a mean BAME pay gap of 15.5% and a median BAME pay gap of 13.1%.

### Background

The Council implemented a Broad Band pay structure in 2008, the purpose of which is to provide one simplified pay structure from the top to the bottom of the organisation. The pay structure focuses on rewarding added value and supporting business aims. It does not reward time served in post i.e. there is no guaranteed incremental progression. All progression is based on exceeding performance targets.

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#### Notes

<sup>1</sup> Excluding some employees in Schools, JNC Youth Workers, Public Health and City West Homes staff that TUPE transferred into the Council and Soulbury staff.

The Broad Band pay structure provides clarity and transparency on the levels within the organisation and applies to all staff employed by the Council with the exception of: schools support staff (except where the governing body has adopted the broad band structure), JNC Youth Workers, Public Health and former City West Homes staff who TUPE transferred into the Council and Soulbury staff.

The Council recognises the need to attract, recruit and retain the best staff in highly skilled or specialist work areas, where posts are hard to fill. It is accepted that our central London location and the occasional limited availability of quality personnel in certain professions, means that in exceptional circumstances it is difficult to recruit to key posts on the salary for the grade of the post. Where there is a genuine requirement, a Market Based Salary Supplement reflecting the difference between WCC salary and market pay rates is paid as a time bound and non-contractual addition to salary.

### **The Broad Band Pay Structure**

There is one Broad Band pay structure from the top to the bottom of the organisation. There are 7 Broad Bands with 7 pay steps in each band. Band 1 is the lowest and Band 7 is the highest. The band of a post is determined through job evaluation.

The pay levels in the Broad Bands are generally reviewed annually in line with the National Joint Council for Local Government Services (NJC) and the Greater London Provincial Council (GLPC).

### **Definition of Chief Officer**

The term “Chief Officer” for the purposes of this Pay Policy includes the following positions:

- The Chief Executive
- All Executive Leadership Team (ELT) Directors\*
- All Directors / Deputy Director, Heads of Services

\*all of whom meet the definition of either Statutory or Non-Statutory Chief Officers or Deputy Chief Officers as specified under Part 1, Section 2 (para’s 6-8) of the Local Government and Housing Act 1989, (LGHA) e.g.

“Non-Statutory Chief Officer” means,

- (a) a person for whom the head of the authority’s paid service is directly responsible;
- (b) a person who, as respects all or most of the duties of their post, is required to report directly or is directly accountable to the head of the authority’s paid service; and
- (c) any person who, as respects all or most of the duties of their post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority.

“Deputy Chief Officer” means, subject to the following provisions of this Section, a person who, as respects all or most of the duties of their post, is

required to report directly to one or more of the statutory or non-statutory Chief Officers.

For the purposes of this Pay Policy only, managers below Deputy Director and Head of Service levels, who as a result of changes in the structure, now report to a Chief Officer as defined above are not classified as Deputy Chief Officers.

## **Pay accountability**

### **Salary packages on appointment which exceed £100,000**

All posts, including those which exceed a salary package<sup>2</sup> of £100,000, are appointed within a pay band and structure where the principles of reward and remuneration have been previously agreed by full Council. Therefore any new appointments are not subject to full Council consideration.

### **Severance payments which exceed £100,000**

Employees are contractually entitled to be paid in line with the Council's Redundancy Compensation policy if they are made redundant. If a proposed severance payment exceeds more than £100,000 (excluding the capital cost of pension entitlement) and this is higher than the employee's contractual entitlement, which includes accrued and untaken holiday, then the approval of full Council will be sought before an offer is made to the employee.

## **Chief Officer Remuneration**

### **Chief Executive (Head of Paid Service)**

The Chief Executive was paid a spot salary of £211,722 per annum as at 31<sup>st</sup> March 2020.

The Chief Executive undertakes the role of Returning Officer. A Returning Officer **may** recover their charges for services and expenses provided they were necessarily rendered or incurred for the efficient and effective conduct of the election and the total does not exceed the overall maximum recoverable amount specified by the Secretary of State in an order.

