



City of Westminster

# Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Wednesday 5th February, 2020**

Time: **6.30 pm**

Venue: **18.04 & 18.05, 18th Floor, 64 Victoria Street, London, SW1E 6QP**

Members: **Councillors:**

Ian Rowley (Chairman)  
Elizabeth Hitchcock  
Jacqui Wilkinson  
David Boothroyd

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

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



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

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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 previous meeting on 27<sup>th</sup> November 2019.

**(Pages 5 - 12)**

**4. GRANT THORNTON CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT (AUDIT 2018/2019)**

To report the findings from the certification of 2018/2019 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

**(Pages 13 - 28)**

**5. GRANT THORNTON ANNUAL AUDIT PLAN 2019/2020**

To set out the audit work that Grant Thornton proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2019/2020.

**(Pages 29 - 48)**

**6. 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

**(Pages 49 - 58)**

**7. FINANCE & PERFORMANCE BUSINESS PLAN MONITORING REPORT**

To monitor the Council's financial position including revenue

**(Pages 59 - 158)**

forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue, and capital expenditure and reserves.

To monitor Quarter 3 performance results against the 2019/2020 business plans.

**8. TREASURY MANAGEMENT HALF-YEAR MONITORING REPORT**

**(Pages 159 - 168)**

To update the Committee on the delivery of the 2019/20 Treasury Management Strategy approved by Council on 6<sup>th</sup> March 2019 and for the Committee to note the Annual Treasury Strategy mid-year review 2019/20, including any cases of non-compliance.

**9. INTERNAL AUDIT MONITORING REPORT**

**(Pages 169 - 180)**

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

**10. INTERNAL AUDIT PLAN 2020/2021**

**(Pages 181 - 200)**

To review and comment on the draft Audit Plan for 2020/2021.

**11. INTEGRATED BUSINESS CENTRE UPDATE**

**(Pages 201 - 210)**

To receive an update on the arrangements with Hampshire County Council.

**12. WESTMINSTER HOUSING SERVICE**

**(Pages 211 - 220)**

To receive a report on performance from the Council's Housing Directorate.

**13. THE METROPOLITAN POLICE SERVICE - BASIC COMMAND UNIT**

**(Pages 221 - 232)**

To monitor the performance of KPIs for the Metropolitan Police Service Basic Command Unit for Westminster following its implementation in February 2019.

**14. WORK PROGRAMME AND ANNUAL REPORT**

**(Pages 233 -  
246)**

The Committee is invited to review its Work Programme, including a draft Annual Report.

**Stuart Love  
Chief Executive**

**28 January 2020**



CITY OF WESTMINSTER

## DRAFT MINUTES

### Audit & Performance Committee

#### MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** held at 6.30pm on Wednesday 27<sup>th</sup> November 2019, Rooms 18.4/18.5, 18<sup>th</sup> Floor, Westminster City Hall, 64 Victoria Street, London SW1E 6QP.

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

**Also Present:** Annette Acik (Interim Director, Public Protection & Licensing), Gerald Almeroth (Executive Director of Finance & Resources), Steven Barry (Fraud Manager, Corporate Investigation Group), Paul Dossett (Grant Thornton), Annelie Drabu (Head of Intelligence & Strategy), Laurelin Griffiths (Grant Thornton), Gary Hamilton (Head of Operations, Adult Social Care), Damian Highwood (Data & Intelligence Manager), Sue Howell (Complaints & Customer Manager), David Hughes (Shared Services Director for Audit, Fraud, Risk & Insurance), Artemis Kassi (Senior Committee & Governance Officer), Moira Mackie (Senior Internal Audit Manager), Sarah Newman (Bi-Borough Executive Director of Children's Services), James Partis (Programme Lead, Better Care Fund, Public Health), Jim Paterson (Director of Property Services), Andrew Tagg (Director of Operations & Management), Rikin Tailor (Head of Corporate Finance) and Neil Wightman (Director of Housing).

#### 1 MEMBERSHIP

1.1 There were no changes to Membership.

#### 2 DECLARATIONS OF INTEREST

2.1 No declarations were made.

#### 3 MINUTES

3.1 **RESOLVED:** That the Minutes of the meeting held on 19<sup>th</sup> September 2019 be agreed by the Committee as a correct record of proceedings.

#### 4. GRANT THORNTON ANNUAL AUDIT LETTER

4.1 The Committee noted the Annual Audit Letter for the year ended 31 March 2019. Grant Thornton determined the materiality for audit of the council's financial statements to be £19.8m (1.95% of the Council's gross revenue expenditure). Councillor Ian Rowley queried the Council's Whole of Government Accounts Return. Laurelin Griffiths of Grant Thornton advised that the work to incorporate the council's financial information into the one return for all public

sector organisations as part of the national government's consolidation exercise was in progress.

- 4.2 Councillors Ian Rowley and Elizabeth Hitchcock queried the plans for risks resulting from the exit from the European Union. Councillor Hitchcock whether there had been analysis of speeches and manifestos to determine the risks. Laurelin Griffiths stated that the risks had been identified and considered previously.
- 4.3 Councillor David Boothroyd queried the basis on which land and buildings had been valued, given that the ability to exploit that land is limited by the buildings on it. Laurelin Griffiths advised that it depended upon the type of building asset, for example land associated with housing stock. Councillor Ian Rowley mentioned that value might be predicated on replacement cost.
- 4.4 Councillor Jacqui Wilkinson queried the delays in preparing the accounts which had been experienced by the financial team due to lack of familiarity with the new ledger system and asked whether similar delays would be likely to arise again. Rikin Tailor stated that last year two ledger systems had been used in parallel. Councillor Wilkinson asked for reassurance that this would not occur again. Rikin Tailor assured the Committee that, going forward, one ledger system would be used. Laurelin Griffiths reported that a visit was planned in December to start the process and that certification of claims was ongoing, including housing benefits and Teachers' Pensions.

