



City of Westminster

Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Thursday 17th September, 2015**

Time: **7.00 pm**

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

Members: **Councillors:**

Jonathan Glanz (Chairman)
Lindsey Hall (Vice-Chairman)
David Boothroyd
Judith Warner

Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.30pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



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

**Tel: 020 7641 3160 Email: rsegal@westminster.gov.uk
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Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Director of Law in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

1. MEMBERSHIP

To note any changes to the membership.

2. DECLARATIONS OF INTEREST

To receive declarations by Members and Officers of the existence and nature of any personal or prejudicial interests in matters on this agenda.

3. MINUTES

To approve the minutes of the meeting held on 15 July 2015.

(Pages 1 - 8)

4. REPORT ON STAFFING MATTERS IN RELATION TO AGENCY STAFF AND TURNOVER

Report of the Director of Human Resources.

(Pages 9 - 20)

5. REPORT ON LOCAL GOVERNMENT PENSION SCHEME

Report of the Director of Human Resources.

(Pages 21 - 24)

6. FINANCE (PERIOD 4) AND PERFORMANCE BUSINESS PLAN (QUARTER 1) MONITORING REPORT

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

(Pages 25 - 44)

7. INTERNAL AUDIT PROGRESS REPORT

Report of the City Treasurer.

(Pages 45 - 60)

8. COUNTER FRAUD 2015-16 - PROGRESS REPORT

Report of the City Treasurer.

(Pages 61 - 74)

9. STRATEGIC RISK REPORT (Pages 75 - 78)
Report of the Director of Policy, Performance and Communications.

10. CHANGE TO THE COUNCIL'S AUDITOR (Pages 79 - 82)
Report of the City Treasurer.

11. WORK PROGRAMME (Pages 83 - 100)
Report of the Head of Committee and Governance Services.

12. EXEMPT REPORTS UNDER THE LOCAL GOVERNMENT ACT 1972

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

<u>Item No</u>	<u>Grounds</u>	<u>Para. of Part 1 of Schedule 12A of the Act</u>
13, 14 & 15	Relating to the financial and business affairs of the Council or other body	3

13. AUDIT REPORT ON MANAGED SERVICES SYSTEMS (Pages 101 - 106)
Report of the Tri-borough Director of Audit, Fraud, Risk and Insurance.

14. CITY TREASURER'S REPORT ON MANAGED SERVICES MITIGATION (Pages 107 - 114)
Report of the City Treasurer.

15. UPDATE ON MANAGED SERVICES PROGRAMME

**(Pages 115 -
124)**

Report of the Bi-borough Director of Corporate Services.

**Charlie Parker
Chief Executive
9 September 2015**



CITY OF WESTMINSTER

MINUTES

Audit and Performance Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** held on **Wednesday 15th July, 2015**, Rooms 3 & 4 - 17th Floor, City Hall.

Members Present: Councillors Jonathan Glanz (Chairman), David Boothroyd, Judith Warner and Jacqui Wilkinson
Jonathan Glanz (Chairman), David Boothroyd, Judith Warner and Jacqui Wilkinson

Also Present: Steve Muldoon (Assistant City Treasurer), Mo Rahman (Strategic Performance Team), Anthony Oliver (Chief Procurement Officer), Della Main (Operations Support Manager – Process and Governance), Andrew Curtois (Head of Category Management, City and Corporate Services), Andy Shorter (Head of Category Management, Housing and Construction) Mandy Gado (Head of Procurement Operations) and Reuben Segal (Committee and Governance Services)

1 MEMBERSHIP

- 1.1 It was noted that Councillor Jacqui Wilkinson had replaced Councillor Lindsey Hall.

2 DECLARATIONS OF INTEREST

- 2.1 Councillor Warner declared in respect of item 5 (Annual Contracts Review) that she is a Member of London Mayors as reference was made in the appendices to the report about the funding of a float.

3 MINUTES

- 3.1 **RESOLVED:** That the minutes of the meeting held on the 18th May 2015 be signed by the Chairman as a correct record of proceedings.

4 2014-15 YEAR END PERFORMANCE AND PERIOD 2 FINANCE REPORT

- 4.1 Steve Muldoon, Assistant City Treasurer, introduced the report relating to the financial performance. He informed the committee that at Period 2 Service Areas were projecting an overspend, prior to management action, of £0.923m against the net budget position of £192.096m. This was due to net pressures

arising in Children's Services relating to placements. Actions were in place to mitigate this and the overspend had been reduced to £500,000 to date. A further update on this would be provided in next month's report. All other service areas were broadly in line with their budgets. There were however risks in other areas that needed to be kept under review. This included risks of £2.12 million in City Management & Communities. This predominantly related to a Concessionary Fares (Freedom Pass) saving target of £1 Million.

- 4.2 The Committee asked for an explanation of what "placements" meant in relation to Children's Services and for details of the causes of current pressures e.g. Is it the challenges of recruiting foster carers or a consequence of an increase in the number of unaccompanied asylum seeking children? Mr Muldoon was also asked about the financial implications on the service following the government's announcement that children in local authority care are to be 'looked after' up to the age of 25.
- 4.3 Mr Muldoon was asked about whether the council was able to identify continuous risks over the medium term and about the work being undertaken to assess the implications to medium term budgets arising from the Queen's speech. The committee was informed that officers are studying the details of the Queen's speech and undertaking modelling of how this will affect the council's finances in future years. Service Areas use a variety of information such as population statistics and Census data to identify future ongoing risks.
- 4.4 The Committee noted that opportunities had been identified in Waste & Parks Services (£1.125 million), mainly through commercial waste service income. Mr Muldoon was asked for details about the income generation opportunities as historically the council had struggled to compete with other commercial waste collection companies. He advised that the increased income was derived through increasing charges. This had not translated to an increase in the council's share in the market. Mr Muldoon was asked whether increasing costs could result in an increase in non-compliance in the disposal of the commercial waste in the city.
- 4.5 The committee asked for further information on the following finance related issues:
1. Chief Executive (paragraph 1.1.1) - explain why there may be a potential underspend in Members Allowances (£70,000).
 2. Children's Services (paragraph 1.1.5) - provide an explanation of the overspend relating to placements and other pressures. The committee is unclear what placements relates to. What impact will the government's announcement requiring local authorities to care for looked after children up to the age of 25 have on the service area's budget?
 3. City Management & Communities (paragraph 1.1.6) - what percentage of the commercial waste market in Westminster does the Council have?

4. City Management (paragraph 1.2.8) - provide details of the procurement savings on automatic public conveniences (£0.125 million). Which contract does this relate to?

5. Housing Revenue Account (HRA) (paragraph 1.2.11) - what are the implications for HRA revenue arising from the government requiring local authorities to reduce council rents by 1% per annum? Will that require a revision of the HRA capital programme?

6. Please provide details of any LOBO loans taken out by the council.

7. Capital Expenditure - how does slippage (to date) compare to the previous year?

- 4.6 Mo Rahman, Strategic Performance Team, introduced the End of Year Performance report which updated the Committee on achievements and performance against internally set 2014/15 targets. Members noted that the City Residents Survey, which identifies overall satisfaction with the council, was based on interviews conducted with 1,019 residents aged 16 or over. It was suggested that a larger number of people should be interviewed in future given the size of Westminster's population. With regard to Chart 3 which set out the results of satisfaction with and importance of services, members asked whether interviewees were provided with a pre-selected list of services. Mr Rahman confirmed this was the case. While the list is consistent from year to year some additional services had been added to it in 2014.
- 4.7 In respect of the key performance indicators by Directorate, Members noted that where performance is off-track a commentary is provided by the service outlining the cause. However, this did not include any timescales for steering performance back on track. The committee also noted that performance indicators are predominantly output focused rather than outcome-based. Mr Rahman commented that some performance indicators are outcome-based and that these could be included in future quarterly reports.
- 4.8 The committee noted with concern that temporary agency contractor numbers and cost continue to be an issue and that staff turnover increased from 11.2% in 2013/14 to 12.49% over the course of 2014. Councillor Boothroyd referred the committee to a recent Cabinet Member report on Tri-Borough Adult Social Care and the need for the service to recruit interim external resources to release internal staff to work on change, and to provide additional specialist capability. The committee requested that a report outlining HR service pressures and challenges across the council be presented to the next meeting. This should include an analysis of the reasons for the increase in staff turnover. The committee questioned whether there is any correlation between the increase in staff turnover and the use of contractor staff. Members also wanted to know how staff satisfaction compared with other local authorities and external organisations of a similar size.
- 4.9 The Committee also noted that the determination of planning applications within targeted timeframes had deteriorated last year compared to 2013/14. Mr Rahman was asked why the underperformance existed given that the

development market was reasonably predictable. The report highlighted that 12,451 applications had been received in 2014 compared with 12,573 in 2013/14. Mr Rahman explained that the year end position was provisional and that the number of applications received had been greater. The final figure would be included in the next quarterly performance monitoring report. Members expressed an interest in why applications to the council were rising particularly given the government's relaxation of planning laws where consent is deemed to be granted for small-scale extensions where there are no objections. The committee requested additional details about this matter.

4.10 The committee asked for further information on the following performance related issues:

1. Adult Services (Section 3.1.3): How is the success of the Customer Journey Operations Alignment being measured and reported?
2. Children's Services (Section 3.2.3): What are the performance indicators for the service improvement programme 'Focus on Practice'?
3. Children's Services: Provide details of the challenges to recruit foster carers, the plans in place to increase numbers and whether these are actually working.
4. Growth, Planning and Housing (Section 3.3.1): With regard to commissioned programmes to secure a range of paid employment opportunities for residents - how many residents helped into work have stayed in long term employment?
5. Growth, Planning and Housing (Section 3.3.1): What employment opportunities have the BIDs in Westminster provided to Westminster residents?
6. Growth, Planning and Housing: Has the council reviewed opportunities of in-house management of Westminster properties rather than CityWest Homes?
7. Growth, Planning and Housing (Section 3.3.4): Provide further details about the challenges of determining planning applications within targeted timeframes. Why are applications to the council rising? Has there been an increase in small-scale applications despite the government relaxing planning laws for extensions where there are no objections.
8. City Management and Communities (Waste): Provide details of the number of people that have paid £20 for the Council to remove unwanted household items in the last 12 months versus the cost to the Council of removing dumped waste. Is there a contract between Veolia and CityWest Homes to remove dumped waste on the council's housing estates and what is the cost of that?

9. City Management and Communities (Sports and Leisure): Provide an update on the Active Queens Park project (Moberly and Jubilee sites).

10. City Management and Communities (Section 3.3.3): Is it possible to have a concierge service (similar to what libraries have for businesses) for Members to assist them with services within the council and a general information point?

11. Corporate Services, (Section 3.5.1): Provide a note of recent IT upgrades delivered in 2014 and how these are working including feedback provided from staff.

12. Corporate Services (Section 3.5.3): Provide details of the issues and problems to date associated with the implementation of the Managed Services Programme (Human Resources And Procurement). Members are aware that there have been problems with payments including ward budget projects and staff salaries.

4.11 Members reiterated comments made last year that reports need to be accessible to those who don't have a good working knowledge of the Council's service areas. They have asked that the reports are written in plain English and avoid the use of acronyms as much as possible. The committee also asked officers to consider how responses to questions can be provided at the meeting rather than requiring follow-up written responses.

4.12 **RESOLVED:**

1. That the report be noted.
2. That the request for further information as set out above be actioned.

5 ANNUAL CONTRACTS REVIEW 2014/15

5.1 Anthony Oliver, Chief Procurement Officer and Della Main, Operations Support Manager, Process and Governance, introduced an Annual Report that reviewed the Council's contracts as per the requirements of the Committee's Terms of Reference.

5.2 An addendum to the report which corrected errors contained in Appendix A (Contracts Let in 2014-15 where the total contract value exceeds £150,000) was tabled.

5.3 The committee was informed that 65 contracts over the value of £150,000 and 161 contracts with a value of less than £150,000 were let in 2014/15 in accordance with the requirements of the Procurement Code. There were 101 extensions and 15 variations of existing contracts. In exceptional circumstances a waiver to the requirements of the Procurement Code may be

obtained from the Chief Procurement Officer. 104 waivers were approved during the course of the year.

- 5.4 The Committee was advised that the capitalEsourcing contracts register is regarded as the “single source of truth” and forms the basis for reporting on contract information across the Council. Through training and regular communications, it has been made clear to Contract Managers that it is a mandatory requirement to ensure that records are accurately maintained and regularly updated. Regular reports are submitted to the Executive Management Team (EMT) outlining the level of compliance across the Council. Members were concerned to hear that although, compliance is improving, a large number of records remain incomplete and therefore non-compliant. Detailed analysis of the system demonstrated there had been good progress in some areas, with others lagging. It was suggested that some of the resistance to recording data was due to officers viewing the activity as an administrative task even though the process is fairly simple and quick to complete.
- 5.5 The Committee noted that Contract Managers are responsible for monitoring contract performance through capitalEsourcing. As before, Members were concerned that there is limited compliance in relation to quarterly contract performance updates which is particularly poor across Tri-borough. They were informed that while officers may be undertaking assessments of how contracts are performing, these are not being inputted into the capital Esourcing system.
- 5.6 To mitigate these issues, Mr Oliver advised that the Procurement Team will intensify training to Contract Managers over the coming months. A contract management framework has been designed to support an effective and more consistent approach across Tri-borough. Mr Oliver explained that while he only has responsibility for contracts let by Westminster he provides reports outlining the level of compliance on a Tri-borough basis to the Shared Services Board so that the Executive Management Team are aware of data gaps and can mandate and prioritise requirements to the officers who report directly to them. The Committee requested an update on compliance with contract record keeping across the Council at a future meeting.
- 5.7 The Committee considered the high profile contracts awarded in 2014-15, one of which was the provision of Print and Document Management Services with Ricoh. It was noted that the contract will generate estimated savings of £3.8m when compared to current spend based upon historic activity levels. The framework names 19 other local authorities and it was noted that the Council is actively promoting the range of service streams. Management fees of 2% will be payable to the Council should any of the other 18 local authorities opt into using the service.
- 5.8 The Committee asked for more information why waivers to the Procurement Code are sought. Members questioned whether an increasing use of waivers could undermine the robustness of the established procurement process. The Committee was informed that there are instances where the requirements of the Procurement Code cannot be precisely followed. For example, a

procurement activity may be grant funded and a particular supplier may be named as a condition of that funding. The Chief Procurement Officer was of the view that to obtain ultimate value it was important for contracts to be advertised for tender on the open market. He believed that in most instances if officers planned better this was possible and would mitigate the need for them having to apply for waivers.

- 5.9 Officers were asked in relation to public health services whether there was competition and a market place for services. Andrew Curtois, Head of Category Management (City and Corporate Services), provided an example of positive successes in procuring new suppliers for cardio related services. Whilst Health Commissioners had initially believed that only Imperial Healthcare could provide such services this was challenged by the Procurement team. It subsequently proved more beneficial to award the contract to Thrive Tribe. Contract Managers and Commissioners are being challenged regarding their assumption around the availability of service providers. The Procurement team has run supplier events to provide contract managers with greater insight into what is on offer in the market place.
- 5.10 **RESOLVED:** That the report be noted.
- 5.11 **ACTION:** Provide the Committee with a note on how many live contracts Westminster currently has.

6 ESTABLISHMENT OF A TRI-BOROUGH APPOINTMENTS SUB-COMMITTEE

RESOLVED:

- 6.1 The Committee received a report that set out proposals to establish a Sub-Committee specifically to deal with senior Tri-borough appointments in order to approve and simplify the current arrangements.
- 6.2 That a Sub-Committee entitled Appointments Sub-Committee (Tri-borough) be established with the Constitution and Terms of Reference as set out in Appendix A to the report.
- 6.3 That the Terms of Reference of the Appointments Sub-Committee be amended as set out in Appendix B to the report.

7 WORK PROGRAMME

RESOLVED:

- 7.1 That an item on HR service pressures and challenges and an update on Contract Management Framework, Procurement and Commercial training including compliance with contract record keeping within capital sourcing be added to the committee's work programme.
- 7.2 That the responses to actions arising from the previous meeting be noted.

The Meeting ended at 8.40 pm

CHAIRMAN: _____

DATE _____



City of Westminster

Committee Report

Decision Maker:	Audit and Performance Committee
Date:	17th September 2015
Classification:	General Release
Title:	Report on staffing matters in relation to agency staff and turnover
Wards Affected:	Not applicable
Financial Summary:	Potential savings from reductions in temporary agency workers
Report Author and Contact Details:	Carolyn Beech Tel: 020 7641 3221 Email: cbeech@westminster.gov.uk

1. Executive Summary

This report provides a response to committee concerns regarding current staff turnover and Temporary Agency Contractors (TAC) usage following the 2014/15 End of Year Performance Report and Period 2 (May 2015) Finance Report. It sets out how the City Council is delivering on the Corporate Strategy and Medium Term Savings Plan in relation to TAC usage and staff turnover excluding redundancies as a proportion of the workforce.

2. Recommendation

- 2.1 Committee notes the rationale within the report and the remedial actions being taken to reduce TAC usage and staff turnover.
- 2.2 Human Resources provides a further report to the committee when reporting functionality is available within the Managed Services Programme (MSP).

3. Background

3.1 Staff Turnover

3.1.1 Staff turnover for the period 2014/15 was 12.5%. This was an increase of 1.3% from the 2013/14 position. 'Reason for leaving' is captured via the leaver payroll submission, made by line managers. A breakdown of reasons for leaving is provided below where provided by employee.

Reason for resignation	%
Resignation - change of career	5.44
Resignation - cost of travel	1.16
Resignation - career dissatisfaction/opportunity	0.39
Resignation - pay dissatisfaction	.39
Resignation - promotion	18.28
Resignation - other employment/same level	14.78
Relocation outside London	8.56
Relocation within London	1.55
Return to education	0.78
Travel	1.17
Worklife Balance	6.22
Retirement	6.22
Retirement - Ill health	0.39

The 12.5% turnover figure also included 1 death in service, 6 dismissals and 19 end of fixed term contracts. We do not have a recorded reason for resignation for the remaining 63 leavers during the reference period. We can note, however, that only 2 employees, where recorded, stated they left because of career opportunity or pay dissatisfaction. The 3 leading factors were Resignation (promotion), Resignation (other employment/same level) and Relocation (outside and inside London).

3.1.2 An additional leaver analysis in terms of departmental breakdown was considered. However, the small representative number per category along with the directorate structural changes mid-way through the financial year means the representative picture per directorate now would be inconsistent.

3.1.3 A more detailed exit survey exercise was undertaken in the Development Planning area which highlighted retention issues, from the period March 2015 to August 2015. This involved a face to face interview with an HR Advisor. 6 staff

left during this period. 3 moved to the private sector and 3 to other public sector roles. The top three reasons for leaving provided were career advancement, promotion, increase in salary linked to promotion and location/travel into London, new job closer to home. Of the employees surveyed:

- 2 people agreed and one person strongly agreed with the statement that they were 'paid well given my role and responsibilities'
- 3 people disagree to the statement 'I receive regular adequate feedback about my performance'
- 3 people agreed to the statement 'I feel I am under too much work pressure'
- 4 people agreed to the statement 'I would recommend Westminster City Council as a good place to work' and the fourth person stated said it would depend on the role/opportunity

3.1.4 Staff Survey Analysis

The 3 least positive responses under the 'Your Voice' Survey September 2014 showed less satisfaction among Westminster staff in the following areas:

- I am satisfied with the IT resources and support provided to help me do my job (46.4% disagree)
- Considering my duties and responsibilities, I think my pay is fair (43.1 disagree)
- I am satisfied with the opportunities available for me to develop my career within the Council (38.3% disagree)

In all cases Westminster City Council is less than 3% below its comparators, Royal Borough of Kensington and Chelsea and London Borough of Hammersmith and Fulham. A de-clutter and refurbishment programme and an upgrade of the council's Information and Communications Technology (ICT) has taken place in the last year to support a better working environment for staff. Actions around pay and career development concerns are addressed under 3.3. A further staff survey is currently underway and closes next week.