### **Posts which exceed a salary package of £100,000**

- Directors (Executive Leadership Team) are paid at Band 6 / 7<sup>3</sup>. The basic salary range for Band 6 is £104,685 - £144,582 and for Band 7 is £148,065 - £204,273.
- Deputy Directors / Heads of Services are paid at Band 5 / 6. The basic salary range for Band 5 is £68,346 - £95,916.

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#### Notes

<sup>2</sup> Including basic salary and professional fees, PHI and lease car contributions where applicable but excluding pension contributions in accordance with the Local Government Pension Scheme regulations.

<sup>3</sup> Broad Band salary figures in the document are as at 1<sup>st</sup> April 2020 unless otherwise stated.

## **Benefits**

All Chief Officers are entitled to the following benefits:

- Private Health Insurance
- Reimbursement of the payment of one professional membership fee relevant to the proper performance of duties (available to all staff)
- Up to £234 per month contribution to contract car hire (not available for any Chief Officer appointment made after 1<sup>st</sup> December 2011).

There is no cash alternative to the above benefits.

## **Rewarding your contribution**

This scheme enables managers to acknowledge exceptional contribution with a one off reward that can be made at any time and, for best effect, as close to the event as possible.

Employees are eligible for one payment per year only.

All employees, including Chief Officers, can be awarded a Rewarding Your Contribution fixed payment of either £1,000 or £2,000, paid in a lump sum.

Amounts should not be linked to the individual's salary band or step. Therefore, it is expected that employees at all bands could be awarded either sum as appropriate in each individual case.

## **Additional Allowances**

All Chief Officers are expected to work such hours as are required for the efficient performance of their duties. There are no other additional elements of remuneration in respect of overtime or premium payments (e.g. bank holiday working, stand by arrangements etc). There are no additional allowances in respect of the roles of:

- Monitoring Officer
- Section 151 Officer

## **General Remuneration Principles Applying to Remuneration of Chief Officers and Employees**

### **Recruitment**

On recruitment individuals will be placed on the appropriate step salary within the evaluated grade for the job. In order to recruit high quality staff a relocation package may be offered where necessary and where this would be considered cost effective. When recruiting and appointing to a Chief Officer post, the starting salary offered must be within the target salary and cannot exceed this apart from in exceptional cases where the Executive Director or Chief Executive has authorised this. Where an interim is required to cover a Chief Officer role, a Temporary Agency Contractor may be engaged in line

with the requirements of the Council's Procurement and Contracts Code, rather than the use of a Contract for Services.

### **Broad Band Pay Progression**

There is no automatic time served incremental progression. All progression is based on performance and increased contribution. Any pay progression cannot exceed the maximum of the relevant band.

The Council does not apply performance related pay.

### **Termination of Employment**

On termination of employment with the Council, the Council's policy applies to all Chief Officers. Individuals will only receive compensation:

- where appropriate and relevant (e.g. redundancy compensation)
- in line with the Council's Redundancy and Redundancy Compensation Policy
- which complies with the specific terms of a settlement agreement, which will take into account the Council's contractual and legal obligations, the need to manage an exit effectively, risks to the Council and the commercial business case.

### **Redundancy Compensation**

#### **Statutory Redundancy Pay (SRP)**

Statutory redundancy entitlement is payable if an employee has 2 years' service with an employer. It is calculated as follows:

For each complete year of service (subject to a 20-year maximum) depending on age:

- Service accrued up to age 21: a half week's pay
- Service accrued between age 22 to 40: one week's pay
- Service accrued at age 41 and over: one and a half week's pay

There is a cap on the maximum weeks' pay used and the current amount can be found [here](#).