**RESOLVED:** That the Grant Thornton Annual Audit Letter be noted by the Committee.

## **5. PROGRESS AND UPDATE ON 2019/2020 AUDIT**

- 5.1 Paul Dossett of Grant Thornton advised the Committee about the challenges of the big corporate review and the audit process since the abolition of the Audit Commission in 2015 and under the new regulatory regime. The Committee heard how the Code of Practice under CIPFA is longer and that, whereas accounts for local authorities ten years ago might typically have been 90 pages long, now these ran to 219 pages. Grant Thornton also advised that, although 40% of audits were not signed by 31 July 2019 (which was the worst performance for sign-off), Westminster had a track record of meeting the early timetable and had successfully signed by that date. There was discussion of the MHCLG Redmond Review to examine the quality of local authority audits and whether the system was fit for purpose. Grant Thornton had responded to the Redmond Review, including the 43 questions on the review questionnaire.
- 5.2 Grant Thornton also provided a summary of national issues and developments relevant to Westminster, including the National Audit Office Code of Audit Practice and MHCLG Brexit preparations.

**RESOLVED:** That the Progress and Update on the 2019/2020 Audit be noted by the Committee.

## **6. FINANCE & PERFORMANCE BUSINESS PLAN MONITORING**

6.1 Period 6 Finance Report 2019/20

Rikin Tailor introduced the contents of the Period 6 Finance Report 2019/2020, which provided details of the forecast outturn in respect of revenue and capital by Cabinet Portfolio; together with projected revenue and capital expenditure, key risks and opportunities.

6.2 The report projected a £1.088m underspend against budget with net risks of £0.727m. The report also projected an expenditure variance of £79.181m by year end: and income variance of £28.930m resulting in a net variance of £50.251m. The Housing Revenue Account (HRA) revenue forecast was for an overall net surplus of £4.057m, resulting in an adverse variance of £5.736m compared to budget. The forecast gross capital expenditure outturn for the HRA at the end of period 6 was £146.948m, resulting in a total variance of £2.907m compared to the budget of £149.854m. Variances, risks and opportunities within Cabinet Portfolios continued to be monitored closely as the year progressed.

6.3 Councillor Elizabeth Hitchcock queried whether there were any areas of particular concern. Rikin Tailor advised that a watching brief was being maintained over parking, where a decrease in revenue was attributable to Parking Charge Notices (PCNs) and that suspensions income was volatile though opportunities were being identified and explored. Other issues discussed included the HRA revenue and the variance of £5.7m due to major works and fire safety measures; the continuing measures being taken to mitigate the deficit for 11 Westminster schools (including removing 480 places); the windfall of £1.100m underspend due to interest on cash balances being higher than budget assumptions; the impact of aligning the City West Homes failure to budget for service charge payments; and underspend in Family Services/Public Health due to one-off central government funding. Rikin Tailor also mentioned as a positive the Treasury income, which was performing well.

6.4 Councillor David Boothroyd noted the £1.100m gain from interest rate changes. Rikin Tailor advised that more street marshals and illegal parking had helped the position in Period 6. Councillor Boothroyd noted that there had been a reduction in Lessee Service Charges collected compared to budget which had not been budgeted in the City West Homes HRA 2019/2020 budget. Rikin Tailor advised that this was due to major works and had happened under the arm's length management organisation (ALMO) but that the budgets would be more aligned this year, with better profiling and accuracy. Councillor Boothroyd also queried the service charges paid by the City to private sector landlords from whom property had been procured. Neil Wightman advised that, due to an oversight, whilst City West Homes had been paying those charges for council tenants in leasehold properties, they had not budgeted it.

6.5 Councillor Ian Rowley referred to the General Fund Summary (at paragraph 3.2 in the committee papers) and the Capital Programme Categorisation (Appendix 1 of the committee papers) and noted both the overspend and underspend. Councillor Rowley commented on improvement in execution but queried persistent optimism bias, execution and budgeting. Rikin Tailor observed that there had been improvement on previous years but that during the budget setting process, there needed to be identification of areas where assumptions have been made about schemes being on site, such as for example, the Oxford

Street District Street underspend/slippage of £17.495m. Gerald Almeroth remarked that, whilst much was on target, there was potential for learning concerning alignment of plans and the optimism for those plans, including learning from the Oxford Street District scheme. He also observed that much of the slippage related to only three or four schemes. Councillor Rowley requested a more detailed report on this, with breakdown into operational, development, investment and third-party impact details. The Committee was advised that a report could be provided, listing the top five schemes and with risk ratings.

**RESOLVED:** That the contents of the Period 6 Finance Report 2019/2020 be noted by the Committee.

6.6 Quarter 2 Performance Report

The Committee received a report which summarised the City Council's performance at the end of the second quarter of the 2019/20 financial year against City for All priorities. The report set out progress and figures until the end of September, though the report narrative went until the middle of November, including Garside Nursing Home, where issues had first been raised in October with the Care Quality Commission completing an unannounced inspection on 5<sup>th</sup> November 2019. The way the report dealt with risks around community safety (crime, anti-social behaviour on housing estates, knife crime, the establishment of the Basic Command Unit and the work of the Hate Crime Commission) would be consolidated in future reports to the Committee.

6.7 Officers highlighted notable achievements, including the completion of Dudley House and commencement of works on Luton Street/Edgware Road; outstanding Ofsted rating for Children's Services; and climate declaration, including carbon neutral targets for 2030. Officers also highlighted various risks, including that crimes rates had gone up whilst detection rates had gone down; rough sleeping numbers as well as Unaccompanied Asylum-Seeking Children had increased; and a lack of financial settlement and resultant uncertainty. Officers also observed that the timing of the February meeting would be closer to the end of the period, with reporting towards the middle of December. The Committee noted the above national average GCSE and A Level results achieved by students at Westminster schools, though the Sir Simon Milton UTC results seemed off track.

6.8 The Committee also discussed risks to which the Council was exposed, including Strategic Risks. Members in discussing these risks referred to the reduction of policing resources following introduction of the Basic Command Unit and the fact that there had been a major terrorist incident during the last General Election; whether there would be the possibility of re-tendering or bringing in-house the Garside contract, given developments with Sanctuary at Garside House Nursing Home; whether there was any way to detect unlicensed Houses in Multiple Occupation; the future of Westminster on Wheels; levels of pollution from buildings in Westminster; the increase in schools in deficit within Westminster (from eight to 11); and the effect of Brexit on equity valuations.