3.1.5 The Human Capital Metrics review is an annual survey undertaken by London Councils across all London boroughs. Initial data from the 2014/15 survey shows that although Westminster Council's Turnover has risen since the last survey in March 2014, it still falls in the third quartile of all the London Boroughs. Under this survey of 32 London Boroughs, 11 councils have a higher turnover figure than Westminster.

3.1.6 A survey undertaken by the Institute of Leadership and Management (ILM) in January 2014 found that a fifth of employees were planning to leave their job during the 2014 year. A study from global management consultancy Hay Group, conducted in association with the Centre for Economics and Business Research (Cebr) also predicted that employee turnover would accelerate in 2014 due to economic and labour market conditions improvements. The report also expects turnover to rise sharply in 2015 within the UK, as confidence continues to revive.

3.1.7 Unfortunately because of issues with the stabilisation of the new Agresso system we are unable to provide leaver figures for the 2015 first quarter.

3.2 Temporary Agency Contractors – overview of usage and cost March to July 2015

3.2.1 The table (Appendix 1) summarises the number and cost of TACs engaged from 2015. The figures exclude any expenses claimed.

3.2.2 The overall picture shows a downward trend in TAC numbers across all directorates between April and July, leading to a 29% reduction overall. This has led to a £497,189 reduction in TAC costs since March 2015.

3.2.3 TAC costs did increase slightly in July. However July was a 5 week reporting period as opposed to the previous reporting month which was 4 weeks.

3.3. Agency usage rationale per department

3.3.1 Adults Social Care - Adult's Services/Commissioning - Care & Health

As of the 24th August, 43 TACs have been terminated as a result of the Care Homes TUPE. This will result in an almost 50% decline in TACs in Adults. TACs working on MSP related projects have been extended to support MSP and this is likely to continue until the programme stabilises. The majority of other TACs are used to cover vacant posts and this is an on-going issue particularly in light of the proposed forthcoming changes to the Commissioning team later in the year.

Adult Social Care is also taking a blended approach to ensure they have the internal change capacity to deliver their savings for the 2015 - 2018 period. The allocated funding is not to manage departments, but to deliver large and complex change programmes in Adult Social Care, which will in turn deliver savings and benefits to customers. This will draw on change support from the bi-borough team, alongside the development of existing staff and TAC usage where specialist skills do not exist in-house. This approach provides greater continuity

and also supports the building of internal change expertise and experience.

There are currently three restructures taking place, Commissioning, Community Independence Services and Mental Health Services, all of which are planned to be completed by the beginning of 2016.

3.3.2 Adults Social Care - Public Health

TAC usage is likely to remain in place until the end of the financial year, when the reorganisation process will be completed. Vacancies arising from the reorganisation will be progressed for permanent recruitment.

3.3.3 Corporate Services - Human Resources

Some TACs are working on projects such as supporting the leadership academy and managing the apprenticeship programme and the increase to 100 apprentices this year. TAC usage is disproportionate because of to the recruitment freeze in place pending a decision on Bi or Tri-Borough HR.

3.3.4 Corporate Services - Information Services

The majority of TACs engaged in Information Services are engaged in the City Hall Declutter Project or because of the need to cover roles as part of the ongoing information services reorganisation. Numbers are forecast to continue to reduce over the course of this year.

3.3.5 Corporate Services - Legal and Democratic Services

TAC usage has remained the same since May. TACs are being used for specific projects or are covering vacant roles. Legal services have been proactively progressing recruitment to vacant posts so the amount of TACs should decline in this area in the coming months.

3.3.6 Corporate Services - Strategic Procurement and Corporate Contracts

The majority of TACs in Strategic Procurement are engaged due to the Triborough Procurement reorganisation and the need to cover roles until recruitment takes place. The number of TACs engaged should reduce by December.

3.3.7 Children & Young People

Children's Services is continually taking action to reduce the dependency on TACs, and, over the last few months, many TACs have finished their assignments and have left. It is, however, recognised that there will be a periodic need to engage the services of TACs for a short period of time in line with the

TAC policy. Where there is a need to engage a person for 3 months or more, alternatives such as Fixed Term Contracts, Secondments, and Internal Temporary Transfers will be considered ahead of TACs.

3.3.8 City Management & Communities

The majority of TACs are being used to cover vacant posts, whilst permanent recruitment is being progressed, following the restructure. The department has seen a reduction of 16 since April 2015 and this is expected to continue to reduce as new starters take up their posts.

3.3.9 City Management & Communities - Libraries, Culture & Registration

The two TACs assignments are on-going pending the restructure programme within the Registration Service. The new structure is expected to have a full complement of staff by 1 October 2015, thus no longer requiring the need for TACs. Where there is a need to engage a person for 3 months or more, alternatives such as Fixed Term Contracts, Secondments, and Internal Temporary Transfers will be considered ahead of TACs.

3.3.10 Finance

Following the completion of the Finance reorganisation, posts have been recruited to. However some TACs remain in post during the stabilisation period of MSP.

3.3.11 Growth Planning and Housing

Of the TACs engaged some are externally funded. Other TACs will be required until October 2015 because of the restructure of the Development Planning administrative team and service review. A few will be extended to the end of December to fulfil business needs. Other TACs are being interviewed for permanent roles and 1 has recently been appointed. The Strategic Projects department has TAC usage as part of its delivery model to allow it to flex its workforce to meet highly specialist service delivery needs.

3.3.12 Policy, Performance & Communications

The majority of TACs are currently being used to support on-going MSP issues and provide service delivery cover for vacant posts, pending a restructure. Once both these pieces of work are complete TAC usage will end.

3.3.13 Managed Services Programme (MSP) stabilisation support

Ongoing stabilisation of the MSP contract has led to extensions of TAC support in this area. It is expected that stabilisation will happen in October 2015 which will remove the need for the extensive support beyond this.

Departments	TAC numbers	TAC costs (projected 15/16)
CPMU	8	792,473.04
Finance	2	182,413.68
Programme Management	1	94,894.80
MSP Total cost	11	1,069,781.52

3.4 TAC Reduction target

3.4.1 The performance target for 2015-16 is 200 TACs to be achieved by 30th September 2015, with a TAC spend of £12m for the financial year.

3.4.2 The council requires a further reduction of 68 TACs to reach this target. 43 TAC contracts have already been terminated because of the Care Homes TUPE, leaving a further 25 to reach target. With predictions of reductions across other departments as reorganisations complete, MSP stabilisation and permanent recruitment, it is anticipated that the target of 200 will be met. TAC usage and associated costs are also being closely monitored by the Executive Management Team (EMT) via regular reports to ensure the targets are met.

3.4.3 Westminster Council's current agency rate (agency rate Fixed Term Equivalent as a percentage of permanent staff Fixed Term Equivalent) falls in the third quartile for all London Boroughs. Of the 29 councils who participated in this survey, 9 councils have a higher TAC usage than that of Westminster.

3.4.4 There is no evident correlation between current TAC usage and staff turnover. The current rationale for usage remains:

- To provide cover for sick leave or maternity leave (short-term cover pending longer term solution)
- To cover posts where permanent recruitment is held pending reorganisations or Tri-borough decisions
- To facilitate the need for specialist skills sets to deliver projects

3.4.5 The Council have had a number of TAC's whose tenure has exceeded 2 years. There are situations where this is appropriate, such as involvement in major

projects. However at the end of July, there were 46 whose tenure exceeded 2 years. Some of these have now terminated as a result of the Adult Social Care TUPE transfer.

The 9 retained in Corporate Services for over 2 years were because permanent recruitment was stopped pending discussions on tri borough services. Recruitment is now proceeding in most services and the number of long term TAC's will decline.

In City Management and Communities, Growth, Planning and Housing and Policy Performance and Communications there are a number of externally funded posts where funding may cease at any time, hence the use of TAC's.

In Finance, TAC's were recruited pending the Finance restructure and MSP. There has been a need to keep these longer for MSP stabilisation but they along with those directly engaged in MSP work will be terminated as soon as practicable.

3.5 What is the council doing to reduce employee turnover?

3.5.1 The council recognises that it is through its staff that it will deliver its "City for All" promise and has launched a number of initiatives to support employee engagement and development. The People Strategy has also been updated to reflect the areas of concern cited by staff in the last "Your Voice" survey. Westminster Council's average number of sickness days per employee is 5.4 (calculated using the London Councils formula), the lowest in London, which is a positive indicator of organisation health. The mean average across London is 7.78 and the highest is 10.1 days.

We have:

- Launched our values and behaviours and City for All vision
- Developed and launched a toolkit to enable leaders to embed the values within their teams
- Launched a new Learning Management System (LMS)
- Rolled out the "Leading the Westminster Way" academy programme for our top 100 senior leaders. We are currently cascading the academy to our band 4 leaders and have 3 more cohorts planned taking us to end of July 2016
- Improved our links from education through to employment by providing 100 apprenticeships and we have recruited graduates. This may support

alternatives to TAC cover for the longer term and will support succession planning

- Re-launched the staff network group to support staff engagement
- Run the first staff conference for all Westminster employees and have another planned for October 2015
- Developed action plans from the results of the “Your Voice” survey across all directorates with another “Your Voice” live from 4 September 2015
- Launched the Tri-borough Well-being Strategy
- Launched the Dignity at Work Advisors programme
- Developed a recognition paper which is going to EMT on the 22 September 2015
- Are currently in the process of undertaking a recruitment branding exercise to ensure we secure the right talent now and in the future for Westminster. We are also reviewing our council recruitment pages and the recruitment process to reduce the time recruitment takes
- Set up a working group to look at pay and benefits. A pay and benefits proposal paper is going to EMT and cabinet members in October 2015

4. Conclusion

- 4.1** There appears to be no direct correlation between turnover and TAC usage across the organisation and the downward trend in TAC usage and associated costs is expected to continue to decrease.

Increasing economic confidence may however lead to increased turnover figures for this year. A number of initiatives including employer branding and staff engagement and development are already in play to help counteract this. The launch of the 2015 “Your Voice” survey will further inform the continued development of strategy in this area.

If you have any questions about this report, or wish to inspect one of the background papers, please contact: Carolyn Beech email: cbeech@westminster.gov.uk

Directorate	Department	Target	No. TACs March 2015	No. TACs April 2015	No. TACs May 2015	No. TACs June 2015	No. TACs July 2016	Change from March to July	% change	Cost of TACs March 2015	Cost of TACs April 2015	Cost of TACs May 2015	Cost of TACs June 2015	Cost of TACs July 2015	Change from March to July	% change
Adult Social Care	Adult's Services		31	32	28	26	29	-2	-6%	£136,540	£119,839	£117,779	£92,959	£119,101	-£17,439	-13%
	Commissioning - Care & Health		83	66	73	69	61	-22	-27%	£172,246	£138,413	£123,887	£98,081	£116,768	-£55,478	-32%
	Public Health		5	5	5	5	5	0	0%	£37,941	£38,862	£39,045	£30,257	£14,788	-£23,153	-61%
Adult Social Care Total		64	119	103	106	100	95	-24	-20%	£346,727	£297,114	£280,711	£221,298	£250,656	-£96,071	-28%
Corporate Services	Human Resources		7	5	5	6	5	-2	-29%	£49,364	£19,741	£26,090	£33,729	£18,136	-£31,227	-63%
	Legal & Democratic Services		6	9	8	8	8	2	33%	£14,511	£19,662	£18,638	£16,220	£19,551	£5,039	35%
	EMT and Support		2	2	1	1	0	-2	-100%	£24,188	£23,314	£11,374	£2,625	£0	-£24,188	-100%
	Information Services		17	18	16	16	20	3	18%	£121,566	£87,526	£76,919	£79,490	£114,268	-£7,298	-6%
	Strategic & Commercial Procurement		6	4	4	5	4	-2	-33%	£50,427	£44,380	£46,871	£45,538	£49,194	-£1,233	-2%
Corporate Services Total		24	38	38	34	36	37	-1	-3%	£260,056	£194,622	£179,892	£177,601	£201,149	-£58,908	-23%
Children's Services'	Children's Services		24	22	21	21	21	-3	-13%	£114,587	£106,782	£104,155	£73,892	£95,480	-£19,108	-17%
	Commissioning - Children's Services		2	4	3	3	3	1	50%	£19,540	£15,858	£11,519	£9,096	£9,655	-£9,885	-51%
	Commissioning - Education		1	1	1	0	0	-1	-100%	£2,840	£1,794	£515	£0	£0	-£2,840	-100%
Children's Services' Total		18	27	27	25	24	24	-3	-11%	£136,968	£124,434	£116,189	£82,988	£105,135	-£31,833	-23%
City Management and Communities	Public Protection and Licensing		49	47	46	42	36	-13	-27%	£196,743	£172,148	£173,180	£125,913	£119,649	-£77,094	-39%
	Community Services		0	0	0	0	0	0	0%	£0	£0	£0	£0	£0	£0	0%
	Parking Operations		4	4	3	4	2	-2	-50%	£34,742	£27,972	£16,355	£19,462	£8,838	-£25,905	-75%
	Other CMC		3	2	4	2	2	-1	-33%	£31,897	£21,787	£37,086	£13,771	£18,389	-£13,509	-42%
	Libraries, Culture & Registration		2	2	2	2	2	0	0%	£2,649	£2,748	£2,224	£3,366	£3,565	£916	35%
City Management and Communities Total		36	58	55	50	42	-16	-28%	£266,031	£224,654	£228,844	£162,511	£150,440	-£115,591	-43%	
Finance			46	46	36	30	30	-16	-35%	£343,973	£281,859	£202,992	£168,556	£199,415	-£144,558	-42%
Finance Total		30	46	46	36	30	30	-16	-35%	£343,973	£281,859	£202,992	£168,556	£199,415	-£144,558	-42%
Growth Planning and Housing	Housing Operations		-	-	3	3	2	n/a	-	-	-	£18,897	£10,336	£11,057	n/a	-
	Other GPH		24	23	16	15	13	-11	-46%	£177,614	£142,805	£106,730	£88,586	£109,898	-£67,716	-38%
Growth Planning and Housing Total		14	24	23	19	18	15	-9	-38%	£177,614	£142,805	£125,627	£98,921	£120,955	-£56,659	-32%
Policy Performance and Communications	Change and Programme Management		-	-	2	6	3	n/a	0%	-	-	£2,914	£17,472	£30,678	n/a	-
	Other PPC		26	17	19	18	22	-4	-15%	£160,999	£133,016	£128,027	£111,393	£136,753	-£24,246	-15%
Policy Performance and Communications Total		14	26	17	21	24	25	-1	-4%	£160,999	£133,016	£130,941	£128,865	£167,431	£6,432	4%
Grand Total		200	338	309	296	282	268	-70	-21%	£1,692,369	£1,398,504	£1,265,195	£1,040,741	£1,195,181	-£497,187	-29%

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City of Westminster

Committee Report

Decision Maker:	Audit and Performance Committee
Date:	17th September 2015
Classification:	General Release
Title:	Report on Local Government Pension Scheme membership
Wards Affected:	Not applicable
Financial Summary:	The report has no financial implications
Report Author and Contact Details:	Carolyn Beech Tel: 020 7641 3221 Email: cbeech@westminster.gov.uk

1. Executive Summary

This report provides a brief update on changes to the Local Government Pension Scheme (LGPS) since 2013.

2. Recommendation

The Committee notes the report.

3. Background

- 3.1 There have been a number of changes to the Local Government Pension Scheme since 2013. The first change in July 2013 was auto-enrolment. Previously employees had to opt to join the scheme but from this date all employees are enrolled into the scheme and have to opt out. Existing employees at that date, who were not scheme members had to be enrolled into the scheme.

- 3.2 On go live date 669 people were enrolled into the scheme and of these, 275 opted out again. Since then all new employees have been automatically enrolled.
- 3.3 With the intention of making long term savings on 1 April 2014 the LGPS became a career average scheme, although final salary entitlements until that date were protected.
- 3.4 The accrual rate in the new scheme became 1/49th of pensionable earnings with the level of employee contributions detailed in the table below. This meant that contributions increased for any employees earning in excess of £43,000 per annum.

Salary	Contribution %
Up to £13,500	5.5%
£13,501 to £21,000	5.8%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 to £100,000	10.5%
£100,001 to £150,000	11.4%
More than £150,000	12.5%

- 3.5 In addition the normal retirement age became state pension age.
- 3.6 The scheme introduced for the first time a 50/50 option which meant that employees could make a 50% contribution and receive 50% benefits, except for death in service which remained the same.
- 3.7 Employer's contributions are adjusted following the triennial valuation of the scheme. The current LGPS employer's rate for Westminster City Council is 22.6%, 12.5% of that relates to the cost of covering benefits currently accruing. The 22.6 % includes a level of contribution that covers the existing deficit within the LGPS fund.
- 3.8 The number of active Westminster City Council members of the scheme on 1 April 2013 was 2,599. This had increased to 3,096 by 1 April 2014 and to 3,160 in March 2015. This is against a declining number of employees. On 1 April 2015 there were 5,431 pensioners and 6,396 deferred members.

- 3.9 The amount of employee contributions for WCC employees in the year 2014/15 increased from 21,106,000 to 24,310,000.
- 3.10 WCC employer contributions excluding schools increased from £14,011,000 in 2013/14 to £16,387,000 in 2014/15.
- 3.11 In addition there are a number of Admitted and Scheduled Bodies whose employees are members of the LGPS and whose employer contribution rates are individually set by the actuary. Scheduled Bodies are Academy Schools and Admitted bodies are largely organisation to which WCC employees have been TUPE transferred. The total number of active members of the scheme on 1 April 2015 was 4,232.
- 3.12 The governance arrangements for pension funds within the Local Government Pension Scheme (LGPS) changed on 1 April 2015. The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 required pension boards to be established for public service pension schemes.
- 3.13 It is intended that the boards will play an oversight role, with the decision making body remaining the current Council Pensions Committee. The Pension Board will ensure compliance with the LGPS regulations and other legislation relating to the governance and administration of the scheme. The WCC Board has three Employer Representatives, two of whom are elected Members and the third from a Scheduled or Admitted body, and three employee representatives self-nominated and selected on skills and knowledge.

4. Conclusion

There have been a number of changes to the LGPS over the past two years which have impacted on the scheme, increasing the governance arrangements and the numbers of Members in the scheme. These have improved cash flow to the scheme but have also increased the costs to the council.

If you have any questions about this report, or wish to inspect one of the background papers, please contact: Carolyn Beech email: cbeech@westminster.gov.uk

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City of Westminster

Audit and Performance Committee Report

Meeting or Decision Maker:	Audit and Performance Committee
Date:	17 th September 2015
Classification:	General Release
Title:	Quarter 1 (April - June 2015) Performance and Period 4 Finance Report (July 2015)
Key Decision:	Review and challenge officers on the contents of the report
Financial Summary:	Period 4 (July 2015) finance position reported
Report of:	Steven Mair, City Treasurer Julia Corkey, Director of Policy, Performance and Communications

1. Executive Summary

This report provides the Quarter One (April 2015 – June 2015) update to the Audit & Performance Committee on delivery against the 2015/17 Business Plans.