#### **Initial Compensation Payment (ICP)**

ICP is the discretionary redundancy compensation payment the Council makes to employees whose employment is terminated due to redundancy or in the efficiencies of the service who have at least 2 year's continuous service with the Council on their last day of service. It includes and is usually more than SRP. ICP will only be paid to an employee if they do not exercise their entitlement, if over 55, to have a payment made into their pension fund for the waiving of reductions.

ICP will be payable subject to statutory limits of 66 weeks pay maximum and based on no more than annual equivalent pay of £80,000 and will always be equal to or more than the SRP.

ICP is calculated as follows:

- (A) completed years of continuous local government service
  - (B) weeks pay (actual but excluding overtime and honorariums)
  - (C) multiplying factor of 1.5
- $(A) \times (B) \times (C) = \text{ICP}$

The statutory maximum weeks' pay (which can be found [here](#)), is used where this is higher than actual weekly pay for full time staff (it is pro rata for part time staff).

### **Re-employment**

The decision to re-employ a previous employee, who has been made redundant by the Council (and on termination of employment received a redundancy compensation payment), will be made on merit.

The Council will not engage such an individual under a Contract for Services.

### **Remuneration of the Lowest Paid Employees**

The Council's definition of the lowest paid employee excludes staff based outside London. Employees on Band 1 Step 1 are defined as the Council's lowest paid employees. The full time equivalent annual basic salary of this Step in 2020-21 was £22,608. The Chief Executive's total pay (as at 1<sup>st</sup> April 2020) was £217,545, which was 9.6 times the lowest salary.

### **London Living Wage**

In November 2020 the London Living Wage has increased to £10.85. The council's minimum full time equivalent hourly rate of pay to its employees (excluding apprentices) as of 1<sup>st</sup> April 2020 was £12.04, which exceeds the current LLW.

All London based apprentices are now paid the London Living Wage, whilst those based outside London are paid at a level above the National Living Wage for their age.

### **Pay Multiple**

The Local Government Transparency Code (2015), states that local authorities should publish their pay multiple. This is defined as the ratio between the highest paid salary and the median salary of the workforce. The Council's pay multiple (using total pay<sup>4</sup>) as at 31<sup>st</sup> March 2020 was 5.7 i.e. the Chief Executive, who had the highest total pay as at 31<sup>st</sup> March 2020

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#### Notes

<sup>4</sup> Total pay is the sum of full time equivalent basic salary plus actual amounts received for the reimbursement of professional fees, market based salary supplements, honorariums and shift allowances where claimed up to 31<sup>st</sup> March 2019. Pension contributions are excluded. Total pay for senior management and the Chief Executive also includes, car lease contributions and the value of Private Health Insurance premiums where taken. All payments have been made in line with Council policy and were pro-rated if applicable.

(£211,722) earned 5.7 times more than the Council's median full time equivalent total salary of £37,413. The median FTE total salary has decreased by 0.9% (£354) from last year, when it was £37,767.

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# Gender and Ethnicity Pay Gaps 2021

## Gender Pay Gap

the difference between women's pay and men's pay as a percentage of men's pay

Mean Hourly rate  10.1% (increased by 1%)

Median Hourly rate  11.8% (increased by 1%)

## Ethnicity Pay Gap

the difference between Ethnicity and white employees pay as a percentage of white employees' pay

Mean Hourly rate  12.9% (reduced by 4%)

Median Hourly rate  11.8% (reduced by 5%)