6.9 The Committee made a number of requests for extra detail and asked to receive information to reflect the breakdown of operational, development, investment and third-party impact expenditure, indicating the top five schemes of slippage

and relevant risk-ratings for the schemes. The Committee observed that a number of Key Performance Indicators were off-track, including in Public Health/Children's Services for the number of children receiving their 2 - 2.5 year development review. The Committee also requested more information on this and a briefing on the pre-birth to five years pathway work being done by Public Health and Children's Services. The Committee also requested more detailed information about Garside House Nursing Home, subject to the police investigation. Officers were asked to provide a comparison of the Sir Simon Milton UTC results with the results of other UTCs nationally.

6.10 **RESOLVED:** That the contents of the Quarter 2 Performance Report be noted.

## **7. INTERNAL AUDIT MONITORING REPORT**

7.1 David Hughes (Shared Services Director for Audit, Fraud, Risk and Insurance) and Moira Mackie (Senior Manager) presented an overview of the internal control framework.

7.2 The monitoring report provided an overview of the progress made against the Internal Audit Plan and the outcomes of completed audits as part of the Annual Assurance Opinion. The Committee was advised that between August and October 2019, two audits were completed: Policy, Performance and Communications (Strategic Objectives) which was rated satisfactory and Children's Services/Adult Social Care (Bi-borough Framework Procurement – Mini-bus Service), which was rated substantial.

7.3 The Committee was advised that recommendations had yet to be implemented but that more information would be available in February, especially where items had amber status in the RAG rating. The Committee was further advised that business plans in the context of the City for All Strategy were currently being examined.

7.4 **RESOLVED:** That the Internal Audit Monitoring Report be noted.

## **8. CORPORATE COMPLAINTS**

8.1 Sue Howell (Complaints and Customer Manager) introduced the report on the volume and details of complaints received in 2018/2019. The report on Corporate Complaints summarised the Council's complaints performance (complaint stages 1 and 2), complaints received from the Local Government and Social Care Ombudsman (LGSCO) and a limited review of dealing with the Leader and Cabinet Member correspondence.

8.2 The Committee was advised that there had been an increase in volume of Stage 1 and Stage 2 complaints. Sue Howell observed that the increase in Stage 1 complaints was low compared to the volume of complaints overall and did not constitute a deterioration in performance, as response times continued to be good and so were more likely indicative of more complaints being captured. Sue Howell also advised that the most common causes of complaints at Stage 1 were a delay in doing something, failure to do something or

disagreement about a charge received whilst at Stage 2 more people were choosing to escalate complaints. Sue Howell mentioned that there had been a decrease in the numbers of complaints received from the LGSCO.

- 8.3 The Committee discussed complaints concerning housing and queried the increase in Housing Solutions Services complaints. Officers advised that housing attracted a large volume of complaints but that most complaints were being resolved.
- 8.4 Councillor Jacqui Wilkinson queried whether the number of complaints was related to the openness and improved simplicity of the complaints procedure or whether this was due to more problems. Sue Howell affirmed that the new system of complaints via the website was more open, simpler and did capture more complaints. Councillor Wilkinson also mentioned that residents who did not contact their ward councillors for assistance with housing benefits experienced great hardship and difficulties with the system. Sue Howell observed that many such complaints were not appropriate for this complaints procedure and that there were other avenues for those complaints to be addressed.
- 8.5 Councillor Elizabeth Hitchcock queried whether there was any predictability or cycle to the complaints. Sue Howell advised that it depended on the services, which were so diverse, as to whether there was any possible predictability but that generally the difficulty was the unpredictability, especially at Stage 2. Sue Howell also mentioned that in October this year, there had been some 45 complaints, whereas usually around 10 to 12 complaints would be received.
- 8.6 Councillor David Boothroyd queried whether the complaints procedure could be published on the website. Sue Howell stated that she would speak to the Communications Team to ensure that it did stay on the website. Councillor Boothroyd also mentioned that housing constituted the largest proportion of complaints and that the document still referred to City West Homes. The Committee was advised that this would change going forward, to reflect the service being brought back within Westminster City Council. This also accounted for the increase in Housing Solution Services complaints.
- 8.7 Councillor Ian Rowley raised concerns about the increases in housing-related complaints at Stage 1 (and increase from 96 to 112) and Stage 2 (from 16 to 24), and queried whether this related to City West Homes legacy. Sue Howell stated that these related to repairs and general housing issues, including estate management. Ms Howell also observed the escalation rate showed that most of these complaints were being resolved and that housing attracted the highest volume of complaints. Councillor Rowley also raised concerns about reporting, particularly under-reporting, of anti-social behaviour on estates. Sue Howell mentioned that there is a division in reporting so that if anti-social issues are reported to the housing estate management, there is a policy of working with residents and the police to resolve the concerns which is different from the complaints made to the Anti-Social Behaviour Team, where the issues were criminal. Damian Highwood referred the Committee to figures on anti-social behaviour issues logged by housing management teams and highlighted how these were categorised (e.g. drug-dealing, prostitution, noise as well as the

estates where they occur). Damian Highwood observed that the low volume of complaints did not allow analysis to establish a pattern.

- 8.8 Councillor Jacqui Wilkinson raised the issue that, whilst the discussion always focused on estates, a large part of housing stock was located on streets and that complaints from residents related to anti-social behaviour originating from that housing. Councillor David Boothroyd commented that “anti-social behaviour” was often a catch-all term, there were often counter-accusations and that it could be difficult to get any enforcement.

**RESOLVED:** That the work of the Corporate Complaints service be noted.

## **9. MID-YEAR COUNTER FRAUD MONITORING REPORT**

- 9.1 Steven Barry (Fraud Manager) submitted the Mid-Year Counter Fraud Monitoring Report for 2019/2020. Officers highlighted the dissemination of bespoke ward councillor briefings, tenancy fraud and an increase in recovered properties. The Committee was advised about counter-fraud related activity, including, in particular, the illegal subletting of a council property in Victoria which had resulted in eviction of the tenant and an Unlawful Profits Order of £100,974.94 and noteworthy cases.

- 9.2 The Committee requested further detail on the breakdown of properties on streets and on estates. The Committee also discussed pro-active operations to investigate tenancies at Fitzrovia Court, Carburton Street, W1, the noteworthy cases (Appendix I to the report) and the National Fraud Initiative, including referrals received via that initiative.

- 9.2 **RESOLVED:** That the Mid-Year Counter Fraud Monitoring Report for 2019/2020 be noted.