2. Recommendations

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

3. Reasons for Decision

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

4. Background, including Policy Context

This report sets out how the City Council is delivering on the City for All vision and Medium Term Savings Plan.

This report provides a compressed overview of the Council’s financial position as at Period 4 (July 2015). It covers the following:

- SECTION 1 – Revenue expenditure including financial risks and opportunities
- SECTION 2 – Capital Expenditure
- SECTION 3 – Finance Strategic Projects

KEY MESSAGES:

Revenue

At Period 4, the Council is projecting a potential overall £0.553m underspend against budget. This has improved from the position reported at Period 3 by £0.446m. The only adverse variance is for Childrens’ Services. All other services are forecasting to end the year under spending against budget. In addition, an allowance of £0.500m has been made to cover material unmitigated risks which are set against net unmitigated financial risks identified of £3.126m.

Capital Expenditure

The forecast outturn for capital expenditure is a £0.957m underspend against budget. This is an improvement of £1.6m from Period 3. This reflects the net result of the Wilberforce school expansion being put on hold and the slippage of various lighting improvement schemes from 14/15.

1. REVENUE EXPENDITURE

1.1 Operating Budget

The Council has an operating budget of £192m. The projected overall outturn at period 4 is an under spend of £0.533m. This is made up of an overspend of £0.049k for Children’s Services, an allowance for material risks of £0.5m and an underspend for City Management and Communities of £1.082m (see Table 1 which reports budgets, projected outturn and variances by Service Area).

1.2 Service Area Revenue Projected Outturn

The overall favourable variance of £0.533m to budget (see Table 1 overleaf) is made up of the following:

- Unfavourable variances (overspends) to budget within:
 - Children’s Services where the service is reporting an over spend against budget of £0.049k. This has arisen because of overspends in Family Services (£0.860m), Schools Commissioning and Education (£0.431m), Commissioning (£0.077m), offset by mitigating savings within Finance and Resources (£1.319m).
 - An allowance for material risks of £0.500m.
- Favourable variances (underspends) to budget as follows:
 - City Management & Communities shows a favourable variance to budget of £1.082 which is predominantly due to commercial waste income performance and the positive outcome of the Hemming case appeal*

Table 1 – P4 Forecast Outturn by EMT Directorate

Analysis Per Council Tax Report						
SERVICE AREAS - EMT Structure	Budget	Projected Outturn	Projected Variance	Risks Identified	Opp'nities Identified	Projected Net Risk
	£000	£000	£000	£000	£000	£000
Chief Executive	(366)	(366)	-	120	(170)	(50)
City Treasurer	17,705	17,705	-	196	(196)	-
Director of Policy, Performance and Communications	7,852	7,852	-	-	-	-
Executive Director of Adult Services	61,815	61,815	-	495	-	495
Executive Director of Childrens Services	37,253	37,302	49	795	-	795
Executive Director of City Management and Communities	25,028	23,946	(1,082)	2,568	(940)	1,628
Executive Director of Corporate & Commercial Services	16,009	16,009	-	483	(575)	(92)
Executive Director of Growth, Housing and Planning	26,800	26,800	-	350	-	350
Provision for material risks	-	500	500	-	-	-
SERVICE AREA TOTAL	192,096	191,563	(533)	5,007	(1,881)	3,126
Council Tax	46,075	46,075	-			
Business Rates Expenditure (Tariff)	74,444	74,444	-			
Revenue Support Grant	71,577	71,577	-			
Corporate Financing	192,096	192,096	-			
Net (Surplus) / Deficit	-	(533)	(533)			

* The Hemming's case challenged the level of fees charged for sex establishment licences. It was brought by a number of licensees of sex shops in Soho and other parts of London within the City of Westminster. Shops which cater for the sex market have to be licensed, and those in Soho are regularly inspected to ensure that they are being properly run. In the past, the costs of enforcing the system have been reflected in the licence fee, but a recent change in the law to implement a European Directive is said to have made that unlawful. The initial judgement concluded that the Council could no longer factor in the cost of enforcement against illegal activity in its fee setting structure. The City Council was also made liable for the repayment of fees charged relating to the enforcement of illegal activity since the EU Directive (Provision of Services Regulations) came into force in December 2009. Provision was made in the budget for the likely knock-on effects of this ruling on some other licensing fee regimes.

The City Council requested permission to appeal to the Supreme Court. Westminster City Council were successful with this appeal and won the case in May 2015.

2. CAPITAL EXPENDITURE

For 2015/16 the projected outturn for Service Areas as at Period 4 is £99.511m which is £0.957m above the approved budget. (See Table 2 which reports budgets, projected outturn and variances by Service Area).

The main reasons for the variance are:

- Children Services is showing a £1.6m reduction against budget for expected expenditure on the Wilberforce School Expansion which is currently put on hold.
- Adults Services showing a £0.16m reduction against budget for expected expenditure on development plans for the Beechcroft and Carlton sites within the Specialist Housing Strategy for the Older Persons (SHSOP).
- Growth, Planning and Housing is showing a further carry forward of £0.8m to £74.95m for 2014/15 Highways and Lighting Rolling Programme that is to be financed by the equivalent carry forward in financing.
- All other Service Areas are showing expenditure in line with the Approved Budget. In July, 2014/15 slippage of £13.86m was approved by the Cabinet Member for Finance and Corporate Services.
- Capital receipts have increased by £11.8m partly due to the sale of Farm Street which had been expected in 2014/15.

Table 2 – Capital Expenditure Projected Outturn by Service Area

SERVICE AREAS - EMT Structure	Budget (Expend.) £000	Budget (Income) £000	Budget (Net) £000	Forecast (Expend.) £000	Forecast (Income) £000	Forecast (Net) £000	Variance £000
Chief Executive	0	0	0	0	0	0	0
City Treasurer	10,175	0	10,175	10,175	0	10,175	0
Director of Policy, Performance and Communications	0	0	0	0	0	0	0
Executive Director of Adult Services	1,229	(165)	1,064	1,255	(347)	908	156
Executive Director of Childrens Services	31,222	(29,168)	2,054	28,977	(28,523)	454	1,600
Executive Director of City Management and Communities	11,554	0	11,554	11,554	0	11,554	0
Executive Director of Corporate & Commercial Services	1,475	0	1,475	1,475	0	1,475	0
Executive Director of Growth, Housing and Planning	132,653	(58,508)	74,145	133,453	(58,508)	74,945	(800)
SERVICE AREA TOTAL	188,308	(87,840)	100,468	186,889	(87,378)	99,511	957
Financing							
Capital receipts			(87,700)			(99,511)	(11,811)
Borrowing			(12,768)			0	12,768
TOTAL			(100,468)			(99,511)	(957)
Net			(0)			0	(0)

3. FINANCE STRATEGIC PROJECTS

At Period 4 the status of Finance Strategic projects is as follows:

- **Medium-Term Financial Planning/Strategic Planning**

Planning around the budget for the next three financial years continues with further savings proposals received on the 14th August to identify additional measures to bridge the 2017/18 and 2018/19 gaps.

Subject to confirmation, the prior year's MTP exercise has already identified the options that would deliver a balanced budget for 2016/17.

The Chancellor's Summer Budget failed to clarify the scale of future local government funding reductions and we will have to wait until the Autumn CSR or December Finance Settlement before we have greater certainty. Our own (and the LGA's) modeling still suggests that on the available evidence our MTP assumed savings target remains a reasonable expectation of the requirement to be found.

- **Annual Accounts Plan**

Following a successful finalisation of the final accounts for 2014/15 and favourable reports on the quality of all elements of them by KPMG, work is continuing to develop and embed processes and develop staff. It is anticipated that "hard closes" will be completed throughout the majority of the remainder of the year.

- **Finance/HR Managed Services Programme**

The Managed Services Programme (MSP) went live across the Tri-Borough Councils on 1st April 2015. The Council's finance and HR teams are currently working with service provider, BT, and the MSP team towards embedding the new system.

This report presents major achievements and performance issues against internally set 2015/16 targets, focussing on where performance needs to be improved and highlighting the key challenges in the year ahead. As this report covers the first quarter of performance, there are some areas where a clear picture of performance is yet to emerge – future reports will contain more analysis and detail re mitigation of off-track performance.

1. Performance Overview

KEY MESSAGES:

Notable achievements

- ✓ During Quarter 1, several service areas have successfully launched a range of programmes.
 - Adult Services launched the Community Independent Service which will ensure more people can be cared for at home, helping to avoid emergency hospital admissions, supporting timely and effective discharge from hospital and helping to reduce the need for on-going social care.
 - Public Health introduced a new Integrated Hospital Discharge and seven day working pilot.
 - Children’s Services began operating the Healthy Relationship Healthy Baby programme with a team based in Queen’s Park.
 - Growth Planning and Housing launched (HELP) homelessness Employment and Learning Project and Vital Invest Community Interest Company in May.
 - Human Resources launched the Learning Management System delivering new E-learning and courses assisting employees to develop their skill sets. The second phase of the Leadership Academy has also been taking place.

- ✓ Processes have been improved to deliver improved data quality in relation to Child Sexual Exploitation (CSE) cases, increasing the number being identified and progressed. A project being delivered under the Focus on Practice innovation programme is developing a predictive modeling IT system to assist with early identification of children who are more at risk of coming into care. There is enhanced scrutiny of Looked After Children and Care Leavers cases and the Family Group Conference process has been reviewed and refined.

- ✓ Working in partnership and across service areas continues to help the Council deliver their objectives.
 - Successful implementation of Operation Neon - a joint multi-agency, high visibility enforcement operation between TfL, Met Police and WCC Parking Services focused on Private Hire Vehicles within Westminster.
 - The West End Partnership Vision and Delivery Plan was launched.
 - Collaborative procurement with the NHS to sign the Sheltered Housing Strategy for Older People contract which will deliver new management and the refurbishment of some key nursing homes throughout Westminster.

Service pressures and challenges

- ✘ There is a financial risk to the Public Health grant allocation for 15/16, as a result of the Chancellor's announcement to reduce the Public Health budget by £200m in June for 2015/16.
- ✘ A rise in the number of Unaccompanied Asylum Seeking Children which has increased the number of older children coming into care.
- ✘ Increased risk on Penalty Charge Notice (PCN) and paid for parking revenue has already been seen, due to unforeseeable impacts of the Deregulation Bill in April 2015 plus external factors.
- ✘ The main area of risk for HR is the impact of the go live of Managed Services. Issues with the structural build and payroll mean that HR staff resources have had to be diverted away from business as usual work meaning that there could be a significant impact on the delivery of other HR projects.
- ✘ The waste disposal contract re-let brings with it the need to mitigate a £5m cost pressure.
- ✘ Quarter 2 represents a crucial period for the future funding strategy for the Council's CCTV service. PPC will be supporting Cabinet to come to a clear decision on funding and supporting CMC to implement the decision in the most cost effective manner. This represents a reputational risk as a high profile service for partners and the public.

Section 1

2. SERVICE DELIVERY BY EMT DIRECTORATE

2.1 Growth, Planning and Housing

2.1.1 Notable Areas of Achievement

Growth and Economy

- ✓ Homelessness Employment and Learning Project (HELP) Enterprise and Vital Invest Community Interest Company (CIC), launched in May.
- ✓ The West End Partnership vision and 500million delivery plan was successfully launched in July. The overall goal of the plan is to deliver growth as well as maintain cultural character, with additional revenue that the expected growth produces put back in to improvements in the physical and social infrastructure to help sustain jobs and, most importantly, make a tangible difference to the lives of people who live, visit and work in the West End.

Housing and Property

- ✓ The last of 14 secure tenants moved from Capland Street to free up the Luton Street site (Church Street Phase 1) for redevelopment later this year. Moves secured and supported by Relocations Officers, with all tenants moving voluntarily without the need of legal possession proceedings.
- ✓ The Children's Services and Housing Early Help Panel (CHEH Panel) was set up in May. The Panel is a monthly case management and joint working meeting between Housing and Children's Services attended by managers across the two services. The objective is to facilitate better and earlier information sharing, manage demand for the two services, create joint plans for challenging cases and resolve any disputes about how cases are handled.

Development Planning

- ✓ A number of consultation events took place in late April on the Sir Simon Milton Westminster University Technical College (UTC). The planning application has now been approved.
- ✓ Commitment to build more affordable housing and support those who need help to get on the housing ladder. This year the foundations will be laid for 350 new homes in Church Street and Ebury Bridge, as part of an investment of over £60 million to provide more and better homes and improve community facilities and green spaces.

2.1.2 Service Pressures and Challenges

Housing and Property

- ✗ Implications of accepting payments in lieu of affordable housing provision as part of development schemes below the policy compliant levels based on viability evidence submitted by developers, resulting in reduced funding for new affordable housing.
- ✗ Government announcement of policy to require high value Housing Revenue Account (HRA) voids to be sold.

Development Planning

- ✗ Impact of Community Infrastructure Levy and vacant building credit.

2.1.3 Key Service performance Indicators

The table below provides an assessment of the key indicators selected for Growth, Housing and Planning Services. Service commentary has been provided for all 'Off Track' indicators. Additional analysis can be undertaken on request from Committee Members.

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
Housing Services					
1. Reduce the number of families in short term nightly booked accommodation and uneconomic placements to 250.	379	≤250	375	Off Track	Deteriorating
Service Commentary: The private sector market across London for households in receipt of benefits remains very challenging whilst demand, again across London, is high; as a result it is challenging to source sufficient properties, particularly for larger families and those requiring properties suitable for wheelchair access, in sufficient volumes to reduce numbers significantly.					
Timescales: Ongoing challenge to reduce use of high cost nightly booked accommodation and other high cost temporary accommodation. Service is reviewing more cost effective short term temporary accommodations. This position is expected to show improvement by Quarter 3 (December 2015).					
2. Support the most vulnerable homeless families into longer term temporary accommodation within 12 weeks of becoming homeless	No h/holds beyond 12 weeks	<12 weeks	No h/holds beyond 12 weeks	On Track	Stable
3. Rough sleeper numbers to be maintained below 90	83 (Nov 2014)	≤90	77 (May 2015)	On Track	Improving
4. Total number of households successfully helped to resolve their overcrowding (1,000 over 5 years)	71	TBA	Awaiting update	N/A	N/A
5. 70% of the entrenched cohort of rough sleepers is housed in appropriate accommodation	56%	70%	63%	On Track	Improving
6. Tenant Satisfaction with services provided by landlord	88% [Annual Survey]	88%	Not available	N/A	N/A
7. Total number of positive moves from young persons' supported housing and hostel services who have moved on to live more independently	111	80	Not available	N/A	N/A
Property Services					
8. Increase the total income generated from the Council's investment portfolio by 3%	£23.8	3%	23.7m	On track	Stable
9. Investment Portfolio – keep the number of void properties below 4%	1.8%	Less than 4%	2.8% (June 2015)	On track	Deteriorating
Service Commentary: While the void rate has increased slightly, it remains within target. Much of the current void has been pending works and H&S prior to the marketing of unit.					
Planning Services					
10. % of Other Applications determined within 8 weeks	68%	80%	76% (1,063)	Off Track	Improving
11. % of Major Applications determined within 13 weeks	57%	60%	56% (11)	Off Track	Deteriorating
Service Commentary: A number of vacant planning posts are in the process of being filled. This is expected to lift performance of planning applications determined within timescales.					
Timescales: Performance anticipated to be on track by Quarter 3 (December 2015) when vacant planning posts will be filled.					
12. % of Minor Applications determined within 8 weeks	67%	65%	75% (754)	On track	Improving
13. Number of Reports of Unauthorised Development (RUDs) investigated and cleared	2,258	N/A	653	On track	Stable
14. % of Planning Appeals determined in favour of WCC	70%	66%	76% (41)	On track	Improving
15. Number of planning applications received	12,680	N/A	3082	N/A	N/A
Employment					
16. Total number of residents supported into paid employment opportunities from all programmes monitored by the Work & Skills Board	708	1000	83	N/A	N/A

Quarter 1 position¹ – Latest figures reported at the end of June 2015.

Status² – Achieved, target level met. On Track, target level will be met by year end. Off Track, target level is at risk of not being met by year end.

Direction of Travel³ – Improving on last year's position. Stable: No change, same as last year's position. Deteriorating on last year's position.

2.2 City Management and Communities

2.2.1 Notable Areas of Achievement

Public Protection & Licensing

- ✓ Creation of 74 new City Inspector posts in line with the City for All objective. 50 posts filled as part of the reorganisation, recruitment being progressed for the remaining roles.
- ✓ The Prevent programme has delivered training to 265 teaching staff in 13 Sessions in Schools/Colleges.

Parking

- ✓ A number of car club bays have been identified as possible locations for installation of an Electric Vehicle charging point to support an electric car club vehicle. The feasibility work for fully determining which sites are suitable has begun.
- ✓ A new online appeals service with London Tribunals (previously known as PaTAS) went live from 3 July.
- ✓ The first part of the 2015 Parking Occupancy Survey was completed. The survey evidences the need to consider a demand management approach for managing areas of high parking stress with particular attention to suspensions and paid for parking.
- ✓ Operation Neon - Throughout May, a joint multi-agency, high visibility enforcement operation between TfL, Met Police and WCC Parking Services focused on Private Hire Vehicles within Westminster, concentrating on issues such as vehicle idling, parking contraventions, as well as the legality and use of Private Hire Vehicles. Operation Neon has substantially increased the levels of visible enforcement in central London, combating touting and other illegal activity. It is keeping ranks clear to support legitimate taxi and private hire drivers and has received positive feedback from the trade associations.
- ✓ Marshals have been carrying out 'soft enforcement' of vehicles idling and are advising drivers to switch off their engines.

Highways

- ✓ The public realm works in Berwick Street to rejuvenate the market area has been completed.

Community Services

- ✓ Under the Choose Digital programme, new iPads are being rolled out into the first four libraries (Church Street, Maida Vale, St John's Wood and Queen's Park). The new solution will remove the need for scanning, with photos automatically uploaded to the online parking portal form. Customers will be able to use the iPads to browse the library archives and do anything they could do on the website from a computer.
- ✓ Over 1,500 people have attended health and wellbeing activities. During this time the libraries hosted events to promote Carers Week, Music Therapy Week, Diabetic awareness week, as well as hosting the regular health checks and Stop Smoking Sessions.
- ✓ The Archive service hosted over 40 events focusing on World War 1 attended by over 1,000 children.
- ✓ Volunteers contributed 2,152 hours in Westminster libraries.
- ✓ Good progress has been made with the re-let of the sports and leisure facilities contract, capital programme schemes are being delivered to schedule and sports development and PE and School Sport programmes are being delivered to plan.
- ✓ The overall performance of the sports and leisure facilities is strong, visitor numbers are slightly ahead of target (703,000 recorded visits for the first 2 months of 2015/16) and pre-paid membership figures are at their highest levels ever (17,650 members to date).
- ✓ Results from the Sport England's Active People survey in June showed Westminster's participation increasing which is very positive.