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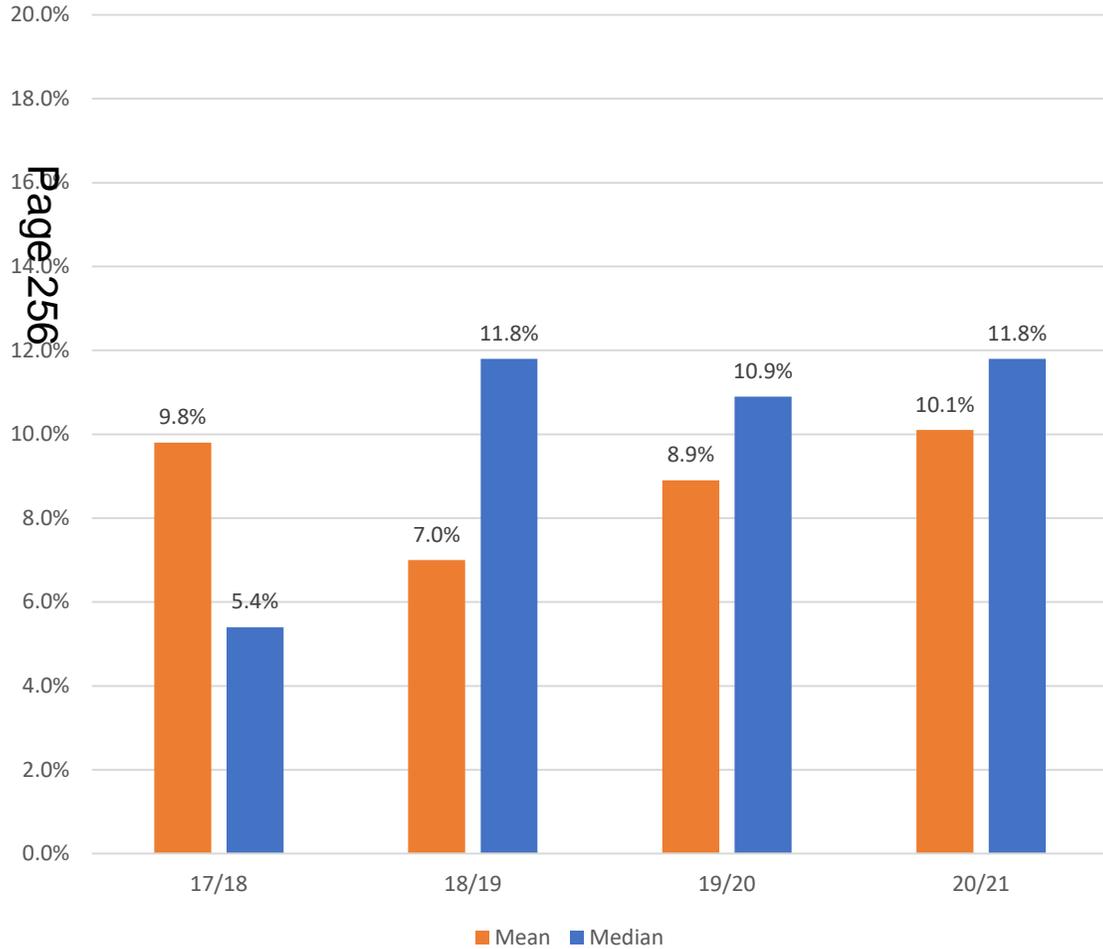
	<b>Gender pay gap</b> women's pay as a % of men's pay	Women hourly rate	Men hourly rate	Difference (£)
Mean	89.9%	£22.24	£24.75	£2.51
Median	88.2%	£20.46	£23.21	£2.75

	<b>Ethnicity pay gap</b> Ethnicity pay as a % of white employees' pay	Ethnicity employees hourly rate	White employees hourly rate	Difference (£)
Mean	87.1%	£21.73	£24.95	£3.22
Median	88.2%	£20.46	£23.21	£2.75