## **10. REVIEW OF ANTI-FRAUD POLICIES**

- 10.1 Steven Barry (Fraud Manager) introduced the Counter Fraud Policy Review report, which included three revised anti-fraud policies for the Committee’s review and approval and provided a corrected version of the report. These were the Fraud Response Plan; the Anti-Bribery Policy; and Anti-Laundering Policy.

- 10.2 The Committee discussed money laundering via property development. Officers advised that Planning and Legal Services colleagues had been briefed.

- 10.3 **RESOLVED:** That the revised anti-fraud and corruption policies be approved.

## **11. WORK PROGRAMME AND ACTION TRACKER**

- 11.1 The Committee noted the items on its Work Programme for the next meeting on 5 February 2020, together with actions taken in response to issues raised at the last meeting. The Committee noted that the planned item on the Basic Command Unit by the Metropolitan Police Service (MPS) had had to be postponed due to the MPS purdah rules and would be included as an agenda

item at the February meeting.

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

The meeting ended at 8.10 pm.

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



City of Westminster

## Audit and Performance Committee Report

<b>Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	5 February 2020
<b>Classification:</b>	General Release
<b>Title:</b>	External Audit Certification of Claims and Returns Annual Audit 2018/19
<b>Financial Summary:</b>	There are no direct financial implications arising from the report.
<b>Report of:</b>	<b>Assistant City Treasurer (Revenue &amp; Benefits)</b>

### 1. Executive Summary

- 1.1 There is an annual external review of the grants that the City Council claims through a grants certification process. This report provides a summary of the review of the Housing Benefit Subsidy claim for 2018/19.

### 2. Recommendation

- 2.1 That the report is noted.

### 3. **Grant Thornton Annual Review**

3.1 The City Council is responsible for compiling grant claims and returns in accordance with the requirements and timescales set by central government.

3.2 Grant Thornton, as the Council's external auditor, annually review the grants the City Council claims through a grants certification process.

3.3 There are three returns / claims separately reviewed by Grant Thornton in relation to the 2018/19 financial year:

- Housing Benefit subsidy claim (£205M)
- Teachers' Pensions return
- Pooling of Housing Capital Receipts return

The work on the Teacher's Pension return and the Pooling of Housing Capital Receipts return is ongoing at the time of writing this report and will be reported to this committee as part of the External Audit committee update report in April 2020.

3.4 The auditors identified a couple of minor errors in relation to manual adjustments and extended payments. Due to the small number of cases within these particular cells within the subsidy claim, the Council / external auditors were able to undertake 100% check of the cell contents. This resulted in a couple of minor amendments between cells on the claim and the creation of some minor overpayments on individual claims, but none of the changes affected the bottom-line amount of subsidy claimed.

3.5 In addition, the auditors found a small number of errors in cells that could not be 100% checked by officers / auditors due to the number of claims within each of the cells. Grant Thornton reported the errors to the DWP in their annual audit letter. The DWP have subsequently confirmed that these issues were not significant enough to affect the Council's subsidy claim or require further action by the Council. Therefore the Council's full claim of £205,392,249 has been accepted by the DWP.

3.7 The nature and complexity of the Housing Benefit scheme linked to the volume of claims (currently 23,000 in WCC) means the vast majority of local authorities will have some errors identified through their annual subsidy claim audit. Whilst the audit can be considered as an acceptable outcome, the Council should continuously try to improve its position and as such the following additional measures are being introduced for the 2019/20 and future subsidy claims:-

- A 100% check of the subsidy cells that can be reviewed in late March before the subsidy claim is submitted.
- Additional training and sample checking in each error where issues were found in the 2018/19 claim.

#### **4. Financial Implications**

- 4.1 It is important that grant claim requirements are complied with as they affect funding sources and funding assumptions in the City Council's business plans.
- 4.2 The bottom-line amount of Housing Benefit subsidy claimed for 2018/19 was not adjusted as a result of the audit and the Council's claim of £205,392,249 will be met in full by the DWP.
- 4.3 The overall fee for certification of the Council's claim was £38,000.00

#### **5. Legal Implications**

- 5.1 There are no direct legal implications arising from this report.

**If you have any queries about this report please contact: Martin Hinckley on 0207 641 2611 or at [mhinckley@westminster.gov.uk](mailto:mhinckley@westminster.gov.uk)**

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# Audit Progress Report and Sector Update

Westminster City Council  
Year ending 31 March 2020

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January 2020



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# Introduction



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

The paper also includes:

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

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

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

# Progress at January 2020

## Financial Statements Audit

We commenced our planning for the 2019/20 audit in December 2019 and will have issue a detailed audit plan at this meeting, setting out our proposed approach to the audit of the Council's 2019/20 financial statements.

We will complete our interim audit in March 2020. Our interim fieldwork includes:

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

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts in June 2020.

## Value for Money

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

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

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

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

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

We will report our work in the Audit Findings Report and aim to give our Value For Money Conclusion in June 2020.

The NAO is consulting on a new Code of Audit Practice from 2020 which proposes to make significant changes to Value for Money work.

# Progress at January 2020 (Cont.)

## Other areas

### Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. The certification work for the 2018/19 claim was completed by the 30 November 2019. We summarise the main findings below:

- In initial testing of 20 HRA Rent Rebate cases we identified one claim that had an earnings error and a manual adjustment error. Additional testing of 40 cases for each error were completed. The total extrapolated overpayment for these errors was £3k.
- In our initial testing of 20 Rent Allowance and 20 non HRA Rent Rebate cases, no claims were found to be in error.
- Due to errors found in manual adjustments to Non HRA Rent Rebates claims in previous years the Council tested all manual adjustments and identified 7 adjustments that required to be made to the claim form. The value of the errors were £1,766.
- Due to the errors found in previous years' claims, additional testing has been performed on all extended payments claims. The number of extended payment cases was 43, and testing identified that 4 of these contained errors. As a result of these errors, an amendment of £2,094 was made to the return.

The value of the errors are small in comparison to the total value of the claim of £205 million. A fee of £38k was agreed for the audit.

We are currently auditing the Council's Teachers Pensions and Pooling of Housing Capital Receipts returns. We will report the outcome of these audits to the next Audit and Performance Committee.

### Meetings

We continue to meet regularly with Finance Officers as part of our monthly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

### Events

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

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

## Audit Fees

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

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

We have reviewed the impact of these changes on both the cost and timing of audits and are currently discussing this with your s151 Officer including the proposed variations to the Scale Fee set by PSAA Limited.