- ✓ The Judicial Review period for Jubilee Sports Centre expired in January 2015 however a challenge was launched on 17th March. A Court Order was released on 17 June 2015 confirming that leave to bring JR proceedings in respect of the Council's decision to grant planning permission for redevelopment had been refused.
- ✓ Works to improve Bridgefield House (the building adjacent to the Porchester Centre) completed to time and budget. The new facility will provide a flexible community space for meetings, training events and activities.
- ✓ The Westminster Mile 2015 event was extremely successful, attracting over 6,000 registrations.

2.2.2 Service Pressures and Challenges

Waste & Parks

- ✘ The waste disposal contract re-let brings with it the need to mitigate a significant cost pressure. Mitigation measures will include the need to consider how and when we collect waste and what the opportunities are for significantly increasing recycling. This risk has been highlighted as part of the MTP savings process.

Parking

- ✘ Increased risk on Penalty Charge Notice (PCN) and paid for parking due to impacts of the Deregulation Bill in April 2015, plus external factors. The Deregulation Bill that became law in April bans the use of CCTV to enforce parking restrictions for all contraventions except those involving moving traffic. It also introduced a 10 minute grace period where a vehicle has been left beyond a period of permitted parking within a designated bay. This is being monitored closely and is partly being offset by further contract cost reductions and projected improvements to other revenue streams.
- ✘ Print and fulfilment Corporate Contract costs are currently being funded by the service and causing an overspend of £210k.
- ✘ Outcomes of the city-wide occupancy survey and the implementation of any recommended policy changes as a result, may have reputational risk to the service and require a complex implementation plan.
- ✘ A reduction in Service Level Achievement has been seen since April and a number of actions are in place to address this, including:
 - Increased resources, shift re-alignment and overtime
 - Additional quality checks to review calls over 7 minutes to understand the root cause and any actions required
 - Additional call listening exercises by completing side by side reviews for instant feedback
 - Avoidable contacts review
 - Further training and support to all teams
 - Identifying changes to call arrival patterns to allow trend analysis based on a wider range of data

Highways

- ✘ The volumes of priority one highway responses are still above budgeted levels but the risk has significantly reduced from £250k to £75 for the full year. Work is continuing to mitigate the remaining risk.
- ✘ A review of the indexation method used in our contracts is being carried out by the industry following an initial report by the Highways Term Maintenance Association (HTMA) that it does not reflect the higher prices seen on contracts within the M25. The review report is expected at the end of November 2015.

Community Services

- ✘ Delays relating to the Active Queens Park project associated with the progression of the appropriation of Genesis properties. Valuation reports have been commissioned and a Cabinet Member report has been issued for a decision to enable the project to progress with works commencing in the December 2015.
- ✘ Library visits were slightly below target in Quarter 1. Church Street and St. John's Wood Library both saw a drop of over 10%. Both libraries had a significant number of class visits either cancelling or not arriving. Action is being taken to improve links with the local schools in order to maintain a regular programme of class visits.
- ✘ Freedom Passes- MTP Saving. Following detailed analysis of the saving proposal, a risk has been identified with delivering the MTP saving due to the nature of the funding model. The 15/16 saving will be mitigated and plans are being progressed regarding any potential saving which could be achieved.

2.2.3 Key Service performance Indicators

The table below provides an assessment of the key indicators selected for City Management and Communities. Service commentary has been provided for all 'Off Track' indicators. Additional analysis can be undertaken on request from Committee Members.

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
Waste and Parks Services					
Improved street environmental cleanliness through the proportion of street surveyed for Detritus that falls below grade	2.10%	4%	1.98%	On Track	Stable
Improved street environmental cleanliness through the proportion of street surveyed for Litter that falls below grade	3.60%	5%	1.75%	On Track	Stable
Improved street environmental cleanliness through the proportion of street surveyed for graffiti that falls below grade	2.30%	3%	2.22%	On Track	Stable
Improved street environmental cleanliness through the proportion of street surveyed for fly posting that falls below grade	0.20%	2%	1.59%	On Track	Stable
Satisfaction with Westminster City Council's Parks and open space	95%	95%	95%	On Track	Stable
The yearly proportion of waste sent for recycling and recover, rather than to landfill	98%	97%	97%	On Track	Stable
To maintain the low monthly average of missed waste collection complaints per 100,000	4.63	5.00 per 100,000	3.44 per 100,000	On Track	Stable
Public Protection and Licensing					
Number of employees in business equipped with skills and knowledge to help them contribute to the safety and compliance of businesses in Westminster. Selling best practice / shared knowledge to other local authorities.	1200	900	455	On Track	Improving
Days of disruption saved on the road network as a result of collaborative working	408 days	100 days / quarter	118	On Track	Stable
Pest Control Customer Satisfaction levels	100%	90%	90%	On Track	Stable
Customer Satisfaction rates with Home Improvement Agency (HIA)	90%	90%	90%	On Track	Stable

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
Highways					
Average performance against response times for all lighting priorities	93%	98%	97.2%	On Track	N/A
Average performance against response times for all highways priorities	93%	98%	97.5%	On Track	N/A
Parking					
Maintain levels of overall Customer Satisfaction with the Parking Service	84%	84%	84%	On Track	Stable
Improved parking compliance levels	98.75%	98%	98.81	On Track	Stable
Community Services					
Total number of visitors to Westminster libraries as a proportion of the target	2,096,102	2,120,123	500,837	On Track	N/A
Total number of volunteer hours contributed to Westminster Libraries as a proportion of the target	11,585	11,585	2,152	On Track	Deteriorating
Service Commentary: The number of hours contributed by volunteers is lower than Quarter 1 last year but it is expected that these will increase in Quarter 2 as the service is currently recruiting volunteers to deliver the Summer Reading Challenge.					
Maintain satisfaction levels of our users within Westminster libraries (2014 City Survey)	91%	91%	91%	Achieved	Improving
Number of visits to the Council's sports and leisure facilities	3,776,188	3,700,000	703,414	On Track	Stable
Participation in sports development programmes	72,422	62,400	Update due in Q2	On Track	N/A
Number of accredited sports clubs	65	70	65	On Track	Stable
Number of sports volunteers	70	80	70	On Track	Stable

Quarter 1 position¹ – Latest figures reported at the end of June 2015.

Status² – Achieved, target level met. On Track, target level will be met by year end. Off Track, target level is at risk of not being met by year end.

Direction of Travel³ - Improving on last year's position. Stable: No change, same as last year's position. Deteriorating on last year's position.

2.3 Children's Services

2.3.1 Notable Areas of Achievement

- ✓ Engagement with Westminster City College to ensure more accessibility for young people with Special Educational Needs (SEN) and/or disabilities.
- ✓ Family Lives contract has been extended providing support for vulnerable families through children's centres.
- ✓ Early Help teams continue to work intensively with young people and their families, who are on the edge of care. As part of the Focus on Practice innovation programme there is a project developing predictive modeling IT system to assist with identifying children who are more at risk of coming into care.
- ✓ First year of Focus on Practice programme has completed. Of 220 WCC staff members, 64% are enrolled and attending systemic practice training. The impact of changes in practice on families and children are already being reported anecdotally.
- ✓ Data quality in relation to Child Sexual Exploitation (CSE) has improved with more cases being identified and progressed. The Multi-Agency Sexual Exploitation panel has revised terms of reference to improve case monitoring and focus on perpetrators. A Tri-borough Co-ordinator has been employed for CSE.
- ✓ Healthy Relationship Healthy Baby (HRHB) programme has been operating since 1 April with a team based in Queens Park, funded by Stefanou Foundation
- ✓ Revised children's centre model has been implemented from 1st July with the planned, reduced budget. This will deliver additional two year old offer capacity.
- ✓ Enhanced scrutiny of Looked After Children and Care Leavers cases moving towards permanency to ensure barriers and delays are identified and addressed.
- ✓ Family Group Conference process reviewed and refined. There is now better and earlier identification of family network members who can potentially care for children.
- ✓ The Youth Offending Service continue to recruit mentors who will be offered to all young people in custody as well as those on the cusp of custody.

2.3.2 Service pressures and challenges

- ✘ National concerns surrounding child sexual exploitation, missing children and female genital mutilation (FGM). Westminster is working closely with police colleagues and is co-chairing a Multi-Agency Sexual Exploitation meeting which responds to individual young people at risk, and builds a strategic picture of victims, perpetrators and places. Westminster has a Missing Children's Co-ordinator in the Multi Agency Safeguarding Hub who tracks all reported missing children and young people. The service is engaged in a programme with St. Mary's Hospital to raise awareness and respond proactively to FGM across our children's partnerships.
- ✘ An increase in the number of Unaccompanied Asylum Seeking Children has impacted the target to reduce 14-17 year olds coming into care. Westminster will engage on a service improvement programme called "Focus on Practice" which will minimise adolescent care admissions, examine cost effective housing options for UASC outside traditional foster care placements and work on targets to reduce young people coming into care.

2.3.3 Key Service performance Indicators

The table below provides an assessment of the key indicators selected for Children's Services. Service commentary has been provided for all 'Off Track' indicators. Additional analysis can be undertaken on request from Committee Members.

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
1. Percentage of children requiring foster care being placed with Tri-borough foster carers	71%	80%	60% (6/10)	Off Track	Deteriorating
<p>Service Commentary: Over the last 3 years we have experienced an on-going and increasing demand for placements for older children; combined with a number of requests to place sibling groups; plus a consistent stream of unaccompanied asylum seeking children. We have seen a decline in our numbers of foster carers being recruited and are reviewing our recruitment strategy accordingly. As a result we have not been able to meet the demand to place all children in house. Going forward our latest recruitment drive is now seeking to recruit in out of London areas and within neighbouring boroughs so that we can place children at risk of child sexual exploitation as well as meet the need for long-terms fostering requests.</p>					
<p>Timescales: ongoing challenge (see commentary above), no specific timescale can be provided on when performance will be back on track. However, the recruitment of additional foster carers is anticipated to mitigate increasing demand for placements by yearend.</p>					
2. Percentage of re-referrals to social care	9%	10%	12% (58/485)	On Track	Stable
3. Percentage of care leavers who are in suitable accommodation	88%	92%	78% (89/114)	On Track	Deteriorating
4. Percentage of care leavers who are in education, employment and training	67%	67%	69% (79/114)	On Track	Stable
5. Percentage of children in care in the same placement for at least 2.5 years	70%	81%	82% (51/62)	On Track	Improving
6. Percentage of child protection cases ending during the year with a duration of two or more years	0%	5%-10%	0%	On Track	Stable
7. Number of Looked After Children in Westminster	179	179	162	On Track	Stable
8. Number of borough resident population aged 14 to 17 entering care (excluding young people accommodated as a result of LAPSO Act 2012 or UASC status)	28	23	6 (June 2015)	On Track	Stable
9. Percentage of children in care with three or more placement moves	9%	10%	0%	On Track	Improving
10. Number of 16 to 18 year olds (years 12 and 13) not in education and training (NEET)	48	37	36	On Track	Improving
11. Percentage of children subject to a child protection plan for the 2 nd or subsequent time	3%	5%	4% (4/110)	On Track	Stable
12. Number of child protection cases	113	99	110	On Track	Stable
13. Percentage of Westminster's pupils who achieve at least 5 A*-C grades at GCSE including English and Mathematics	68%	70%	TBC	N/A	N/A
14. Percentage of primary pupils achieving Level 4+ in Reading, Writing and Mathematics at KS2	86%	86%	84%	Off Track	Deteriorating
<p>Service Commentary: This is a provisional figure and is subject to change. The service is also waiting to see the national and London's figures to be able to fully assess the Westminster's relative position. Overall trend over three years is one of improvement against London and national figures. 2014 saw a significant advance on the 2013 position (79%). This placed WCC 5th nationally of 150 local authorities, and top in London. The overall results mask improvements and dips in the results for individual schools. In schools where results have gone down targeted intervention work from the school standards service is planned.</p>					
15. Percentage of families on the Troubled Families Programme who will have resolved their offending, anti-social behaviour and poor school attendance	100%	100%	Update available in October	N/A	N/A
16. Number of places in education, employment and training for young people after they complete their GCSEs	99%	100%	Not yet available	N/A	N/A

Quarter 1 position¹ – Latest figures reported at the end of June 2015.

Status² – Achieved, target level met. On Track, target level will be met by year end. Off Track, target level is at risk of not being met by year end.

Direction of Travel³ - Improving on last year's position. Stable: No change, same as last year's position. Deteriorating on last year's position.

2.4 Adults Services and Public Health

2.4.1 Notable Areas of Achievement

Adult Services

- ✓ Policy and operational changes to support Phase I of the Care Act 2015 were successfully implemented on 1st April with metrics established to monitor performance and impact.
- ✓ The Community Independence Service (CIS) went live on April 1st which will ensure more people can be cared for at home, helping to avoid emergency hospital admissions, supporting timely and effective discharge from hospital and helping to reduce the need for on-going social care

Public Health

- ✓ The Public Health commissioning review has taken place and a 3-year commissioning and procurement plan has been developed.
- ✓ A new Integrated Hospital Discharge and seven day working pilot was launched earlier this year.
- ✓ There has been a continued reduction in the costs associated with Genito-Urinary Medicine (GUM) clinics and new tariffs have been negotiated.
- ✓ In Westminster, 28% of people presenting with HIV were at the late stage of HIV infection. This rate was better than England (45%) and London (41%), and is the third best in London.

2.4.2 Service Pressures and Challenges

Adult Services

- ✗ Preparatory work has begun to support Phase 2 of the Care Act 2015 requirements; any changes are being monitored by the Local Government Association with the Department of Health.
- ✗ One of the Council's Homecare Service providers is planning to exit the market by the end of August; a migration plan has been agreed to prioritise this provider's customers
- ✗ Reducing the number of non-elective hospital admissions is a key joint target across health and social care. The target to reduce admissions by 4.6% via the Better Care Fund programme is very ambitious given the demographic growth, historical trends and changing NHS and Social Care landscape. Current performance is stable against the previous year but at Quarter 1 the target is at risk. The Community Independence Service (CIS) is being rolled out at pace, with more active case finding, rapid response within two hours and closer working with GP's. Alongside the enablement focused homecare model, the CIS is expected to have a positive impact on this measure.

Public Health

- ✗ There is a financial risk to the Public Health grant allocation for 15/16, as a result of the Chancellor's announcement to reduce the Public Health budget by £200m in June for 2015/16. Business planning has been developed in accordance with different financial impact scenarios but the preferred option will be to implement a flat rate reduction of 6.2% across local government, although this will create uncertainty over the future of the planning and delivery of some of our public health services.

2.4.3 Key Service performance Indicators

The table below provides an assessment of the key indicators selected for Adults Services and Public Health. Service commentary has been provided for all 'Off Track' indicators. Additional analysis can be undertaken on request from Committee Members.

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
Adult Social Care					
1. Reduce non elective (unplanned) hospital admissions (cumulative, calendar year)	18,070	17,254 (4.6% reduction by Dec 15)	6,081	Off Track	Improving
<p>Service Commentary: There are a range of initiatives and projects as part of the Better Care Fund which are targeting Non-Elective Hospital Admissions. While current performance is on par with the previous year, the target reduction in admissions is at risk. There are a number of factors across health, social care and the wider community that can impact on hospital admissions so direct attribution is not possible however the reablement and rapid response service are actively working with GP's to 'case find' at risk residents.</p> <p>Timescales: ongoing challenge (see commentary above), no specific timescale can be provided on when performance will be back on track. However the reablement and rapid response service are actively working with GP's to 'case find' at risk residents. A more accurate update will be provided at Quarter 2.</p>					
2. Delayed transfers of care, acute days attributed to social care (cumulative)	861	432	32	On Track	Improving
3. Percentage of carers who have received an assessment or review	69%	95%	9% (89/999)	Off Track	Stable
<p>Service Commentary: We have set a very challenging target for assessing and reviewing carers so while performance is stable in relation to the previous year it is not currently on track to meet this stretch target. Operational resources are being focused on carers with a view to see significant improvements in the coming months.</p> <p>Timescales: Performance anticipated to be on track by Quarter 3 (December 2015).</p>					
4. New permanent admissions to residential care, aged 65+	75	74	5	On Track	Improving
5. New permanent admissions to nursing care, aged 65+	55	52	8	On Track	Improving
6. Total care home weeks, residential, 65+	15,893	15,943	2672	On Track	Improving
7. Total care home weeks, nursing, 65+	12,803	12,588	1974	On Track	Improving
8. Adults receiving a personal budget	83%	90%	83% (4,108/4,919)	On Track	Improving
9. Proportion of adults with a personal budget receiving a direct payment	23.00%	27%	22% (338/1553)	On Track	Stable
Public Health					
10. Number of adults and children attending obesity prevention programmes	522	600	N/A	N/A	N/A
11. Number of NHS health checks taken up by eligible population	6,147	TBC	1,834	On Track	Update
12. Total numbers of cigarette smokers who are recorded by the Stop Smoking Service as being off cigarettes after 4 weeks	702	862	316	On Track	Improving
13. Number of residents reached through community champion activities	N/A	20,000	3,035	Update	Update
14. Number of Children at 4-5 years old defined as obese	138	<138	138 (2013/14 academic year, 10.5%)	Target N/A	N/A
15. Number of Children at 10-11 years old defined as obese	303	<303	303 (2013/14 academic year, 26.6%)	Target N/A	N/A

Quarter 1 position¹ – Latest figures reported at the end of June 2015.

Status² – Achieved, target level met. On Track, target level will be met by year end. Off Track, target level is at risk of not being met by year end.

Direction of Travel³ – Improving on last year's position. Stable: No change, same as last year's position. Deteriorating on last year's position.

2.5 Corporate Services

2.5.1 Notable Area Achievements

Human Resources

- ✓ The Learning Management System went live in April, training courses reviewed and the introduction of new E-learning courses assisting employees to develop skill sets.
- ✓ Phase 2 of the Leadership Academy has been launched.
- ✓ The Council once again received the BSI18001 Health and Safety Standards accreditation.
- ✓ Continuing to support young people by recruiting apprentices, interns and graduates. This financial year, six apprentices and fourteen interns have joined since March 2015.
- ✓ The National Graduate Development Programme is a national graduate scheme for local government. A recruitment day was held in June involving senior managers from across the authority, 9 candidates were interviewed and assessed. Westminster's top 3 choice of candidates have all recently accepted and are due to start in September 2015
- ✓ In June 2015 a dedicated Organisational Development Advisor was recruited to lead on developing the apprenticeship offer.

Corporate Procurement

- ✓ The contract for Print and Document Management has been signed and the implementation is progressing successfully. Against an in year savings target of £1m, £400k has been delivered from the contract that went live in July 2015.
- ✓ Signing of the Sheltered Housing Strategy for Older People (SHSOP) contract which is a collaborative project with the NHS. This contract will deliver new management and the refurbishment of some key nursing homes throughout Westminster.
- ✓ Following early market engagement, a promising new supplier in leisure centre procurement has been identified, which may not have been included had we not done the early market engagement. The delivery of substantial community benefits will be a priority for the successful tenderer.
- ✓ A Procurement and Commercial Development Programme to deliver both Procurement, Legal and Contracts management training across Westminster is currently being developed.
- ✓ Against a target of ten Westminster let framework agreements, 3 have already created three and the target should be surpassed

2.5.2 Service pressures and challenges

Human Resources

- ✘ The main area of risk for HR is the impact of the go live of Managed Services. Issues with the structural build and payroll mean that HR staff resources have had to be diverted away from business as usual work to support the implementation and assist with troubleshooting issues. There is a risk therefore on the delivery of other HR projects.
- ✘ The MSP Occupational Health and Pension system interfaces have not been working correctly.
- ✘ Delivery of HR services have been affected by being unable to recruit permanent HR Business Partners and Advisers for two years because of the possibility of a HR Shared Service and the subsequent possibilities of needing to reduce numbers. Only 30% of posts are filled permanently and fixed term contract candidates are becoming more difficult to source as the economy improves.
- ✘ Temporary Agency Contractor (TAC) numbers and cost continue to be a concern although improvements have been seen in Q1 of 2015/16. HR is working with units to reduce TAC usage and reliance; issues with managed services have meant that some TACs have had to be retained for longer than previously envisaged. HR has set departmental targets for TAC numbers to further reduce TAC usage. HR has been encouraging the use of alternative recruitment solutions such as fixed term contracts, apprentices and internships.