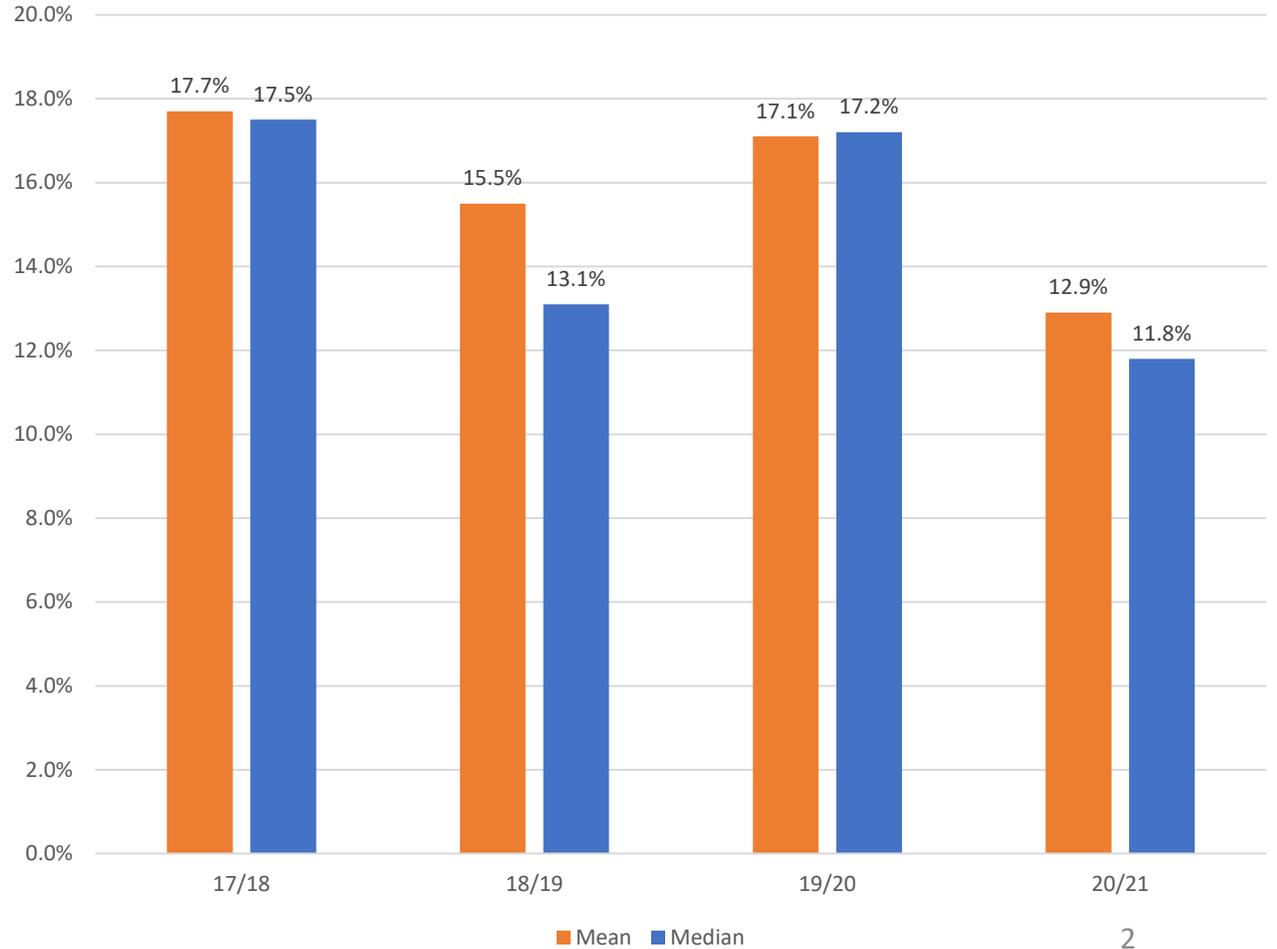


# Pay Gaps – YoY Movement

### Gender Pay Gap



### Ethnicity Pay Gap





City of Westminster

## Audit & Performance Committee Report

<b>Date:</b>	<b>1 December 2021</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Work Programme</b>
<b>Wards Affected:</b>	<b>N/A</b>
<b>Financial Summary:</b>	<b>No direct financial implications arising from this report</b>
<b>Report of:</b>	<b>Head of Governance and Committee Liaison</b>
<b>Report Author:</b>	<b>Artemis Kassi Lead Scrutiny Advisor</b>

### 1. Executive Summary

- 1.1 The Committee is invited to consider its Work Programme for the 2021/22 municipal year attached at **Appendix 1**, and to confirm the agenda items for its next meeting on 16 February 2022.
- 1.2 The Committee is asked to note that the actions which arose from its meeting on 29 September 2021, as detailed in **Appendix 2**.