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

# Audit Deliverables

2019/20 Deliverables	Planned Date	Status
<b>Fee Letter</b> Confirming audit fee for 2018/19.	April 2019	Complete
<b>Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Audit and Performance Committee setting out our proposed approach in order to give an opinion on the Council's 2019-20 financial statements.	February 2020	The audit Plan is on the agenda
<b>Audit Findings Report</b> The Audit Findings Report will be reported to the May/June Audit and Performance Committee.	May/June 2020	Not yet due
<b>Auditors Report</b> This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2020	Not yet due
<b>Annual Audit Letter</b> This letter communicates the key issues arising from our work.	August 2020	Not yet due

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# Sector Update

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Councils continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

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

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

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

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:



Public Sector



Local  
government

# Financial Reporting Council – Summary of key developments for 2019/20 annual reports

On 30 October the Financial Reporting Council (FRC) wrote an Open Letter to Company Audit Committee Chairs. Some of the points are relevant to local authorities.

## The reporting environment

The FRC notes that, “In times of uncertainty, whether created by political events, general economic conditions or operational challenges, investors look for greater transparency in corporate reports to inform their decision-making. We expect companies to consider carefully the detail provided in those areas of their reports which are exposed to heightened levels of risk; for example, descriptions of how they have approached going concern considerations, the impact of Brexit and all areas of material estimation uncertainty.” These issues equally affect local authorities, and the Statement of Accounts or Annual Report should provide readers with sufficient appropriate information on these topics.

## Critical judgements and estimates

The FRC wrote “More companies this year made a clear distinction between the critical judgements they make in preparing their accounts from those that involve the making of estimates and which lead to different disclosure requirements. However, some provided insufficient disclosures to explain this area of their reporting where a particular judgement had significant impact on their reporting; for example, whether a specific investment was a joint venture or a subsidiary requiring consolidation. We will continue to have a key focus on the adequacy of disclosures supporting transparent reporting of estimation uncertainties. An understanding of their sensitivity to changing assumptions is of critical value to investors, giving them clearer insight into the possible future changes in balance sheet values and which can inform their investment decisions.” Critical judgements and estimates also form a crucial part of local authority statements of account, with the distinction often blurred.

## IFRS 16 Leases

The FRC letter notes “IFRS 16 is effective for periods beginning on or after 1 January 2019. We recently conducted a thematic review looking at how companies reported on their adoption of the new standard in their June 2019 interim accounts. In advance of our detailed findings which will be published shortly, I set out what we expect to see by way of disclosures in the forthcoming accounts, drawing on the results of our work.

- Clear explanation of the key judgements made in response to the new reporting requirements;
- Effective communication of the impact on profit and loss, addressing any lack of comparability with the prior year;
- Clear identification of practical expedients used on transition and accounting policy choices; and
- Well explained reconciliation, where necessary, of operating lease commitments under IAS 17, ‘Leases’, the previous standard and lease liabilities under IFRS 16.”

The implementation of IFRS is delayed until 1 April 2020 in the public sector when it will replace IAS 17 Leases and the three interpretations that supported its application. Authorities will need information and processes in place to enable them to comply with the requirements. They will need to make disclosures in the 2019/20 accounts about the impact of IFRS 16 in accordance with IAS 8/ Code 3.3.4.3 requirements for disclosure about standards which are issued but are not yet effective.



# What is the future for local audit?

Paul Dossett, Head of local government at Grant Thornton, has written in the Municipal Journal “Audit has been a hot topic of debate this year and local audit is no exception. With a review into the quality of local audit now ongoing, it’s critical that part of this work looks at the overarching governance and management of the audit regime. We believe there is a strong need for new oversight arrangements if the local audit regime is to remain sustainable and effective in the future.”

Paul goes on to write “Local (local authority and NHS) audit has been a key part of the oversight regime for public services for more than a century. The National Audit Office (NAO) has exercised this role in central government for several generations and their reporting to Parliament via the Public Accounts Committee is a key part of the public spending accountability framework.

Local audit got a significant boost with the creation of the Audit Commission in 1983 which provided a coordinated, high profile focus on local government and (from 1990) NHS spending and performance at a local level. Through undertaking value for money reviews and maintaining a tight focus on the generational governance challenges, such as rate capping in the 1980s and service governance failings in the 1990s, the Commission provided a robust market management function for the local audit regime. Local audit fees, appointments, scope, quality and relevant support for auditors all fell within their ambit.

However, the Commission was ultimately deemed, among other things, to be too expensive and was abolished in 2010, as part of the Coalition Government’s austerity saving plans. While the regime was not perfect, and the sector had acknowledged that reform of the Commission was needed, complete abolition was not the answer.

Since then, there has been no body with complete oversight of the local audit regime and how it interacts with local public services. The Ministry of Housing, Communities and Local Government; Department of Health; NHS; NAO; Local Government Association (LGA); Public Sector Audit Appointments Ltd (PSAA); the Financial Reporting Council (FRC); the Chartered Institute of Public Finance & Accountancy (CIPFA), audit firms and the audited bodies themselves all have an important role to play but, sometimes, the pursuit of individual organisational objectives has resulted in sub-optimal and even conflicting outcomes for the regime overall.

These various bodies have pursued separate objectives in areas such as audit fee reduction, scope of work, compliance with commercial practice, earlier reporting deadlines and mirroring commercial accounting conventions – to name just a few.

This has resulted in a regime that no stakeholder is wholly satisfied with and one that does not ensure local audit is providing a sufficiently robust and holistic oversight of public spending.

To help provide a more cohesive and co-ordinated approach within the sector, we believe that new oversight arrangements should be introduced. These would have ultimate responsibility for ensuring the sustainability of the local audit regime and that its component parts – including the Audit Code, regulation, market management and fees – interact in an optimal way. While these arrangements do not need to be another Audit Commission, we need to have a strategic approach to addressing the financial sustainability challenges facing local government and the NHS, the benchmarking of performance and the investigation of governance failings.