2.5.3 Key Service performance Indicators

The table below provides an assessment of the key indicators selected for Corporate Services. Service commentary has been provided for all 'Off Track' indicators. Additional analysis can be undertaken on request from Committee Members.

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
Human Resources					
1. Total number of agency contractors	338	200	282	On Track	Improving
2. Total cost of agency contractors (£m)	£18.29m	£12.0m	£16.85m	On Track	Stable
3. Staff turnover excluding redundancies as a proportion of the workforce	12.49%	12.5%	Update available Q2	N/A	N/A
4. Sickness absence - rolling year average number of days per employee	5.76 days	6 days	Update available Q2	N/A	N/A

Quarter 1 position¹ – Latest figures reported at the end of June 2015.

Status² – Achieved, target level met. **On Track**, target level will be met by year end. **Off Track**, target level is at risk of not being met by year end.

Direction of Travel³ - **Improving** on last year's position. **Stable**: No change, same as last year's position. **Deteriorating** on last year's position.

2.6 City Treasurers Office

2.6.1 Notable Area Achievements

- ✓ The Council published its audited accounts on the 18th May, being 48 days from the year end – 20 working days of which were required to comply with the public inspection requirement. This was the earliest a set of Local Authority accounts published in 75 years and quicker than 83% of the FTSE companies. Council auditors also commented on the improved quality in the accounts.
- ✓ The Council's finance restructure is complete and new staff are arriving and undergoing in-house developed training programmes ensuring the highest professional and commercial standards.
- ✓ Lean reviews and other improvements have commenced which streamline and remove waste from processes.
- ✓ The Council has been asked to advise the Welsh Audit Office on the production of annual accounts

2.6.2 Service pressures and challenges

- ✗ The main area of risk for City Treasurer is the impact of the go live of Managed Services. The issues with the structural build and interfaces has meant limited access to financial information within the quarter. A number of plans for testing and updating the system are being prepared to resolve the issues.

2.6.3 Key Service performance Indicators

Performance Indicator	2014/15 Performance	2015/16 Target	Period 4 (July) position	Target status ²	Direction of Travel ³
City Treasurer					
1. Income generated from Treasury Investment	£3.9m	Improve on last year	£4m	On Track	Improving
2. Variance between budget forecast and actual spend (for all EMT Directorates)	£2.83m underspend	£0.0m (Balanced budget)	£0.553m underspend	On Track	Improving
3. Total savings achieved or on track to be achieved for 2015/16	£25.2m	£36m	£11.643m completed	On Track	Improving

2.7 Policy Performance and Communications

2.7.1 Notable Achievements

- ✓ Allocated £220k of ward budget funding across 64 separate projects.
- ✓ Support and induction for new Warwick Ward councillor returned in May's by-election.
- ✓ Carried out public consultation on Baker Street changing into a two way street.
- ✓ Completed evaluation for Your Choice gangs project.
- ✓ First LA in the UK to achieve Corporate Accreditation by the Association of Project Management.
- ✓ Implementation of new Change Assurance Group, consisting of departmental Change Leads and leads from relevant support functions, to review and assure the portfolio of change programmes.
- ✓ Working with the Procurement team to implement new printers /copiers across the Council as part of the Print and Fulfilment programme, which has now moved on to renewing other organisational printing and mail capability.
- ✓ Produced a report on the extent of basement extensions using aerial photography and planning decisions to inform emerging policy.
- ✓ Successfully launched the West End Partnership's Vision and Delivery Plan at an event attended by over 300 guests in June 2015.
- ✓ Adopted enforcement of idling vehicles across Westminster to improve air quality.
- ✓ Submitted a sovereign Westminster response to the Government's business rate consultation and a joint response with a range of business and local government organisations.
- ✓ Collected a record £2.6 million in Mayoral Community Infrastructure Levy (CIL) this quarter.

2.7.2 Service pressures and challenges

- ✘ Basements and Mixed Use Regulation 19 Consultation period is underway from 16 Jul-9 Sept. Adopting these and other policies into the City Plan will be a key challenge for Quarter 2.
- ✘ Designation of two new neighbourhood forums in Victoria and Knightsbridge to increase the total of neighbourhood planning groups in Westminster to eleven.
- ✘ There will be a public examination of our CIL proposals. Preparations are starting now to ensure their prompt approval.
- ✘ Implications of Government housing policy announcements for the Housing Strategy and housing policies for the City Plan.

2.7.3 Key Service performance Indicators

Performance Indicator	2014/15 Performance	2015/16 Target	Quarter 1 position ¹	Target status ²	Direction of Travel ³
Policy, Performance and Communications					
1. Overall satisfaction with the Council	85%	85%	Update Q3	N/A	N/A
2. Residents satisfied with the area they live in	93%	93%	Update Q3	N/A	N/A
3. Residents agree the council offers good value for money	71%	71%	Update Q3	N/A	N/A
4. Resident feel the Council does enough for people like them	58%	58%	Update Q3	N/A	N/A
5. Residents feel Informed about services and benefits from the Council	68%	68%	Update Q3	N/A	N/A
6. Percentage of change programmes where Successful delivery of the project is on track, probable or feasible	100%	100% by yearend	81%	On Track	N/A
Service commentary: The Managed Services Programme is underway. Print and Fulfillment contract awarded to Ricoh, transition process begun. ICT Portfolio transitioned to Tri-borough management. Parking programme has transitioned to Business as usual. Work ongoing to define and agree deliverables arising from the medium term plan.					
7. Total customer calls answered in 20 seconds by the Council	80%	80%	83.5%	Achieved	Improving
8. Total customer calls answered in 60 seconds by the Council	95%	95%	92.8%	On Track	Improving

Quarter 1 position¹ – Latest figures reported at the end of June 2015.

Status² – Achieved, target level met. On Track, target level will be met by year end. Off Track, target level is at risk of not being met by year end.

Direction of Travel³ - Improving on last year's position. Stable: No change, same as last year's position. Deteriorating on last year's position.



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	17 September 2015
Classification:	For General Release
Title:	Internal Audit Progress Report – April to August 2015
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	Steven Mair, City Treasurer (Section 151 Officer)
Report author:	Moira Mackie, Senior Manager; email: moira.mackie@rbkc.gov.uk Tel: 020 7854 5922

1. Executive Summary

- 1.1 The work carried out by the Council's Internal Audit Service in the reporting period found that, in the areas audited, internal control systems were generally effective although six limited assurance audits have been issued, three of which are in respect of Managed Services systems.
- 1.2 Follow up reviews completed in the period confirmed that the implementation of medium and high priority recommendations has been consistently effective.
- 1.3 The Appendices to this report provide the following information:
 - **Appendix 1** Audit reports finalised in the year to date, showing the assurance opinion and RAG status;
 - **Appendix 2** - Additional information on the audit findings and recommendations made;
 - **Appendix 3** - Internal Audit Service – Performance Indicators & Assurance Levels

2. Recommendation

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

3. Background, including Policy Context

With effect from 1 April 2015, the Council's internal audit service has been provided by the Tri-borough Internal Audit Team which is managed by the Tri-borough Director for Audit, Fraud, Risk and Insurance. Audits are undertaken by the in house audit team or by the external contractor to the service. Reports on the outcomes of audit work are presented each month to the Council's Section 151 Officer and to Members of the Audit & Performance Committee. The Audit & Performance Committee are provided with updates at each meeting on all RED or AMBER RAG limited assurance audits issued in the period.

4. Internal Audit Opinion

As the provider of the internal audit service to Westminster City Council, the Tri-borough Director for Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The results of the audit reviews undertaken in the reporting period concluded that generally systems operating throughout the Council are satisfactory. However, six limited assurance reports have been issued, three of which have received this opinion due to issues relating to the implementation of the Managed Services Programme (MSP):

- MSP – Interfaces & Acceptance Testing;
- MSP – Data Migration;
- MSP – Disclosure and Barring Service;
- Adult Social Care – Residential Placements;
- Passenger Transport – Post Procurement Review;
- Management of Tenant Management Organisations (TMOs).

The details of these audits are contained in paragraphs 5.1.1 to 5.1.6 below.

5. Audit Outcomes (April to August 2015)

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

Audit	Assurance	RAG
Adult Social Care – Personalisation	Satisfactory	Green
Children’s Services – Commissioning & Procurement Governance	Satisfactory	Green
Children’s Services – Early Help	Satisfactory	Green
Corporate Services – IT Tower Procurement, Pre-Qualification Process	Substantial	Green
Children’s Services – School Meals Procurement, Pre-Qualification Process	Substantial	Green

Further information on these audits is contained in Appendix 2.

The findings from the six limited assurance audits are summarised in paragraphs 5.1.1 to 5.1.6 below:

5.1.1 Tri-borough Managed Services, Interfaces & Acceptance Testing (Amber)

An audit was undertaken to assess the adequacy of the control framework applied to the Managed Services Programme (MSP) system interface and acceptance test activities undertaken as part of the implantation of the Agresso Business World (ABW) Enterprise Resource Planning (ERP) system across the three councils (Westminster, Hammersmith & Fulham and Kensington & Chelsea). This audit involved examination of:

- The approach to identifying and prioritising acceptance testing of system procedures and interfaces;
- The test scripts developed and mapped to help evaluate system interface and functionality requirements;
- The accuracy of recording and reporting the test results from individual system interface and system functionality acceptance tests so that issues can be escalated for resolution on a timely basis; and
- The accuracy of monitoring reports used to update stakeholders on the overall system interface and system functionality acceptance test results so that the ‘Go Live’ decision was appropriately informed.

Overall, although a total of seven recommendations for improvement were identified and discussed with management during the course of this audit, the control environment reflected the common condition of a complex business transformation change programme and system implementation at the given stage of its development and delivery cycle. A number of the recommendations were time limited to the ‘Go Live’ date and therefore actions were agreed and implemented during the course of the audit work.

5.1.2 Tri-borough Managed Services, Data Migration (Amber)

This audit was undertaken to assess the adequacy of the data migration management controls established and applied to the Managed Services Programme. The audit reviewed:

- The definition and documentation of the data migration standards;
- The adequacy of the scoping, documentation and resourcing of the data migration process;
- The performance and assessment of data migration/ conversion processes;
- The process to ensure that data migration is subject to full reconciliation and sign off review with the results communicated to all relevant stakeholders for “Go Live”; and
- Compliance with the agreed programme timescales for the completion of the data migration.

The internal audit assessment started on 1st March 2015 in preparation for the system ‘Go Live’ in April 2015 with the findings being fed back as they were identified. Three High priority recommendations were made and agreed with management.

5.1.3 Disclosure and Barring Service (Amber)

An audit has been undertaken on the processes in place within the Council to ensure that appropriate checks are made with the Disclosure and Barring Service (DBS) for individuals who are performing specific roles which are subject to these checks. Some roles are mandatory for obtaining a DBS check and these are defined by legislation. Other roles need to be considered in conjunction with the guidance available from the DBS and other professionals.

The audit identified that:

- Prior to the implementation of Managed Services, the completeness of records maintained for DBS checks was confirmed by a monthly reconciliation between the DBS forms that were submitted for processing, and a list of new starters from the payroll system. At the time of the audit, no management information on new starters had been received from Managed Services which meant HR staff were unable to perform the reconciliation processes that would assure the completeness of their records;
- The ‘audit’ process performed under the contract by Commensura who provide agency staff to the Council identified instances where the employing agency was not able to supply the DBS form on request;
- Whilst the Council retains a significant element of reputational, and potentially financial risk in the event of a DBS related incident within a contracted service, this view was not necessarily shared by some Contract Managers;

- Contract Managers were generally satisfied with the procedures operated by the suppliers, but their knowledge was limited with regard to the pre-DBS employment practices and registrations for the DBS Update service. Although DBS issues may be discussed at management meetings, contract managers confirmed they rarely review the supplier's DBS records. In response to our audit, some contract managers have suggested improved procedures which have been included in the recommendations contained in the audit report.

Five high and three medium priority recommendations have been made to address the weaknesses identified which should be implemented by December 2015.

5.1.4 Adult Social Care – Residential Placements (Amber)

The Adults Social Care (ASC) business plans place emphasis on improving the outcomes for residents and tackling the significant increase in demand arising from the changing demography of the 3 boroughs. Whilst the ASC service is run on a shared service basis with a single management structure, each Council has separate finance teams who provide and administer services on a sovereign borough basis. Currently a review of the structure of these teams is on-going with a view to combining the 3 teams into one, headed up by a Tri-borough Financial Assessment and Charging Manager, in 2015. Each Council has their own budget which remains separate from the other councils, and income received from service users is allocated to each Council via their individual accounting systems.

An audit identified a number of control weaknesses including:

- Placement reviews were not always being completed within 6 weeks of the placement start date and adequate evidence was not always being retained to demonstrate that reviews had been undertaken with the appropriate management review and approval;
- The Placement Care Plan, Service User Agreement and Brokerage form was not always being completed in full, authorised appropriately and consistently retained on file;
- Documented procedures covering all activities undertaken by the Brokerage team were not in place;
- Financial assessment forms were not consistently held on file with signed financial circumstances forms and exceptions were also identified where the documentation had not been signed by the service user or their next of kin;
- The outcome of the financial assessments was not always notified to the service user, or their next of kin, in a timely manner;

Three high, five medium and one low priority recommendations have been made which have been accepted by management for implementation by the end of September 2015.

5.1.5 Passenger Transport – Post Procurement Review (Amber)

A new framework contract was procured by the Council on behalf of Westminster, Hammersmith & Fulham and Kensington & Chelsea Councils which commenced in April 2014 and covered mini bus and taxi services for both Children Services and Adult Social Care. The new arrangements involve moving approximately 1200 vulnerable children and adults every day to over 100 destinations.

An audit was undertaken during 2014/15 following the initial mobilisation and roll out of the new service which was followed up at the end of the financial year. This follow up noted that significant progress has been made to rectify the weaknesses previously identified. The operating model and service direction for the Transport Commissioning Team (TCT) had improved although several key posts, including the Head of TCT had still not been recruited to on a permanent basis. A total of three high and eight medium priority recommendations have been made including:

- The creation of a formal Business As Usual (BAU) document for the TCT which clearly defines its operational direction and functionality moving forward;
- Changes to BAU should be planned for in advance of 2015/16 to prevent any inefficiencies;
- Ongoing financial monitoring exercises and liaison with suppliers should continue to act as an early warning should any issues be identified. Formalised contingency planning documentation should be created detailing actions to be taken in the event of a contractor failing or becoming insolvent;
- Liaisons with and performance management of suppliers should continue to ensure they are providing adequate customer service and client engagement;
- A formal organisational structure should be completed with adequate posts and appropriate job descriptions created for the manager posts;
- A succession plan should be created by the current manager to ensure a robust handover of both duties and knowledge is in place;
- A financial analysis should be performed clearly demonstrating where savings have been under and over delivered. Future financial planning should contain total costs including TCT management overheads in the bottom line for both children and adults.
- A financial 'lessons learned' document should be completed highlighting the rationale between expected and actual savings. This should reflect the issues reported with planned commissioning and related costs compared to actual and the relating financial impacts.

An action plan has been agreed with management to address these recommendations which should be implemented by the end of September 2015.

5.1.6 Management of Tenant Management Organisations (TMOs)

There are currently 11 TMOs in Westminster. During 2014/15, concerns were raised about the operation of one of the Council's TMOs. The audit review of this TMO at the time noted that the roles and responsibilities of CWH and the Council and the reporting between these parties required clarification and improvement.

The latest audit reviewed the level of oversight provided by CWH of TMOs and the mechanisms in place for ensuring that both CWH and the Council were aware of any concerns in respect of a TMO and the appropriate action to take.

One high, seven medium and four low priority recommendations were made to address weaknesses identified including:

- The need for a training plan for CWH and Council officers, that is linked to their roles and responsibilities in respect of TMOs;
- The completion of all data required by CWH in their recently introduced monthly dashboard reports to the Council;
- Financial accounts are submitted by TMOs on a quarterly and annual basis although at the time of the audit, the quarter 4 2014/15 accounts had not been submitted by two of the TMOs (these have since been submitted);
- Data and comments on the service provided by CWH to the TMOs, which was collected as part of the 2014/15 annual monitoring exercise, had not been acted on by CWH at the time of the audit;
- No independent monitoring of customer feedback on the service provided by CWH is undertaken by the Council;
- There is a 4-6 weekly meeting between the TMO Manager (CWH) and the HRA Contracts Manager (WCC). However, meetings are informal and agendas, minutes, reports or action trackers are not produced and no escalation procedure developed.

All of the recommendations are expected to be implemented by January 2016.

5.2 Implementation of Audit Recommendations

In the year to date, sixteen follow up audits were undertaken which found that the implementation of recommendations was good with 100% of high and medium priority recommendations implemented or being implemented at the time of the review.

Further follow up work will be undertaken to ensure that outstanding recommendations are implemented:

Audit	No of Recs Made	No of Recs Implemented	No of Recs In Progress
Abbots Manor Residents Association	5	3	2 (1 Medium, 1 Low Priority)
Tri-b Meals on Wheels Contract	11	9	2 (Medium Priority)
Tri-b Total Facilities Management	11	9	2 (Medium Priority)
Adult Social Care – Cash Payments to Clients	6	3	3 (1 Medium, 2 Low Priority)
Rough Sleepers	5	3	2 (1 Medium, 1 Low Priority)
Tri-b Pension Investments	5	4	1 (Low Priority)
Tri-b Procurement Public Health, New Contracts	5	5	0
Parking Bay Sensors	3	3	0
Mortuary	3	3	0
St Mary Magdalene Primary School	10	9	1 (Medium Priority)
Tachbrook Street Nursery School	7	7	0
Portman Early Childhood Nursery School	7	4	3 (Low Priority)
St Matthew's Primary School	5	4	1 (Low Priority)
Paddington Green Primary School	7	6	1 (Low Priority)
Mary Paterson Nursery School	10	10	0
Dorothy Gardner Nursery School	6	5	1 (Low Priority)
	106	97	19

5.3 Performance of the Internal Audit Service

The key performance indicators for the internal audit service are contained in Appendix 4. As shown by the performance indicators, the quality of audits delivered was of a high standard with recommendations accepted and implemented in a timely manner and positive satisfaction surveys received from auditees.

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

Moyra McGarvey on 020 7361 2389 or Moira Mackie on 020 7854 5922,

Email: Moyra.Mcgarvey@rbkc.gov.uk or moira.mackie@rbkc.gov.uk

BACKGROUND PAPERS

Internal Audit Reports;
Monthly monitoring reports.