### 2. Recommendations

It is recommended that the Committee:

- 2.1 agree the agenda items for its meeting in February 2022, as set out in this report and Appendix 1; and
- 2.2 consider items for the future work programme for 2021/2022.

### 3. Selecting items for the Work Programme

- 3.1 The draft Work Programme for 2021/22 is attached at Appendix 1 to the report. The scheduled meetings for the remainder of the municipal year are:
  - 16 February 2022
  - 13 April 2022

- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee (attached to this report as **Appendix 3**,) which may assist the Committee in identifying issues to be included in the Work Programme.
- 3.3 As members are aware, the Work Programme will be reviewed at each meeting of the Committee and items can be removed or added as necessary.
- 3.4 The Committee is asked to reflect on agenda items for its meeting on 16 February 2022. It is suggested that, in addition to the Finance, Performance Internal Audit Monitoring Reports, the Committee consider receiving reports on immunisations and .
- 3.6 Members also may wish to suggest items for inclusion in the work programme, subject to the Committee's terms of reference.
- 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, Lead Scrutiny Advisor/Statutory Officer**

Email: [akassi@westminster.gov.uk](mailto:akassi@westminster.gov.uk)

**APPENDICES:**

Appendix 1 - Work Programme 2021/22

Appendix 2 – Action Tracker

Appendix 3 - Terms of Reference

**BACKGROUND PAPERS:** None

# Work Programme 2021/2022

## Audit and Performance Committee

**17 June 2021**

Agenda Item	Reasons & objective for item	Lead Officer
<b>Performance Report</b>	To review the City Council's performance at the end of the 2020/2021 financial year.	Gerald Almeroth (Finance) Pedro Wrobel/ Mo Rahman / Damian Highwood (Performance)
<b>2020/21 Financial Outturn</b>	To receive a report on the Revenue and Capital Outturn for 2020 - 2021	Gerald Almeroth (Finance)
<b>Treasury Management Strategy Outturn 2020/2021</b>	To note a report on the Treasury Management Strategy Outturn	Gerald Almeroth Phil Triggs (Finance)
<b>External Audit Certification of Claims and Returns Annual Audit 2019/20</b>	To note the annual external review of grants claimed through a grants certification process. This includes a summary of the review of the Housing Benefit Subsidy claim for 2019/20	Gerald Almeroth/ Martin Hinckley (Finance) Grant Thornton
<b>External Audit Plan</b>	To receive an overview of the planned scope and timing of the statutory audits of the City of Westminster and the Westminster Pension Fund	Gerald Almeroth (Finance) Grant Thornton
<b>Work Programme 2021/2022</b>	To review the work programme for the 2021/2022 municipal year	Artemis Kassi

**14 July 2021**

<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>Period 2 Finance Report</b>	To review and consider the report of the Executive Director of Finance and Resources	Gerald Almeroth (Finance)
<b>Draft Accounts</b>	To receive a report on the Draft Accounts	Gerald Almeroth Jake Bacchus (Finance)
<b>Annual Governance Statement</b>	To receive a report on the Annual Governance Statement for 2021 - 2022	Gerald Almeroth (Finance)
<b>Annual Opinion</b>	To receive the Annual Opinion report on overall adequacy and effectiveness of the organisation's framework of governance, risk management and control	David Hughes Moir Mackie (Internal Audit)
<b>Annual Fraud Report</b>	To review work undertaken by the fraud service during the period 1 April 2020 to 31 March 2021	Andy Hyatt (Anti-Fraud)
<b>Procurement Report</b>	To review Procurement Services at Westminster following the launch of new operating models with increased alignment to the directorates.	Gerald Almeroth Sarah Warman Caron Smith
<b>Work Programme 2021/2022</b>	To review the work programme for the 2021/2022 municipal year	Artemis Kassi