There are a number of possible solutions including:

- 1) The creation of a new arm’s length agency with a specific remit for overseeing and joining up local audit. It would provide a framework to ensure the sustainability of the regime, covering fees, appointments, and audit quality. The body would also help to create a consistent voice to government and relevant public sector stakeholders on key issues arising from the regime. Such a body would need its own governance structure drawn from the public sector and wider business community; and
- 2) Extending the current remit of the NAO. Give it total oversight of the local audit regime and, in effect, establish a local audit version of the NAO, with all the attendant powers exercised in respect of local audit. In this context, there would be a need to create appropriate governance for the various sectors, similar to the Public Accounts Committee.

While the detail of the new arrangements would be up for debate, it’s clear that a new type of oversight body, with ultimate responsibility for the key elements of local audit, is needed. It would help to provide much-needed cohesion across the sector and between its core stakeholders.

The online article is available here:

<https://www.themj.co.uk/What-is-the-future-for-audit/214769>

# Grant Thornton's Sustainable Growth Index Report

Grant Thornton has launched the Sustainable Growth Index (formerly the Vibrant Economy Index) – now in its third year. The Sustainable Growth Index seeks to define and measure the components that create successful places. Our aim in establishing the Index was to create a tool to help frame future discussions between all interested parties, stimulate action and drive change locally. We have undergone a process of updating the data for English Local Authorities on our online, interactive tool, and have produced an updated report on what the data means. All information is available on our online hub, where you can read the new report and our regional analyses.

The Sustainable Growth Index provides an independent, data-led scorecard for each local area that provides:

- businesses with a framework to understand their local economy and the issues that will affect investment decisions both within the business and externally, a tool to support their work with local enterprise partnerships, as well as help inform their strategic purpose and CSR plans in light of their impact on the local social and economic environment
- policy-makers and place-shapers with an overview of the strengths, opportunities and challenges of individual places as well as the dynamic between different areas
- Citizens with an accessible insight into how their place is doing, so that they can contribute to shaping local discussions about what is important to them

The Index shows the 'tip of the iceberg' of data sets and analysis our public services advisory team can provide our private sector clients who are considering future locations in the UK, or wanting to understand the external drivers behind why some locations perform better than others.

Our study looks at over 50 indicators to evaluate all the facets of a place and where they excel or need to improve.

Our index is divided into six baskets. These are:

- 1 Prosperity
- 2 Dynamism and opportunity
- 3 Inclusion and equality
- 4 Health, wellbeing and happiness
- 5 Resilience and sustainability
- 6 Community trust and belonging

This year's index confirms that cities have a consistent imbalance between high scores related to prosperity, dynamism and opportunity, and low scores for health, wellbeing, happiness inclusion and equality. Disparity between the richest and poorest in these areas represents a considerable challenge for those places.

Inclusion and equality remains a challenge for both highly urban and highly rural places and coastal areas, particularly along the east coast from the North East to Essex and Kent, face the most significant challenges in relation to these measures and generally rank below average.

Creating sustainable growth matters and to achieve this national policy makers and local authorities need to do seven things:

- 1 Ensure that decisions are made on the basis of robust local evidence.
- 2 Focus on the transformational trends as well as the local enablers
- 3 Align investment decisions to support the creation of sustainable growth
- 4 Align new funding to support the creation of sustainable growth
- 5 Provide space for innovation and new approaches
- 6 Focus on place over organisation
- 7 Take a longer-term view

The online report is available here:

<https://www.granthornton.co.uk/en/insights/sustainable-growth-index-how-does-your-place-score/>



# Institute for Fiscal Studies – English local government funding: trends and challenges in 2019 and beyond

The Institute for Fiscal Studies (IFS) has found “The 2010s have been a decade of major financial change for English local government. Not only have funding levels – and hence what councils can spend on local services – fallen significantly; major reforms to the funding system have seen an increasing emphasis on using funding to provide financial incentives for development via initiatives such as the Business Rates Retention Scheme (BRRS) and the New Homes Bonus (NHB).”

The IFS goes on to report “Looking ahead, increases in council tax and additional grant funding from central government mean a boost to funding next year – but what about the longer term, especially given plans for further changes to the funding system, including an expansion of the BRRS in 2021–22?”

This report, the first of what we hope will be an annual series of reports providing an up-to-date analysis of local government, does three things in this context. First, it looks in detail at councils’ revenues and spending, focusing on the trends and choices taken over the last decade. Second, it looks at the outlook for local government funding both in the short and longer term. And third, it looks at the impact of the BRRS and NHB on different councils’ funding so far, to see whether there are lessons to guide reforms to these policies.

The report focuses on those revenue sources and spending areas over which county, district and single-tier councils exercise real control. We therefore exclude spending on police, fire and rescue, national park and education services and the revenues specifically for these services. When looking at trends over time, we also exclude spending on and revenues specifically for public health, and make some adjustments to social care spending to make figures more comparable across years. Public health was only devolved to councils in 2013–14, and the way social care spending is organised has also changed, with councils receiving a growing pot of money from the NHS to help fund services.”

The IFS reports a number of key facts and figures, including

- 1) Cuts to funding from central government have led to a 17% fall in councils’ spending on local public services since 2009–10 – equal to 23% or nearly £300 per person.
- 2) Local government has become increasingly reliant on local taxes for revenues.
- 3) Councils’ spending is increasingly focused on social care services – now 57% of all service budgets.

The IFS report is available on their website below:

<https://www.ifs.org.uk/publications/14563>



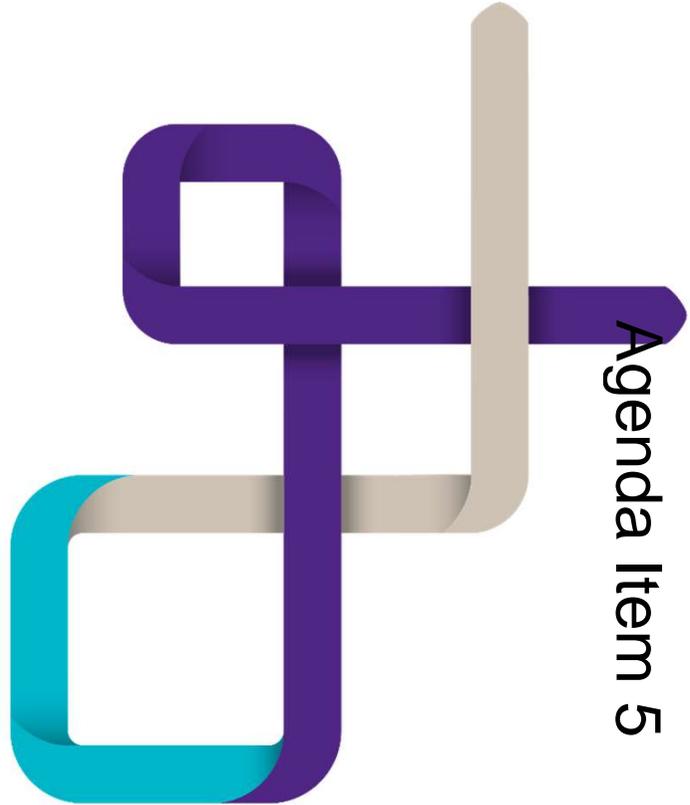


# External Audit Plan

*Year ending 31 March 2020*

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Westminster City Council Council and Westminster City Council Pension Fund  
January 2020