Audits Completed – Year to Date 2015/16

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Adult Social Care	Tri-b Personalisation (Cfwd from 2014/15)	Green	SATISFACTORY	0	2	0	Sep-15
Adult Social Care	Tri-b – Residential Placements (Cfwd from 2014/15)	Amber	LIMITED	3	5	1	Sep-15
Children's Services	Tri-b Commissioning & Procurement Governance (Cfwd from 2014/15)	Green	SATISFACTORY	0	3	3	Sep-15
Children's Services	Tri- b Passenger Transport – Post Procurement Review (Cfwd from 2014/15)	Amber	LIMITED	4	7	5	Sep-15
Children's Services	Tri-b School Meals Contract (Cfwd from 2014/15)	Green	SUBSTANTIAL	0	0	3	Sep-15
Children's Services	Tri-b Early Help (Cfwd from 2014/15)	Green	SATISFACTORY	0	3	3	Sep-15
Corporate Services	Tri-b – MSP Data Migration	Amber	LIMITED	3	0	0	Sep-15
Corporate Services	Tri-b – MSP Interfaces & Acceptance Testing	Amber	LIMITED	1	6	0	Sep-15
Corporate Services	DBS Checks	Amber	LIMITED	5	3	1	Sep-15
Corporate Services	Tri-b Procurement Pre-Qualification Process - Voice & Data Network	Green	SUBSTANTIAL	0	0	1	Sep-15
Growth, Planning & Housing	Management of TMOs	Amber	LIMITED	1	7	4	Sep-15

Additional Information on Audits

Adult Social Care – Personalisation (Main Report – Paragraph 5.1)

Personal budgets aim to provide clear, early understanding of the level of financial support available to individuals in order for them to influence or control how it is spent in a way which helps them meet their needs. A personal budget should be used to provide ongoing support and care needs and should be considered only after reviewing the relevant preventative and reablement options. The requirements of the Care Act, which reforms the laws relating to the care and support for adults and support to carers, is expected to be implemented in 2015/16.

An audit of personalisation across the Tri-borough councils has been completed and for Westminster Council, satisfactory assurance was given with two medium priority recommendations made in respect of:

- The need to ensure that service users' support plans are appropriately authorised by a Manager;
- Ensuring that reviews of care and support packages are undertaken within a twelve month period and the use of management reporting to identify those that are due for review.

The recommendations were accepted and should be implemented by December 2015.

Children's Services – Commissioning & Procurement Governance (Main Report – Paragraph 5.1)

The Tri-borough Children's Service has established governance arrangements for procurement within the service which is line with corporate procurement requirements. The Service uses the Capital e-Sourcing platform which has been available to all three Councils since January 2014. This platform provides a complete end to end process in the form of modules covering tendering (including request for quotes), contracts, suppliers, contract management and expenditure information. Capital e-Sourcing includes a Contracts Register which holds the details for all Children's Services contracts both current and expired which are valued at over £20,000 (the limit above which the Tri-borough Commissioning and Contracts (CoCO) Board approval is required).

The audit reviewed the adequacy of the arrangements in place for the commissioning and procurement of Children's Services including the arrangements in place for managing contractor performance. Three medium and three low priority recommendations were made including:

- Improvements required to the information entered onto Capital e-sourcing; and
- The need to consider business continuity arrangements due to the high number of temporary staff involved in the procurement process.

The recommendations are expected to be implemented by the end of October 2015.

Children's Services – Early Help (Main Report – Paragraph 5.1)

A multi-agency service has been established incorporating professionals from Early Year, Family Support, School Attendance and Youth Support to form an Early Help service. Their main clients are residents with families who have children aged 0-18 where there are indications of emerging difficulties and/or additional needs. Their aim is to offer a range of different interventions to support these difficulties and to ensure the issues are proactively managed, limiting more severe problems later on. The audit focused on the referral process between the different types of support available.

Three medium priority recommendations were made in respect of:

- Introducing joint visits for cases moving from Social Worker support to Early Help where a more appropriate level of support can be provided to family members;
- Improvements in reporting on budget variances as part of the monthly budget monitoring process; and
- Improvements to the case management systems to enhance reporting from these systems.

All recommendations have been accepted by management are due for implementation by the end of 2015/16 financial year.

Children's Services – School Meals Procurement, Pre-Qualification Process (Main Report – Paragraph 5.1)

Three different school meal services are in operation across the Tri-borough councils with three different providers. The schools using existing contracts expressed a formal interest in procuring school meals from a proposed framework contract. The proposed framework contract is for the provision of a cooked meal service for primary schools and a tariff service for secondary schools and sixth forms. The audit review indicated that the controls over the commissioning and development of a suitable strategy for procuring school meals across the three councils and advertising this to the market were consistently applied throughout the process and to the level expected. The review did highlight minor procedural weaknesses and three low priority recommendations were made which have been accepted by management.

Corporate Services – IT Tower Procurement, Pre-Qualification Process (Main Report – Paragraph 5.1)

In order to improve service delivery and achieve savings, services which are delivered across the Tri-borough councils require a range of information technology dependent solutions. There are eight elements to the services which are described as service towers:

- Service Leadership;
- Service Integration & Management;
- Business & Specialist Applications;
- Distributed Computing Services;
- Help Desk Services;
- Data Centre Services;
- Data Network Services;
- Voice and Telecom Services.

Three of these service towers are to be retained in house (Service Leadership, Service Integration & Management and Business & Specialist Applications). The remaining towers are essentially commodity services which can be provided either through in-house resource or through partnership arrangements. To effectively manage transition from incumbent service providers, the Council let three Information Services Frameworks in December 2013 (Distributed Computing, Service Desk and Data Centre). For the remaining two service towers (Data Networks and Voice and Telecom Services), the existing contracts are nearing expiry. The audit reviewed the pre-qualification process whereby a final list of bidders will be selected to move forward to the tender stage of the procurement. The review also examined the scoring methodology to be applied for evaluating the financial aspects of the tenders received as part of the Invitation to Tender process.

One low priority recommendation was made and agreed with management for immediate implementation.

Corporate Services – MS System Interface & Acceptance Tests (Main Report - Paragraph 5.1.1)

A number of Council systems will process information which will then need to be input to another system such as the Council's financial management system. Information is usually transferred from one system to another using a computer interface. With the change to a new financial management system (Agresso) within the Managed Services Solution it was important that the Council identified all of their existing interfaces and put in place appropriate arrangements to ensure that the new financial management system could be updated from the other Council systems. It was essential that the interfaces could be proven to work and be accurate before the implementation of Managed Services. The Council identified a number of essential interfaces that were required to be tested and signed off as working before the Managed Services 'Go Live' date of 1 April 2015. If the interfaces were not working or were inaccurate, the Councils financial data would be incomplete and manual intervention would be required to update this data.

Corporate Services – MS Data Migration (Main Report – Paragraph 5.1.2)

The move from three separate financial and HR systems to the new Agresso system under the Managed Services Programme required robust management structures, plans, procedures and controls in place to ensure the successful implementation of the system which included the movement of relevant and appropriate data from the existing systems into the new system (data migration). Three High priority recommendations were made as follows:

- The resolution of all known data migration issues referred back to the Councils should be adequately and transparently tracked for completion;
- The Accounts Payable (AP) / Accounts Receivable (AR) reconciliation records for LBHF should be completed and provided for review at the earliest opportunity;
- Appropriate data integrity monitoring reports should be established and effectively applied to migrated and transactional data.

Corporate Services – Disclosure and Barring Service (DBS) (Main Report – Paragraph 5.1.3)

The Disclosure and Barring Service (DBS) was established when the Criminal Records Bureau (CRB) and Independent Safeguarding Authority (ISA) merged in 2012. DBS checks can only be requested by employers for individuals performing specific roles which are subject to DBS checks.

It was envisaged by Human Resources (HR) management that the administration of the DBS services, performed by the HR Team up to March 2015, would be passed over to British Telecom (BT) as part of the Managed Services Programme (MSP). At the time of the audit (July 2015), this process was not in place due to technical and operational issues at BT. As the payroll and HR functions have been transferred to BT, the council has ceased to use their previous HR system, and it is no longer updated. Consequently local systems and spreadsheets have been devised by the Human Resources Team to manage and control DBS checks post March 2015.

DBS checks are obtained in the following manner:

- The employer gets an application form from DBS or an umbrella body;
- The employer gives the applicant the form to fill in and return to them along with documents proving their identity;
- The employer sends the completed application form to DBS or their umbrella body; and
- The DBS sends a certificate to the applicant. The employer has to ask the applicant to see the certificate.

If the applicant has subscribed to the DBS update service, the employer can check their subsequent certificates online. A DBS certificate has no official expiry date; employers use their discretion to decide when a further check should be made.

There are three types of check:

Types of check	Details
Standard	This checks for spent and unspent convictions, cautions, reprimands and final warnings
Enhanced	This includes the same as the standard check plus any additional information held by local police that’s reasonably considered relevant to the workforce being applied for (adult, child or ‘other’ workforce).
Enhanced with list checks	This is like the enhanced check, but includes a check of the DBS barred lists (lists of people who are unsuitable for working with children and adults).

APPENDIX 2

Responsibility for verifying DBS status varies depending on the individual being verified. At the Council the responsibility is as follows:

Employment Type	DBS check responsibility
Westminster Council employees School Staff Volunteers	Westminster Council Human Resources Team: Two officers are responsible for obtaining and checking the DBS for new employees, and managing the process of re-checking staff every three years in accordance with the Council policy.
Agency Staff	The staff are supplied by Comensura, which is an umbrella organisation for a number of agencies. The contract with Comensura contains provisions for staff performing relevant roles to be DBS checked, and for those details to be updated regularly.
Contract Staff	Contract staff work on services which are wholly contracted out. The relevant contracts are managed by an appropriate manager within the Council and it is their responsibility to ensure that any DBS requirements specified in the contracts are observed. For the audit emphasis was placed on contracts let in Children's Services and Adult and Social Care and was based on a survey questionnaire sent to the main Contract Managers in these areas. (23 in total).

Adult Social Care – Residential Placements (Main Report – Paragraph 5.1.4)

Across the 3 Councils, the following teams are responsible for assessing care needs in respect of residential placements:

- Older People;
- Learning Disability;
- Mental Health; and
- Physical Disability.

Westminster City Council (WCC) implemented the financial assessment tool Frameworki in April 2014. The London Borough of Hammersmith and Fulham (LBHF) and the Royal Borough of Kensington and Chelsea (RBKC) are currently using Abacus, with the implementation of the Frameworki financial assessment tool being aligned with the Managed Services Project.

It should be noted that one of the high priority recommendations was only in respect of the financial processes in place at one of the other Councils as the debt recovery process is not the same for all three Councils

Adult Social Care & Children's Services – Passenger Transport (Main Report – Paragraph 5.1.5)

The Tri-borough Transport Commissioning Team (TCT) was established to process new requests for transport, provide the main point of contact, maintain relevant data and monitor requirement standards. It was clear that mobilisation and delivery issues were encountered from the start of service which led to a significant volume of initial service dissatisfaction, expressed by parents, carers and other stakeholders both directly to the service and to Council Members. The scope and structure for TCT operations was subject to significant modification following the initial mobilisation of the service and a number of key management positions were covered by interim and agency staff.

Planning, Growth & Housing – Management of TMOs (Main Report – Paragraph 5.1.6)

Residents of a block or estate can review their options for taking over services through a Government funded tenant empowerment programme. The existing rights of the tenant or leaseholder of the Council are protected with the only change being that the Tenant Management Organisation (TMO) will manage the tenancy and lease on behalf of the Council. TMOs are set up as legal bodies, with the protection of limited liability for members. They are run by an elected management committee made up of tenants and leaseholders, all of whom are volunteers. The management committee represents residents and sets priorities. TMOs have their own local office and employ their own staff to provide professional housing services.

APPENDIX 2

The relationship between the Council and the TMO, including the services that the TMO will manage and those to be retained by the Council, is set out in a modular management agreement (MMA). Once a TMO is up and running it will be supported and monitored by CityWest Homes (CWH) to ensure that the services it provides to tenants and leaseholders are of a high standard. The TMO will receive an allowance (grant) from the Council based on what it would have cost the Council to provide the service. In order to ensure the success of a TMO, CWH provide assistance, including:

- Arranging training for committee members and staff;
- Utilising specialist workers to provide advice and support;
- Informing TMOs of their current performance; and
- Organising forums for TMO managers and committee members.

Performance Indicators – 2015/16

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

Performance Indicators	Target	Actual	Comments
Delivery			
Percentage of audit jobs completed by 31 August 2015 (full year 85%)	35%	29%	This is slightly below the target for the year to date but it is anticipated that this will be on target during Q2.
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	90%	.
Percentage of audits finalised within 10 days of a satisfactory response	95%	100%	
Quality			
External audit conclude they can place reliance on Internal Audit work (annual)	Yes	Yes	
Percentage of jobs with positive feedback from client satisfaction surveys	90%	100%	9 received all scoring 4 or above
Percentage of high and medium priority recommendations accepted by management	95%	100%	
Percentage of high and medium priority recommendations implemented by management	95%	97%	

Assurance Levels

Assurance given, taking into account the system weakness identified, that the system can meet its service objectives:

Assurance Level	Details
Substantial assurance	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no significant errors or weaknesses were found.
Satisfactory assurance	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited assurance	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No assurance	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	17 September 2015
Classification:	For General Release
Title:	Counter Fraud 2015/16 – Progress Report
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	Steven Mair, City Treasurer (Section 151 Officer)
Report author:	Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 3795

The Audit and Performance Committee's Terms of Reference require that the Committee 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 2015 to 1 September 2015.

FOR INFORMATION

1. BACKGROUND

- 1.1 This report provides an account of fraud related activity undertaken by the Tri-borough Corporate Anti-Fraud Service (CAFS) from 1 April 2015 to 1 September 2015.
- 1.2 Local authorities have a responsibility to embed effective standards for countering fraud and corruption in their organisation in order to support good governance and demonstrate effective financial stewardship.
- 1.3 CAFS continues to provide Westminster City Council with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.
- 1.4 In March 2015 the responsibility to investigate welfare benefit transferred to the Department for Work and Pension under a new Single Fraud Investigation Service (SFIS). The implementation of SFIS has had a substantial impact on the manner in which CAFS operates with a re-focussing of fraud work.

- 1.5 In line with the transfer of work, officers investigating benefit fraud also transferred to the DWP, maintaining their current terms and conditions similar to a TUPE transfer. In order to address the reduction in resources CAFS is now part of a shared service across the three partnership Councils.
- 1.6 The shared service aims to deliver efficiencies and improve service delivery by: aligning anti fraud strategies and policies across all three Councils; sharing knowledge, skills and expertise; bringing together three services under one service head and thereby sharing management costs and good practice.
- 1.7 To date, over £350,000 of fraudulent activity has been identified.

Activity	Fraud proven 2015/16	Notional value of fraud identified 2015/16 (£'s)
1. Tenancy Fraud	2	116,000
2. Right to Buy	-	-
3. Housing Fraud (Applications/assignments & successions)	-	-
4. Residents Parking	12	73,760
5. Blue Badge – Disabled Parking	2	6,469
6. Internal Staff and Other Services	3	20,000
7. POCA	1	153,824
Total	20	370,053

- 1.8 Details of sample fraud cases are reported at **Appendix 1**.

NB: fraud in the different service areas has been valued as follows:

- Tenancy Fraud: £54,000 per property based upon the average cost of temporary accommodation (£18,000 p.a.) multiplied by the average length of stay (3 years). An additional £8,000 saving is also claimed when keys are returned based upon average cost of legal action and bailiff intervention to recover property via the court (these measures of savings were provided by the Audit Commission prior to their abolition)
- Residents Parking – calculation based upon lost of income as a result of fraudulently obtained or used permits.
- Disabled Parking: Seizures, Cautions and Prosecution are valued as £825, £2,822 and £5,644 respectively as per the notional values of estimated lost parking income in relation to the levels of misuse.

2. WHISTLEBLOWING

- 2.1 The Council's whistleblowing policy continues to be the main support route for staff wishing to report a concern that they believe they cannot discuss with their line manager.
- 2.2 From 1 April 2015 to 1 September 2015 no whistleblowing referrals (as defined in the policy) have been received or referred to CAFS.

3. TENANCY/HOUSING FRAUD

- 3.1 CAFS continues to provide an investigative support across all aspects of housing, from the initial applications for assistance to the investigation of tenancy breaches or unlawful subletting.

Prevention

- 3.2 In June 2015 CAFS provided Housing Options with an on-line tool for the assessment of all new housing applications. The National Fraud Initiative's (NFI) Application Checker allows frontline staff to check and verify the details of all new applications for housing.
- 3.3 The NFI is a sophisticated data matching exercise devised by the Audit Commission and currently overseen by the Cabinet Office, which matches electronic data within and between public and private sector bodies to prevent and detect fraud.
- 3.4 By using the Checker, Housing Options can access the data held by NFI and verify the information provided by the applicant. This reduces the risk of fraudulent applications and streamlines the process of checking them. It is easy and quick to use, instantly providing key information about the applicant.
- 3.5 In addition to the NFI Checker, CAFS are also in the process of rolling out the West London Hub "Track a Fraudster" system which will provide direct access for Housing Options and appropriate officers within City West Homes.
- 3.6 The Hub extracts data from participating Councils. The data includes tenancy data, common housing register information and Council Tax Replacement Scheme (CTRS). It then matches this data between authorities in order to identify anomalies. For example, if a Westminster tenant is receiving CTRS from another Council, it suggests the possibility of tenancy or housing fraud.
- 3.7 Unlike the NFI system, the West London Hub extracts data from Councils each month ensuring the datasets remain up to date.
- 3.8 Although the real time checking is imminent, CAFS have received the cross match data from the hub which included 16 positive matches. Investigations into these referrals are ongoing. The matches included;

- WCC tenancy details to other Councils CTRS (8 positive matches)
- WCC tenancy details to other Councils Tenancy (5 positive matches)
- WCC tenancy details to other Councils Waiting List (3 positive matches)

Re-active

- 3.9 CAFS continue to work closely with City West Homes (CWH) to support the investigation of tenancy fraud.
- 3.10 In August 2015 CAFS were instrumental in a landmark case which involved the successful prosecution of a subtenant for conspiracy to defraud. Westminster has now set a precedence in this field for other Councils to follow.
- 3.11 In many cases of sub-letting there is uncorroborated evidence which suggests that the subtenants are complicit in the fraud. Anecdotally CAFS have received information that the subtenants will conspire with the tenant in order to avoid detection.
- 3.12 Some subtenants will refuse to answer the door to Council officers, others will pretend to being a friend of the tenant simply minding the property whilst the tenant is on holiday. By conspiring with the tenant to conceal the truth, they are able to circumvent the housing process, fraudulently live in a CWH property and allow the tenant to financially profit from the deception.
- 3.13 Until now, a lack of evidence regarding conspiracy has meant that councils remained powerless to act against the subtenant. But in 2014, with the support of the Police, CAFS were able to prove that a CWH tenant had deliberately conspired with his sub-tenant to conceal his criminal activity.
- 3.14 The tenant pretended that the sub-tenant was his partner, who was living alone at the address whilst he was away on business. In truth she was actually paying him rent to live at the Westminster address whilst he was living with a partner in Altringham.
- 3.15 Further details of this case are reported at **Appendix 1**.

4. RESIDENT PARKING INVESTIGATIONS

- 4.1 CAFS continue to investigate the misuse of resident parking permits and to date have successfully apprehended ten offenders. Positive outcomes include fraudulently obtained permits, height restricted vans and permits issued to commercial addresses.