**29 September 2021**

Agenda Item	Reasons & objective for item	Lead Officer
<b>Audit Findings Report 2020 - 2021 for the General Fund and Pension Accounts Statement of Accounts</b>	To receive and review the audited Statement of Accounts for the Council and the Pension Fund following a public inspection period of the accounts from 19th May 2020 to 1st July 2020. To receive the report by Grant Thornton	Gerald Almeroth Jake Bacchus (Finance) / Grant Thornton
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	To monitor the City 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 the quarterly performance results against the 2021/2022 business plans (Quarter 1)	Gerald Almeroth Jake Bacchus (Finance)  Pedro Wrobel/ Damian Highwood/ Mo Rahman (Performance)
<b>Internal Audit Monitoring Report</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework (Quarter 1)	David Hughes Moir Mackie (Internal Audit)
<b>Verbal Update</b>	To update the Committee on progress since its meeting of 14 July, following the thematic review undertaken on health and safety in schools as part of the Internal Audit Plan	David Hughes Moir Mackie (Internal Audit)
<b>Procurement Contract Performance</b>	To review Contract Performance in the procurement context	Gerald Almeroth (Finance) Sarah Warman
<b>Council Officers: Gifts and Hospitality Policy</b>	To review the Council's Gifts and Hospitality Policy, as applicable to Council Officers	Lee Witham Tasnim Shawkat Joyce Golder

<b>Work Programme 2021/2022</b>	To review the work programme for the remainder of the municipal year	Artemis Kassi
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## 1 December 2021

Agenda Item	Reasons & objective for item	Lead Officer
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	<p>To monitor the City Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.</p> <p>To monitor Quarter 2 performance results against the 2021/2022 business plans and to conduct a half-yearly overview of performance</p>	<p>Gerald Almeroth/ Jake Bacchus (Finance)</p> <p>Pedro Wrobel/ Annelie Drabu/ Sophie Shore/ Damian Highwood/ Mo Rahman (Performance)</p>
<b>Internal Audit Monitoring Report</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework (Quarter 2)	David Hughes Moira Mackie (Internal Audit)
<b>Internal Audit Charter</b>	To review the Council's Internal Audit Charter which is maintained by the Shared Services Director for Internal Audit, Fraud, Risk and Insurance in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS)	David Hughes Moira Mackie (Internal Audit)
<b>Mid-Year Counter Fraud Monitoring Report</b>	To oversee and monitor the success of the Counter Fraud Service	David Hughes Andy Hyatt (Corporate Anti-Fraud Service)
<b>Review Of Anti-Fraud Policies</b>	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)	David Hughes Andy Hyatt (Corporate Anti-Fraud Service)

<b>Verbal Update</b>	To update the Committee on progress since its meeting of 14 July, following the thematic review undertaken on health and safety in schools as part of the Internal Audit Plan	Moira Mackie (Internal Audit)
<b>Re-tender of External Audit Contract</b>	To review and approve the arrangements for the retendering of the external audit contract	Jake Bacchus (Finance)
<b>Corporate Complaints</b>	To consider the Corporate Complaints Annual Review	Martin Hinckley Zoe Evans
<b>Treasury Management Mid-Year Strategy</b>	To review the Treasury Management Mid-Year Strategy	Phil Triggs Mathew Dawson
<b>Council Staff Remuneration</b>	To review the Council's pay schemes, as per the Constitution	Lee Witham
<b>Work Programme 2021/2022</b>	To review the work programme for the remainder of the municipal year	Artemis Kassi