4.2 Details of sample fraud cases are reported at **Appendix 1**.

5. DISABLED PARKING INVESTIGATIONS

Prevention

- 5.1 Accessible Transport officers have also been provided with access to the NFI Application Checker in order to verify the information provided by new applicants.
- 5.2 During the week commencing 21 July 2015 officers of CAFS undertook a proactive exercise to verify the use of Disabled Parking Badges in Westminster. The operation focused upon Church Street, Marylebone, NW8 and adjacent streets, and was in response to residents' complaints in and around this location.
- 5.3 During the exercise officers mainly found badges were being used correctly by the badge-holder and the genuine users showed their appreciation that Westminster City Council were trying to clamp down on the misuse.
- 5.4 During the six hour operation four badges were seized because they were being used to park vehicles without the badge-holder being present. All cases are being dealt with as criminal offences contrary to Section 117 of the Road Traffic Regulation Act.
- 5.5 The exercise also identified eight resident parking permits where concerns were raised over the permit holder's residency in the Borough and where resident only permits may have been obtained for commercial premises. Further investigation are currently on-going.
- 5.6 In addition to the specifically targeted exercise above, with effect from July 2015 CAFS introduced a regular inspection regime to pro-actively check badges throughout the borough.
- 5.7 In July and August officers focused their inspection regime in Oxford Street, Tottenham Court Road, Great Portland Street, Duchess Street, Seymour Place, Crawford Street and Edgware Road.
- 5.8 The new inspection regime has so far resulted in the seizure of five blue badges which are being dealt with as criminal offences contrary to Section 117 of the Road Traffic Regulation Act.
- 5.9 Details of sample fraud cases are reported at **Appendix 1**.

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:

Case Management Information

	Case Description	Result/Outcome
1.	<p>TENANCY FRAUD – Information was initially received in December 2013 alleging a possible subletting in respect of a tenant at Cuthbert House, W2.</p> <p>Enquiries indicated that, since at least 2010, the tenant had been living with his partner at an address in Altringham, which they jointly owned. Enquiries also indicated that since 2010 he had been subletting the Cuthbert House address to a female and her partner.</p> <p>In order to disguise that the property was being sublet it was also alleged that the tenant and the female subtenant had pretended to be in a relationship.</p> <p>The investigation involved cooperation with the Met Police and Manchester Police. This resulted in joint raids on the tenant’s second home address in Manchester and at the Cuthbert House property. This established that the tenant was living in Manchester and that the female subtenant and her partner were living at Cuthbert House. All three were arrested and interviewed under caution.</p> <p>Hearings were held at Southwark Crown Court in April and June 2015 and resulted in both the tenant and the subtenant pleading guilty to offences. As a result of legal advice the case against the subtenant’s partner was not pursued.</p>	<p>The offences were as follows:</p> <ul style="list-style-type: none"> • Count 1 Both pleaded guilty to a joint charge of conspiracy to defraud. • Count 2 the tenant pleaded guilty to a Section 1 Fraud Act 2006 offence. • Count 3 relates to offence by the subtenant under Fraud Act 2006 concerning her pretending to be the tenant’s girlfriend. She pleaded guilty. • Count 4 the tenant pleaded guilty to a Section 1 Fraud Act 2006 offence in respect of his failure to notify WCC about his purchase of property in Altringham. • Count 5 tenant pleaded guilty to a further offence under the Fraud Act 2013. <p>On 3rd August 2015 they received the following sentences:</p> <ul style="list-style-type: none"> • The tenant was given a 10 month prison sentence which has been suspended for one year and he has also been ordered to do 150 hours unpaid work. • The subtenant was given a 9 month prison sentence which has been suspended for one year and she has also been ordered to do 140 hours unpaid work. <p>During the sentencing the defence accepted that their actions had caused a loss to the Council of £62,000, and confiscation under POCA is ongoing.</p> <p>Notional value £62,000</p>

	Case Description	Result/Outcome
2.	<p>TENANCY FRAUD – Staff at the Little Venice Estate Office requested an investigation be undertaken in respect of a tenant at Polesworth House, W2. Housing officers had received complaints from residents/neighbours that the property was occupied by people other than the tenant.</p> <p>Background enquiries gave a strong indication that the tenant was residing at another address in St John’s Wood, and using powers under the Prevention of Social Housing Fraud Act identified financial record which proved the tenant owned this second address.</p> <p>Although the investigation did not reveal evidence of subletting, the weight of evidence amassed clearly showed the tenant was not using Polesworth House as his main and principle home.</p>	<p>Possession action commenced in September 2014 with the first hearing scheduled for 13TH January 2015. However there were several adjournments and the hearing did not actually take place until 1st May 2015.</p> <p>At the May hearing the tenant agreed to the surrender the property. As a result the Court ordered that the City Council be awarded possession of the two bedroom property on or before 1st July 2015.</p> <p>Notional value £54,000</p> <p><i>[It was estimated that the value of a vacant possession is £54,000 based upon the cost of maintaining a family in temporary accommodation.]</i></p>
3.	<p>RESIDENT PARKING PERMIT – an anonymous call to the Fraud Hotline alleged that two resident parking permits had been used by individuals for business purposes, but that neither lived in Westminster.</p> <p>Whilst both parties had been residents when they applied for and received permits, they had subsequently moved out of the Borough but failed to declare this significant change.</p> <p>The investigation also linked the subjects to a business in Crawford Street, W1 (F Zone).</p>	<p>Although the caller gave a detailed account which was corroborated, when officers from CAFS visited the area they were unable to spot the vehicles fraudulently parked.</p> <p>Without a physical sighting of the subjects misusing the permits there was no case to answer, however both permits were cancelled forthwith and warning letters issued.</p> <p>Notional value £17,424</p> <p><i>[It was estimated that the value of the fraud totalled £17,424 based upon a conservative estimate of misuse and value of lost parking revenue to Westminster City Council.]</i></p>

	Case Description	Result/Outcome
4.	<p>PROCEEDS OF CRIME ACT (POCA) – An investigation commenced in January 2014 as a result of an anonymous allegation advising that an individual may have obtained a Council property while failing to declare that he owned a property in East Ham.</p> <p>Enquiries established that the City West Homes tenant had applied for housing in Westminster in 2006 and his application resulted in him eventually obtaining permanent accommodation in Stanfield House, Lilestone Estate, NW8.</p> <p>In addition it was established that just prior to his application he had purchased a property in East Ham.</p> <p>Evidence showed that the tenant was living in the Westminster property while making a profit from subletting the property in East Ham.</p> <p>When confronted with the evidence the tenant voluntarily surrendered the keys to the Westminster property in June 2014, although due to the level of criminal intent the matter was passed to Legal Services and a successful prosecution occurred in March 2015.</p> <p>At the hearing the tenant pleaded guilty to three offences (one under the Theft Act 1968 and two under the Fraud Act 2006). He was sentenced to twelve months imprisonment (suspended for 18 months) and 150 hours unpaid community work.</p>	<p>As a result of the successful prosecution the Council moved to implement confiscation under POCA.</p> <p>On 24th August 2015 at Southwark Crown Court the Council laid evidence in order to seek to confiscate the profit which the tenant had made as a result of his criminal behaviour and to seek costs incurred by the Council.</p> <p>The hearing was successful and resulted in the Court making a confiscation order in favour of Westminster City Council.</p> <p>The former Westminster tenant was ordered to pay a total of £141,824 in respect of a social housing fraud he had committed against Westminster City Council plus £12,000 in respect of costs incurred by the Council as a result of its investigation and prosecution.</p> <p>Notional value £153,824</p>

	Case Description	Result/Outcome
5.	<p>ILLEGAL WORKER – The 2014/15 National Fraud Initiative (NFI), which identifies potential discrepancies between data held across the Council's systems and those of other public sector bodies, suggested that a WCC employee had no right to work in the UK.</p> <p>The specific NFI data match linked Human Resource (HR) records to UK Border Agency (UKBA) data.</p> <p>The named employee was a support worker within Westminster Adult Education Service (WAES) who, at the time of employment, had pending "indefinitive leave to remain" in the UK. However, this was part of a joint application with her spouse and had since been rejected, a change in her circumstance she had not disclosed to her employers Westminster City Council.</p>	<p>The employee was interviewed by HR and CAFS where she said her documentation had been lodged with the UK Border Agency (UKBA) and that she had now been granted right to work in the UK.</p> <p>At the end of the interview investigators contacted UKBA who confirmed the person had no right to work in the UK.</p> <p>On 19th May 2015 the contract of employment was terminated and the person summarily dismissed.</p> <p>Notional value £20,000</p> <p><i>[The notional value is based upon the maximum fine the Home Office could impose upon Westminster City Council for employing an illegal worker.]</i></p>
6.	<p>TENANCY – A referral from Housing Officers based at Lisson Grove suggested that the tenant of a flat in Verney House was no longer resident but subletting it to an unknown third party.</p> <p>Initial enquiries of Council systems and social media suggested that the tenant had moved to Australia where they were working in Sydney. This was further corroborated when a check with UK Border Agency confirmed that he had left the UK in 2012 and that there was no record of him returning since then. A Notice to Quit was served on the property.</p>	<p>The serving of the Notice prompted relatives of the tenant to come forward, and it was soon established that the property was vacant.</p> <p>In the absence of the tenant the relatives agreed to surrender the tenancy forthwith, and in April 2015 the tenant (who had briefly returned to the UK) handed back the keys for this two bedroom property to the Lisson Grove Office.</p> <p>Notional value £62,000</p> <p><i>[In addition to the value of a vacant possession (£54,000) we estimate £8,000 to be the cost of possession and bailiff actions.]</i></p>

	Case Description	Result/Outcome
7.	<p>STAFF MISCONDUCT – A casual employee working in Children’s Services was successfully prosecuted in November 2014 by the host Council for housing benefit fraud.</p> <p>“Fraud against another local authority” is deemed gross misconduct and the outcome of the benefit fraud investigation was referred to CAFS for further examination.</p> <p>In addition to the casual employment, the investigation discovered that the subject had applied for, and had been successful in applying for a substantive post with a Westminster school.</p> <p>In this latest job application investigators discovered that the subject had failed to declare her recent conviction. Furthermore, the individual used a variation of her name in order to conceal the conviction when obtaining a DBS check, which the new post required.</p>	<p>Evidence gathered was presented to Human Resources and following a Disciplinary Hearing the individual received a final written warning against her casual employment which will remain on her file. She was not offered the permanent position with the school.</p> <p>Notional value – n/a</p>
8.	<p>RESIDENT PARKING PERMIT – an anonymous call to the Fraud Hotline alleged that two resident parking permits had been used by individuals for business purposes, but that neither lived in Westminster.</p> <p>Whilst both parties had been residents when they applied for and received permits, they had subsequently moved out of the Borough but failed to declare this significant change.</p> <p>The investigation also linked the subjects to a business in Crawford Street, W1 (F Zone).</p>	<p>Although the caller gave a detailed account which was corroborated, when officers from CAFS visited the area they were unable to spot the vehicles fraudulently parked.</p> <p>In view of the above a decision was taken to cancel both permits forthwith and warning letters issued.</p> <p>Without a physical sighting of the subjects misusing the permits there was no case to answer and no further action taken.</p> <p>Notional value £17,424</p>

	Case Description	Result/Outcome
9.	<p>RESIDENT PARKING PERMIT – An anonymous caller, to the Fraud Hotline alleged that the driver of Volkswagon Golf Hatchback had a resident parking permit despite not living in the borough.</p> <p>An examination of records showed that a permit had been issued to the vehicle for a Berkeley Square address. However, open source intelligence searches suggested the address was not residential, but in fact a private members club for senior executives. Furthermore, the named keeper of the vehicle appeared to live in Elvaston Mews SW7.</p> <p>A visit to the premises confirmed it contains no residential accommodation.</p> <p>The permit holder was interviewed and confirmed that the permit application and subsequent renewal had been made on his behalf by his personal assistant for a vehicle he stated she owned but that he said was leased to him.</p>	<p>The permit was cancelled forthwith and consideration was given to determining whether or not a criminal offence had been committed. However, it was decided not to investigate further due to lack of evidence proving whether the permit holder or the vehicle keeper was responsible for the application or for parking the vehicle.</p> <p>Notional value £6,776</p> <p><i>[It was estimated that the value of the fraud totalled £6,776 based upon a conservative estimate of misuse and value of lost parking revenue to Westminster City Council.]</i></p>
10.	<p>RESIDENT PARKING PERMIT – A Fraud Hotline call was received in May 2015 raising concerns that a van, parked directly outside their premises, was done so with a fraudulently obtained resident parking permit.</p> <p>Parking records confirmed that the holder of the resident's permit was living in Westminster in Hallam Street W1 along with two other persons, both of which held permits. However, enquiries showed that these individuals were not resident in Westminster.</p>	<p>As a result all three resident's permits were cancelled, and a further matter is currently with the Police and they have been provided with a witness statement regarding the fraudulently obtained permits in this instance.</p> <p>Notional value £33,000</p> <p><i>[It was estimated that the value of the three frauds totalled £33,000 based upon an estimate of misuse and value of lost parking revenue in a C Zone area.]</i></p>

	Case Description	Result/Outcome
11.	<p>RESIDENT PARKING PERMIT – an anonymous call to the Fraud Hotline alleged that a vehicle had been parking in Eccleston Square whilst displaying permits issued by both Westminster City Council and the Royal Borough of Kensington and Chelsea.</p> <p>An interrogation of the Council's parking system showed that no permits had been issued to the vehicle. However, the vehicle was registered to a White WCC Disabled Badge, but records showed the badge holder had died in 2013.</p> <p>Between May 2014 and August 2014 the vehicle was sighted and photographed using the badge(s) in Eccleston Square. The driver was apprehended, the badges were seized and the driver invited to attend an interview under caution where a full and frank admission was obtained.</p>	<p>On 13th May 2015 at Westminster Magistrates Court the driver pleaded guilty to four offences under section 115 of the Road traffic Regulations Act. The driver was sentenced to a three months conditional discharge and ordered to pay costs of £1,730.</p> <p>Notional value £4,585</p> <p><i>[It was estimated that the value of the fraud totalled £4,585 based upon a conservative estimate of misuse and value of lost parking revenue to Westminster City Council.]</i></p>
12.	<p>RESIDENT PARKING PERMIT – A referral suggested that the proprietors of a shop in Bell Street, NW1, had received parking permits fraudulently.</p> <p>The pair, brothers, both held F Zone resident permits based on them living in Portsea Hall, however checks identified a different party liable on Council Tax records, and notes to say one of the brothers was the landlord not a resident.</p> <p>Further enquiries linked the pair to at separate addresses in Brent.</p>	<p>Visits to the area failed to find either brother parking their vehicles with the permits. Therefore the matter was concluded with a warning letter being sent to their Brent addresses, and both F Zone permits cancelled forthwith.</p> <p>There is no evidence to support daily use of the permits in F Zone where parking is £4.40 per hour, but saving calculated at £1,500 per permit which would equate to the car being parked in F Zone for approximately 40 days in the year.</p> <p>Notional value £3,000</p>

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City of Westminster

Audit and Performance Committee Report

Meeting or Decision Maker:	Audit and Performance Committee
Date:	17 September 2015
Classification:	General Release
Title:	Strategic Risk Report August 2015
City for All:	Report highlights strategic risks to City for All projects and initiatives.
Key Decision:	Review strategic risks and consider future risk management and reporting approach.
Report of:	Hugh Jordan, Evaluation and Performance team Julia Corkey, Director of Policy, Performance and Communications

1. Executive Summary

This report reviews the current arrangements for recording, managing and reporting risk in Westminster City Council. Preliminary findings from an external risk audit are listed, and a brief proposal set out for future risk management. The final section highlights the most important strategic risks facing the Council at the end of Q1 2015.

2. Recommendations

- Committee review the current risk management approach and the preliminary findings from a recent corporate risk audit;
- Committee agree the recommendation to commence work to develop a consistent risk management approach across Tri-borough and sovereign Westminster services;
- Committee review current strategic risks and decide if the risk levels are appropriate;
- Committee indicate any other emerging strategic risks for capture and tracking as necessary.

SECTION 1 – STRATEGIC RISK REPORT (AUG 2015)

1.1. Current risk management approach

- 1.1.1. All Westminster City Council services are expected to maintain their own departmental risk registers on the Westminster SharePoint site. The Strategic Performance Team provides oversight of this process, including spot checks to make sure registers are filled in correctly and kept up to date by services.
- 1.1.2. Strategic and operational risks are recorded on the departmental risk registers, along with mitigating actions to avoid or reduce the impact of a risk. An 'owner' is assigned to each risk to create accountability. A risk owner need not personally carry out any mitigating action but should have sufficient authority to ensure the risk is effectively managed.
- 1.1.3. A matrix is used to score risks. Risk scores are calculated by multiplying the likelihood of the risk occurring by the severity of the impact should the risk become reality. The scoring matrix used by Tri-borough services differs from the matrix used by sovereign Westminster services, in terms of the number of levels available to grade a risk's likelihood and impact.
- 1.1.4. Risks are scored for 'inherent risk' and 'residual risk', the latter being the risk still considered to exist after a mitigating action is taken. Risks with a residual score of 12 (likelihood = significant, impact = critical) or above are escalated for the attention of senior management through the Performance Report.
- 1.1.5. The Strategic Performance Team produces the Performance Report on a quarterly basis for EMT and A&P Committee. The iterative review process involved in producing this report provides scrutiny of the current strategic risks and an opportunity for dialogue between senior management and departments about risk.

1.2. Risk audit

- 1.2.1. To ensure that Westminster City Council's risk management process is in line with best practice, Mazars was commissioned to undertake an audit of the Council's risk management process. The audit took place between 3 August and 10 August 2015.
- 1.2.2. The preliminary findings from the audit are listed below:
- The classification of all risks (i.e. strategic or operational, change risks), should be identifiable and consistent across all service risk registers.

- Risk scores should be recorded for all risks (not only those scoring 12 or above) and the Inherent and Residual level of risk identified on all registers.
- All mitigating action plans should be completed by the service areas.
- Formal training should be made available to all staff involved in risk management.

1.2.3. Many of the issues picked up by the auditor, the Council is already in the process of addressing. There are some outstanding issues to be addressed, however, such as:

- developing a consistent risk scoring methodology across tri and bi-borough services and sovereign Westminster services;
- ensuring that the impacts of risks *across* services are properly evaluated in addition to the discreet impact on an individual service area;
- deciding how, and how regularly, strategic risks should be reported to EMT and A&P Committee

SECTION 2 – STRATEGIC RISKS AT END OF Q1

2.1. Top risks

Ref.	Risk Description	Dept.	Risk Type	Impact	Likelihood	Score
						(Impact x Likelihood)
> Top Risks						
SR01	High Value HRAs to be sold.	Growth, Planning and Housing	Financial	Catastrophic 4	Very high 6	24
SR02	Provision of affordable housing insufficient to meet demand	Growth, Planning and Housing	Service delivery	Catastrophic 4	Very high 6	24

Table 1 – top risks

2.1.1. Further research is being carried out to ascertain the impact of a sell-off of high value HRA voids. The lack of affordable housing could impact on homelessness (with potential implications for children), economic growth and rental prices in Westminster. Mitigating actions include: maximising use of owned stock, directly purchasing properties, renegotiating short term expensive arrangements to longer-term arrangements and identifying where property is available for discharge of duty.