## 16 February 2021

<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>Immunisations</b>	To monitor and review progress (including the Covid-19 vaccination programme) since the previous report to the Committee of 23 September 2020	NHSE/ Anna Raleigh/Natalia Clifford/Jeffrey Lake/Sarah Crouch
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	To monitor the City 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 the quarterly performance results against the 2021/2022 business plans (Quarter 3)	Gerald Almeroth Jake Bacchus (Finance)  Pedro Wrobel/ Damian Highwood/ Mo Rahman (Performance)

	<b>OTHER ITEMS TO BE CONFIRMED</b>	
<b>Work Programme 2021/2022</b>	To review the work programme for the remainder of the municipal year	Artemis Kassi

**13 April 2022**

Agenda Item	Reasons & objective for item	Lead Officer
	<b>TO BE CONFIRMED</b>	

**Unallocated Work Programme Items**

Agenda Item	Reasons & objective for item	Lead Officer
<b>Metropolitan Police Basic Command Unit</b>	To monitor and review the performance of the Metropolitan Police Service Basic Command Unit for Westminster.	Metropolitan Police Service / WCC officer tbc

## COMMITTEE ACTION TRACKER

## ACTIONS: 14 July 2021

ACTION	OUTCOME	LEAD OFFICER
1. The Committee to receive an update on the Capital Programme	In progress	Gerald Almeroth Debbie Jackson
2. The Committee to receive details on the WESTMINSTER BUILDS brand	In progress	Debbie Jackson
3. The Committee to receive an update at its next meeting and also to refer its concerns about the reporting, compliance and governance in schools (especially with reference to mental health policies) to the Business and Children's Policy and Scrutiny Committee for further investigation.	In progress. The Committee will receive a verbal update at its meeting of 29 September 2021. This will also be reviewed by the Business and Children's P&S Committee at its meeting on 6 October.	Artemis Kassi
4. The Committee to receive details about social value in procurement, including a definition of social value	In progress	Sarah Warman

## ACTIONS: 17 June 2021

ACTION	OUTCOME	LEAD OFFICER
<b>PERFORMANCE YEAR END REPORT</b>		
1. The Committee to receive details on the further mitigating actions required and activities beyond 'monitoring' concerning the demand for care homes risk	In progress	Bernie Flaherty Paul Wilmette Manisha Patel
2. The Committee to receive details on the further mitigating actions required beyond 'monitoring' concerning the looked after children risk	In progress	Sarah Newman Dayana Kerton
3. Recirculate the ISOS report	In progress. This was submitted to the Committee on 2 December 2020 and will be recirculated.	Artemis Kassi
4. The Committee to receive details about the Fire Safety Bill and whether the Fire Safety Bill risk includes the new Home Office proposals and 15 pieces of	Completed. The risk covered in the Year End Performance report relates to compliance with the requirements of the Draft Building Safety Bill. The Fire Safety	Debbie Jackson Ian Clarke

secondary legislation in this area	Bill is a separate piece of legislation	
5. The Committee to receive information about whether the Council intends to move to BS9997, the new fire safety standard	Completed. Officers advised that the Building Safety Bill (BSB) would have much greater significance to the Council moving forward. Briefing Note to be circulated to the Committee. Officers also advised that BS9997 had been in place since 2019 and is the British Standard dealing with Fire Risk Management Systems. This is guidance for property owners to risk manage fire safety and did not necessarily demonstrate compliance with existing and proposed fire safety legislation.	Debbie Jackson Ian Clarke
6. The Committee reports to include targets on all KPI tables in the front section of the report for consistency	In progress. S&I to implement this for next quarter's report.	Pedro Wrobel Annelie Drabu/Sophie Shore
<b>REVENUE AND CAPITAL OUTTURN STRATEGY MID-YEAR REVIEW</b>		
1. The Committee to receive an update relating to fraud	In progress	Gerald Almeroth Jake Bacchus David Hughes Andy Hyatt

**AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE**

**CONSTITUTION**

The Audit and Performance Committee is composed of 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 Audit Commission over the appointment of the Council's External Auditor.
7. To comment on the proposed work plans of internal and external audit.

**Regulatory Framework**

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

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