2.2. Financial risks

Ref.	Risk Description	Dept.	Risk Type	Impact	Likelihood	Score
						(Impact x Likelihood)
> Other financial risks						
SR03	Impact of deregulation bill	City Management & Communities	Financial	Critical 3	Very high 6	18
SR04	Additional savings of £33M to be achieved in 2018/2019	City Treasurer	Financial	Critical 3	High 5	15
SR05	Anticipated budget pressures	Adult Social Care	Financial	Critical 3	Significant 4	12
SR06	Waste contract re-let	City Management & Communities	Financial	Critical 3	Significant 4	12

Table 2 – financial risks

- 2.2.1. The deregulation bill bans the use of CCTV to enforce parking restrictions for all contraventions except those involving a moving vehicle. City Management is carrying out analysis to determine the financial impact of this change.
- 2.2.2. The further savings required in 2018/2019 links to the degree of uncertainty around delivery of existing Medium Term Planning. Adult Social Care is not alone in facing budgetary pressures over the next three years but ‘in year’ savings of £200M from the public health grant to Local Authorities could put considerable strain on service delivery.
- 2.2.3. The current forecast risk for the waste contract re-let is an annual increase of £4.5m in household waste disposal costs commencing from September 2017.

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Audit and Performance Committee Report

Meeting or Decision Maker:	Audit and Performance Committee
Date:	17 th September 2015
Classification:	General Release
Title:	Change of Auditor
Key Decision:	Information Only
Financial Summary:	n/a
Report of:	Steven Mair, City Treasurer

1. Executive Summary

The Council has been informed by Public Sector Auditor Appointments (PSAA) that the Council's auditor, KPMG, cannot continue in this role. This is because a KPMG employee has been a Member of the Council and a KPMG employee since 2006. This is not permitted under PSAA's terms of appointment and consequently the PSAA has consulted with the Council on a change in auditor with its proposal being that Grant Thornton are appointed effective from 7 August 2015.

Council officers are in the process of taking steps to ensure that the changeover of auditor happens in a managed and controlled way. To ensure this a number of actions are being taken including:

- Arranging final sign off of the Council's Whole of Government Accounts (WGA) by KPMG in advance of the 2nd October deadline.
- A series of briefings with Grant Thornton are planned during September 2015 and beyond.
- Arrangements are being made for Grant Thornton to audit the Pooling of Housing Capital Receipts Return and the Teachers' Pensions return.
- Discussions are on-going with the PSAA around whether KPMG or Grant Thornton should deal with objections against the Council's accounts which are outstanding.

The Council has written to the PSAA stating that it does not expect audit fees payable to increase as a consequence of this situation which is not of its making. This is to be confirmed.

2. Recommendations

That the committee notes the content of the report

3. Reasons for Decision

To inform Members of how the City Council about a change of Auditor for reasons beyond the Council's control.

4. Background, including Policy Context

Background to the change of auditor

The Council has been informed by Public Sector Auditor Appointments (PSAA) that the Council's auditor, KPMG, cannot continue in this role. This is because a KPMG employee has been a Member of the Council and a KPMG employee since 2006. This is not permitted under PSAA's terms of appointment and consequently the PSAA has consulted with the Council on a change in auditor with its proposal being that Grant Thornton are appointed to this role.

The PSAA has powers allowing it to appoint auditors to public sector bodies following the closure of the Audit Commission and they include provisions to protect the independence of appointed auditors. These provisions are more demanding than for auditors in the private sector due to the wider statutory scope of audit for local public bodies.

Specifically, the PSAA terms of auditor appointment state:

2.39 No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

2.40 This exclusion includes the appointment as councillor at local government bodies or as non-executive director at health bodies.

The PSAA has advised the Council that when auditor appointments are made, audit firms are asked whether there are any independence considerations at bodies where the firm could be appointed as the auditor. The Audit Commission made the current auditor appointment in 2012, for the period 2012/13 to 2016/17. It is understood that KPMG did not provide any information at that time in relation to independence issues in respect of the proposed appointment at the Council. The PSAA has notified that Council that the Commission would not have appointed KPMG if it had been aware of this risk to the firm's independence as auditor.

The Council further understands that KPMG has accepted that they did not notify the Commission as required, and is investigating why the matter was not identified by the firm's internal systems. This issue was considered by the PSAA Board on 25 June which instructed that steps be taken to appoint a new auditor to the Council.

The PSAA subsequently notified the Council that it wishes to appoint Grant Thornton UK LLP as the Council's auditor for the audit of the accounts for two years from 2015/16 onwards and to pick up work relating to previous audits, to the extent that it cannot be completed quickly by KPMG as part of the handover.

Council officers are in the process of taking steps to ensure that the changeover of auditor happens in a managed and controlled way. To ensure this a number of actions are being taken including:

- Arranging final sign off of the Council's Whole of Government Accounts (WGA) by KPMG. Audit work is complete but final sign off cannot occur until other Authorities are in a position to confirm their counter party balances with the Council. Final sign off is anticipated in advance of the deadline of 2nd October.
- A series of meetings with Grant Thornton are planned during September 2015 and beyond. Papers and other documents will be prepared detailing the Council's financial position and covering work related to and including the Managed Services Project.
- Arrangements are being made to finalise the audit of the Pooling of Housing Capital Receipts Return and the Teachers' Pensions return. It is expected that Grant Thornton will audit these returns. No significant issues are anticipated.
- The Council has a number of objections pertaining to prior year's accounts going back 7 years. The Council has provided KPMG with information regarding these objections. The PSAA are planning that KPMG should deal with the matters outstanding prior to 2014/15 and Grant Thornton should pick up any subsequent matters arising. Discussions are on-going to ensure that this process is managed as smoothly as possible with the objective of resolving all issues in respect of objections as soon as possible.

5. Financial Implications

The Council has written to the PSAA to state that it does not expect the Council to be financially disadvantaged as a consequence of this issue in respect of audit fees. Section 7 of the Audit Commission Act 1998 provided for determination of a scale fee by the Audit Commission and a discretion to vary the fee where it appeared that substantially more or less work than that envisaged by fee was undertaken. These powers have been delegated to the PSAA.

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| 6. | Legal Implications | N/A |
| 7. | Staffing Implications | N/A |
| 8. | Consultation | N/A |

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City of Westminster

Audit & Performance Committee Report

Meeting:	Audit & Performance Committee
Date:	17 September 2015
Classification:	General Release
Title:	Work Programme
Wards Affected:	N/A
Financial Summary:	There are no direct financial implications arising from this report
Report of:	Head of Legal & Democratic Services
Report Author:	Reuben Segal, Senior Committee and Governance Officer. Tel: 020 7641 3160 or email: rsegal@westminster.gov.uk

1. Executive Summary

- 1.1 The Committee is invited to review its work programme, attached at appendix 1.
- 1.2 The Committee is also invited to review the actions which arose from the last meeting and the work undertaken in response, as detailed in appendix 3.

2. Recommendations

1. That the Committee agrees its Work Programme attached as at **appendix 1** to the report.
2. That the work undertaken in response to the actions which arose from the last meeting, as detailed in at **appendix 3** to the report, be noted.

3. Choosing items for the Work Programme

- 3.1 The Committee's Work Programme for 2015/16 is attached at appendix 1 to the report.
- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee (attached as appendix 2) which may assist the Committee in identifying issues to be included in the Work Programme.

4. Monitoring Actions

- 4.1 The actions arising from each meeting are recorded in the Action Tracker attached as appendix 3. Members are invited to review the work undertaken in response to those actions.

5. Resources

- 5.1 There is no specific budget allocation for the Audit and Performance Committee.

6. Approval and modification

- 6.1 The work programme will be reviewed at each meeting of the Committee and items can be removed or added.

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

**Reuben Segal, Senior Committee and Governance Officer
Legal and Democratic Services
Tel: 020 7641 3160 or email: rsegal@westminster.gov.uk**

APPENDICES:

Appendix 1 – Work Programme 2015/16

Appendix 2 – Terms of Reference

Appendix 3 – Committee Action Tracker

BACKGROUND PAPERS:

None

Work Programme 2015/16

Audit and Performance Committee

18 MAY 2015

Agenda Item	Reasons & objective for item	Lead Officer
Final Annual Accounts 2014/15	To present the final 2014/15 annual accounts.	Steve Mair
KPMG Annual Governance Report	To review and comment on the findings of the letter and on actions being taken in response to recommendations. In line with CIPFA guidance on audit committees and ISA 260 which requires the letter to be communicated to 'those charged with governance' along with the auditor's opinion on the financial statements.	Andrew Sayers KPMG
Annual Internal Audit and Counter Fraud Monitoring Report	To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	Chris Harris
Local Audit and Accountability Act 2014	To receive a report on the implications of the act.	Steve Mair

15 July 2015

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2015-16	The Committee is invited at its first meeting of the 2015/16 municipal year to agree a work programme.	Reuben Segal
Annual Contracts Review 2014/15	To review of the City Council's contracts, including details of contracts awarded, waivers and performance.	Anthony Oliver Procurement
2014/15 End of year Performance Business Plan Monitoring and Period 2 (May) Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Steve Mair (Finance) Mo Rahman (Performance)

17 September 2015

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2015-16	The Committee is invited to review its work programme for the 2015/16 municipal year and monitor the progress of the Working Groups.	Reuben Segal
Staffing Issues	To consider service pressures and challenges within Human Resources including the number and cost of temporary agency contractors across the Council and staff turnover.	Carolyn Beech (HR)
Finance & Performance Business Plan Monitoring Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Steven Mair (Finance) Mo Rahman (Performance)
Internal Audit and Counter Fraud Monitoring Reports	To oversee and monitor the success of the Audit and Anti-Fraud Services in planning and delivering outcomes and establishing an effective and robust internal control framework.	Moyra McGarvey (Internal Audit) Andy Hyatt (Anti-Fraud)
Risk Management	To monitor the current status of key service area risks, together with the identification of risks arising as part of the programmes currently being undertaken.	Hugh Jordan (Strategic Performance Team)

Change to the Council's Auditor	To note a change of auditor due to the discovery of a conflict of interest.	Steve Mair Finance
Update on the Managed Services Programme	The update will include information on performance of the contractor, errors and issues identified and potential risks to the Council from the implementation of MSP.	Steve Mair/Moira Mackie

2 December 2015

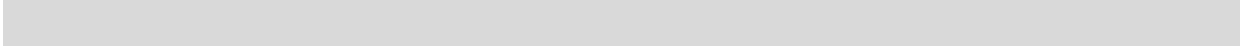
Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2014-15	The Committee is invited to review its work programme for the 2014/15 municipal year and monitor the progress of the Working Groups.	Reuben Segal
KPMG Annual Audit Letter 2014/15	To provide KPMG's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources.	Andrew Sayers KPMG
Corporate Complaints 2014/15	To report on the volume and details of complaints received by the Council and CityWest Homes in 2014/15.	Sue Howell Finance
Update on Corporate Contract Management	To provide an update on Contract Management Framework, Procurement & Commercial training including compliance with contract record keeping within capitalEsourcing	Anthony Oliver Procurement

<p>Finance & Performance Business Plan Monitoring Report</p>	<p>To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.</p>	<p>Steven Mair (Finance)</p> <p>Mo Rahman (Performance)</p>
<p>Internal Audit Monitoring Report</p>	<p>To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.</p>	<p>Moyra McGarvey Internal Audit</p>
<p>Headline results from 'Your Voice' Survey 2015</p>	<p>To consider the headline results of 'Your Voice' an annual staff engagement survey designed to give staff a voice, highlighting what does and doesn't work well.</p>	<p>Carolyn Beech (HR)</p>

3 February 2016

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2015-16	The Committee is invited to review its work programme for the 2015/16 municipal year and monitor the progress of the Working Groups.	Reuben Segal
KPMG Certification of Claims and Returns Annual Report (Audit 2014/15)	To report the findings from the certification of 2014/15 claims and the messages arising from the assessment of the Council's arrangements for preparing claims and returns and information on claims that were amended or qualified.	Andrew Sayers KPMG
KPMG Annual Audit Plan 2016/17	To set out the audit work that KPMG proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2016/17.	Grant Thornton
Finance & Performance Business Plan Monitoring Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Steven Mair (Finance) Mo Rahman (Performance)
Maintaining High Ethical Standards at the City Council	To maintain an overview of the arrangements in place for maintaining high ethical standards throughout the Authority	Charlie Parker Chief Executive
Internal Audit Monitoring Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	Moyra McGarvey Internal Audit

Risk Management	To monitor the current status of key service area risks, together with the identification of risks arising as part of the programmes currently being undertaken.	Hugh Jordan (Strategic Performance Team)
Internal Audit Plan 2016/17	To review and comment on the draft audit plan for 2016/17	Moyra McGarvey Internal Audit



Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2014-15	The Committee is invited to review its work programme for the 2012/13 municipal year and monitor the progress of the Working Groups.	Reuben Segal
Draft Annual Statement of Accounts	To review and comment on the draft and final Annual Statement of Accounts prior to submission to the Cabinet Member for Finance, Resources and Customer Services.	Steve Mair Finance
Finance & Performance Business Plan Monitoring Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Steven Mair (Finance) Mo Rahman (Performance)
Internal Audit and Counter Fraud Monitoring Reports	To oversee and monitor the success of the annual Audit and Anti-Fraud Services in planning and delivering outcomes and establishing an effective and robust internal control framework.	Moyra McGarvey (Internal Audit) Andy Hyatt (Anti-Fraud)
Housing Revenue Account	To assess the implications to the Council's HRA of the Government's requirement of local authorities to sell off their top third most expensive housing as it becomes vacant.	Steve Mair Ben Denton

AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

CONSTITUTION

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

TERMS OF REFERENCE

Audit Activity

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

Regulatory Framework

8. To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
9. To review any issue referred to it by the Chief Executive or a Director, or any Council body.
10. To monitor the effective development and operation of risk management and corporate governance in the Council.

11. To monitor Council policies on 'Raising Concerns at Work', the Council's complaints process and the Antifraud and Corruption Strategy; specifically the effectiveness of arrangements in place to ensure the Council is compliant with the Bribery Act 2010.
12. To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
13. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
14. To consider the Council's compliance with its own and other published standards and controls.
15. To maintain an overview of the arrangements in place for maintaining High Ethical Standards throughout the Authority and in this context to receive a report annually from the Head of Legal and Democratic Services and the Chief Finance Officer.

Accounts

16. To review the annual statement of accounts and approve these for publication. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
17. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Performance Monitoring

18. To review and scrutinise the financial implications of external inspection reports relating to the City Council.
19. To receive the quarterly performance monitoring report and refer any issues which in the Committee's view require more detailed scrutiny to the relevant Policy and Scrutiny Committee.
20. To review and scrutinise personnel issues where they impact on the financial or operational performance of the Council including but not limited to agency costs, long-term sickness, ill health early retirements and vacancies; and
21. To review and scrutinise Stage 2 complaints made against the City Council and monitor progress.

22. To consider and advise upon, prior to tender, the most appropriate contractual arrangements where a proposed contract has been referred to the Committee by the Chief Executive.
23. To maintain an overview of overall contract performance on behalf of the Council.
24. To review and scrutinise contracts let by the Council for value for money and adherence to the Council's Procurement Code.
25. To review and scrutinise the Council's value for money to Council tax payers.
26. To scrutinise any item of expenditure that the Committee deems necessary in order to ensure probity and value for money.

Staffing

27. To advise the Cabinet Member for with responsibility for Finance on issues relating to the remuneration of all staff as necessary.
28. In the course of carrying out its duties in respect of 27 above, to have regard to the suitability and application of any grading or performance related pay schemes operated, or proposed, by the Council.

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COMMITTEE ACTION TRACKER

ACTIONS: 15 July 2015

ACTION	OUTCOME	LEAD OFFICER
<p>Finance</p> <p>1. <u>Chief Executive</u> (paragraph 1.1.1) - explain why there may be a potential underspend in Members Allowances (£70,000).</p> <p>2. <u>Children's Services</u> (paragraph 1.1.5) - provide an explanation of the overspend relating to placements and other pressures. The committee is unclear what placements relates to. What impact will the government's announcement requiring local authorities to care for looked after children up to the age of 25 have on the service area's budget?</p> <p>3. <u>City Management & Communities</u> (paragraph 1.1.6) - what percentage of the commercial waste market in Westminster does the Council have?</p> <p>4. <u>City Management</u> (paragraph 1.2.8) - provide details of the procurement savings on automatic public conveniences (£0.125 million). Which contract does this relate to?</p> <p>5. <u>Housing Revenue Account (HRA)</u> (paragraph 1.2.11) - what are the implications for HRA revenue arising from the government requiring local authorities to reduce council rents by 1% per annum? Will that require a revision of the HRA capital programme?</p> <p>6. Please provide details of any LOBO loans taken out by the council.</p> <p>7. <u>Capital Expenditure</u> - how does slippage (to date) compare to the previous year?</p>	<p>A briefing note setting out the responses to questions were circulated on Thursday, 30 July 2015.</p>	<p>Steve Muldoon, Assistant City Treasurer</p>
	<p align="center">Page 97</p>	

2014/15 Performance Monitoring

1. Adult Services (Section 3.1.3): How is the success of the Customer Journey Operations Alignment being measured and reported?

2. Children's Services (Section 3.2.3): What are the performance indicators for the service improvement programme 'Focus on Practice'?

3. Children's Services: Provide details of the challenges to recruit foster carers, the plans in place to increase numbers and whether these are actually working.

4. Growth, Planning and Housing (Section 3.3.1): With regard to commissioned programmes to secure a range of paid employment opportunities for residents - how many residents helped into work have stayed in long term employment?

5. Growth, Planning and Housing (Section 3.3.1): What employment opportunities have the BIDs in Westminster provided to Westminster residents?

6. Growth, Planning and Housing
Has the council reviewed opportunities of in-house management of Westminster properties rather than CityWest Homes?

7. Growth, Planning and Housing (Section 3.3.4): Provide further details about the challenges of determining planning applications within targeted timeframes. Why are applications to the council rising? Has there been an increase in small-scale applications despite the government relaxing planning laws for extensions where there are no objections.

A briefing note setting out the responses to questions were circulated on Thursday, 3 Sept 2015.

<p>8. <u>City Management and Communities (Waste)</u>: Provide details of the number of people that have paid £20 for the Council to remove unwanted household items in the last 12 months versus the cost to the Council of removing dumped waste. Is there a contract between Veolia and CityWest Homes to remove dumped waste on the council's housing estates and what is the cost of that?</p> <p>9. <u>City Management and Communities (Sports and Leisure)</u>: Provide an update on the Active Queens Park project (Moberly and Jubilee sites).</p> <p>10. <u>City Management and Communities (Section 3.3.3)</u>: Is it possible to have a concierge service (similar to what libraries have for businesses) for Members to assist them with services within the Council and a general information point?</p> <p>11. <u>Corporate Services, (Section 3.5.1)</u>: Provide a note of recent IT upgrades delivered in 2014 and how these are working including feedback provided from staff.</p> <p>12. <u>Corporate Services (Section 3.5.3)</u>: Provide details of the issues and problems to date associated with the implementation of the Managed Services Programme (Human Resources And Procurement). Members are aware that there have been problems with payments including ward budget projects and staff salaries.</p>		
<p>Annual Contract Review</p> <p>Provide the Committee with a note on how many live contracts Westminster currently has.</p>	<p>This information was circulated on 3 September</p>	

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Agenda Item 13

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Agenda Item 14

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Agenda Item 15

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