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## Appendix

A. Audit quality – national context

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

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# 1. Introduction & headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of the Westminster City Council (the Council') and the Westminster City Council Pension Fund ('the Fund') for those charged with governance.

## Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Council and the Fund. We draw your attention to both of these documents on the [PSAA website](#).

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on:

- The Council, Group and Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Performance Committee); and
- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit and Performance Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

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

## Group Accounts

You are required to prepare group financial statements that consolidate the financial information of Westminster Community Homes Ltd, WestCo Trading Limited, Westminster Procurement Services Limited, Soho Create Limited, Hub Make Lab CIC, Paddington Recreation Ground Charitable Trust, Westminster Housing Investments Limited and Westminster Housing Development Limited.

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

### Westminster City Council

- Management override of controls.
- Valuation of property, plant and equipment being materially misstated.
- Valuation of pension fund net liability being materially misstated.
- Appropriateness of the Council's appeals provision for National Non-Domestic Rates (Business Rates).

### Westminster Pension Fund

- Management override of controls.
- The valuation of Level 3 investment assets being materially misstated.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

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# 1. Introduction & headlines continued

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## Materiality - Council

We have determined planning materiality to be £15.4m for the group (PY £19.9m) and £15m for the Council (PY £19.8m), which equates to 1.46% of your prior year gross expenditure. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £750k (PY £990k).

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## Materiality – Pension Fund

We have determined materiality at the planning stage of our audit to be £14.1m (PY £14.1m) for the Fund, which equates to 1% of your net assets for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £709k (PY £709k).

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## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risk:

- Management of the Council's significant capital projects.

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## Audit logistics

Our interim visit will take place in March 2020 and our final visit will take place in April and May 2020. Our key deliverables are this Audit Plan and our Audit Findings Report.

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## Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

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## 2. Key matters impacting our audit

### Factors

#### The wider economy and the Council's financial position

The challenging financial climate resulting from year on year funding reductions, increased demands for services and wider macro uncertainty has continued to adversely impact Local Government. The Council has identified final gross savings of £36m for 2019/20 to ensure a balanced budget. The proposed savings are from measures which avoid service reductions and come instead from efficiencies, transformation and additional income generation, including a modest increase to Council Tax.

The Council is well placed to meet its future financial challenges if management action on budget proposals continues as currently envisaged and planned. The Council continues to manage its finances well and as at month 6, are reporting a net General Fund underspend of £1.088m against budget with net risks of £1.816m. These continue to be monitored closely as the year progresses.

From 2020/21, the Council will face much wider financial uncertainty. Under the Government's current plans to reform Local Government funding, the Council faces potential risks from a reduction in funding from the next stage of Business Rates Retention, the Government's Spending Review and Fair Funding Review. The Council will need to re-model their future finances following the outcome of this review.

#### Financial reporting and audit – raising the bar

The Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge, and to undertake more robust testing as detailed in Appendix 1. Our work in 2018/19 has highlighted areas where local government financial reporting, in particular, property, plant and equipment and pensions, needs to be improved, with a corresponding increase in audit procedures. We have also identified an increase in the complexity of local government financial transactions which require greater audit scrutiny.

From 1 April 2020 the Council will need to implement the new leases accounting standard (IFRS16). This has the potential for more assets and associated liabilities to be brought onto the Council's balance sheet.

#### Your future plans

The Council has recently published a draft City Plan 2019-2040 setting out your vision and strategy for the development of the city. The plan includes a housing target of 1,495 new homes per year (first ten years of this Plan). The Council are also investing £150 million over the next three years to deliver the ambitious Oxford Street District Place Strategy. This includes more than 90 projects aimed at improving and enhancing the whole district, including its residential neighbourhoods, while securing its future as a global destination, with an unrivalled experience for visitors.

The Council are involved in new and innovative projects with partners that will help to finance and deliver the plan. The Council will need to ensure that the accounting arrangements are agreed and set out in advance including assessing the potential implications on the Council's Group Accounts.

#### Brexit

With the UK due to leave the European Union on 31 January 2020, there will be national and local implications resulting from Brexit that will impact on the Council. The Council will need to review their workforce plans, analyse their supply chains and model potential impacts on Council finances including investment and borrowing as well as any potential impact on the valuation of Council and Pension Fund assets.

### Our response

We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting. Our proposed work and fee, as set out further on in our Audit Plan, has been agreed with the Executive Director of Finance and Resources and is subject to PSAA agreement.

We will review your proposed technical accounting treatments for projects in advance of you preparing your financial statements. We will assess the adequacy of your disclosure about the financial impact of implementing IFRS 16 – Leases from 1 April 2020 and test a sample of lease obligations to determine whether they have been accounted for appropriately under the new requirements.

# 3. Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Audit Scope	Risks identified	Planned audit approach
Westminster City Council	Yes		See detail on pages 7-9	Full scope UK statutory audit performed by Grant Thornton UK LLP
Westminster Community Homes Limited	No		Valuation of property, plant and equipment	Audit of one or more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements.
WestCo Trading Limited Westminster Procurement Services Limited Soho Create Limited Hub Make Lab CIC Paddington Recreational Ground Trust Westminster Housing Investments Limited Westminster Housing Development Limited	No		None	Analytical review performed by Grant Thornton UK LLP.

### Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one or more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to significant risks of material misstatement of the group financial statements
- Analytical procedures at group level

## 4. Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<b>Fraudulent revenue and expenditure recognition</b>	<b>Council, Group and Fund</b>	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• There is little incentive to manipulate revenue recognition.</li> <li>• Opportunities to manipulate revenue recognition are very limited.</li> <li>• The culture and ethical frameworks of local authorities, including the Council and Fund, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore, we do not consider this to be a significant risk for you.</p> <p>In addition, in accordance with PN10, the audit team have considered the risk of fraudulent manipulation of expenditure. We do not consider that this is a significant risk for yourselves, after consideration of the following:</p> <ul style="list-style-type: none"> <li>• The staff preparing and approving the accounts are consistent with those in previous years.</li> <li>• There have been no changes in accounting processes and controls in the year.</li> <li>• There have been no significant unexplained movements in funding/outturn position.</li> <li>• There have been no changes in the methodology for calculation of estimates.</li> <li>• There have been no instances of year-end adjustments being posted by a senior finance officer without independent authorisation. We will check for any postings by senior finance officers as part of our journals testing.</li> </ul>

## 4. Significant risks identified continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Council, Group and Fund	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> <p>The main mechanism through which this could occur is through the posting of manual journals amending the reported financial performance. We therefore review the controls established relating to manual journals, including those for authorisation of manual journals.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>Evaluate the design effectiveness of management controls over journals.</li> <li>Analyse the journals listing and determine the criteria for selecting high risk unusual journals.</li> <li>Test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration.</li> <li>Gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence.</li> <li>Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>
Valuation of property, plant and equipment being materially misstated	Council and Group	<p>The Council revalues land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£2.5bn) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management have engaged the services of an internal valuer to estimate the current value as at 31 March 2020.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>Evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work.</li> <li>Evaluate the competence, capabilities and objectivity of the valuation expert.</li> <li>Write to the valuer to confirm the basis on which the valuations were carried out.</li> <li>Challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding.</li> <li><b>Utilise our own valuer to challenge your assumptions and methodologies applied in the valuation.</b></li> <li>Test, on a sample basis, revaluations made during the year to ensure they have been input correctly into your asset register.</li> <li>Evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.</li> </ul>

## 4. Significant risks identified continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	Council and Group	<p>The Council's pension fund net liability, as reflected in the balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and group accounts.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£702 million in the balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Update our understanding of the processes and controls put in place by management to ensure that the pension fund net liability is not materially misstated and evaluate the design of the associated controls.</li> <li>• Evaluate the instructions issued by management to your management expert (an actuary) for this estimate and the scope of the actuary's work.</li> <li>• Assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation.</li> <li>• Assess the accuracy and completeness of the information you provided to the actuary to estimate the liability.</li> <li>• Test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary.</li> <li>• Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.</li> </ul>
Appeals Provision for National Non-Domestic Rates (Business Rates)	Council	<p>The Council's provision for business rates appeals remains the largest in the country and is a highly material balance in the financial statements. The provision is based on significant judgements made by management and uses a complex estimation technique to prepare the provision.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Monitor how the appeals process is affecting the Council and any planned changes in the methodology used to calculate the provision.</li> <li>• Identify the controls put in place by management to ensure that the appeals provision is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement.</li> <li>• Review assumptions made by management and the processes in calculating the estimate.</li> <li>• Test the calculation and its agreement to supporting documentation.</li> <li>• Review the disclosures made by the Council in the financial statements.</li> </ul>

## 4. Significant risks identified continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 3 Investments	Fund	<p>By their nature, Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (£77 million) and the sensitivity of this estimate to changes in key assumptions</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilise the services of investment managers as valuation experts to estimate the fair value as at 31 March 2020.</p> <p>We therefore identified valuation of Level 3 investments as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>Gain an understanding of the Fund's process for valuing level 3 investments and evaluate the design of the associated controls.</li> <li>Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments to ensure that the requirements of the Code are met.</li> <li>Consideration of the competence, expertise and objectivity of any management experts used.</li> <li>Review the qualification of the expert used to value Level 3 investments at year end and gain an understanding of how the valuation of these investments has been reached.</li> <li>For a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconcile those values to the values at 31 March 2020 with reference to known movements in the intervening period.</li> </ul>

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in May 2020.

## 5. Other risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<b>International Financial Reporting Standard (IFRS) 16 Leases</b> <b>(issued but not adopted)</b>	<b>Council and Group</b>	<p>The public sector will implement this standard from 1 April 2020. It will replace IAS 17 Leases, and the three interpretations that supported its application (IFRIC 4, Determining whether an Arrangement contains a Lease, SIC-15, Operating Leases – Incentives, and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as a right of use asset and a liability to make the lease payments.</p> <p>In accordance with IAS 8 and paragraph 3.3.4.3 of the Code disclosures of the expected impact of IFRS 16 should be included in the Authority's 2019/20 financial statements. The Code adapts IFRS 16 and requires that the subsequent measurement of the right of use asset where the underlying asset is an item of property, plant and equipment is measured in accordance with section 4.1 of the Code.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>Evaluate the processes the Council has adopted to assess the impact of IFRS16 on its 2020/21 financial statements and whether the estimated impact on assets, liabilities and reserves has been disclosed in the 2019/20 financial statements.</li> <li>Assess the completeness of the disclosures made by the Council in its 2019/20 financial statements with reference to The Code and CIPFA/LASAAC <a href="#">Local Authority Leasing Briefings</a>.</li> </ul>

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## 6. Other matters

### Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions
- We consider our other duties under the Local Audit and Accountability Act 2014 (the Act) and the Code, as and when required, including:
  - Giving electors the opportunity to raise questions about your 2019/20 financial statements, consider and decide upon any objections received in relation to the 2019/20 financial statements.
  - Issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State.
  - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act or
  - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

### Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

### Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the group, Authority's and Fund's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and material uncertainties, and evaluate the disclosures in the financial statements.

# 7. Materiality

## The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Materiality for planning purposes

### Council and Group

We have determined financial statement materiality based on a proportion of the gross expenditure of the Group and Council. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £15.4m for the Group (PY £19.9m) and £15m for the Council (PY £19.8m), which equates to 1.46% of your prior year gross expenditure.

### Pension Fund

We have determined financial statement materiality based on a proportion of the Fund's net assets. In the prior year we used the same benchmark. Our materiality at the planning stage is £14.1m (PY £14.0m) which equates to 1% of the Fund's actual net assets for the year ended 31 March 2019.

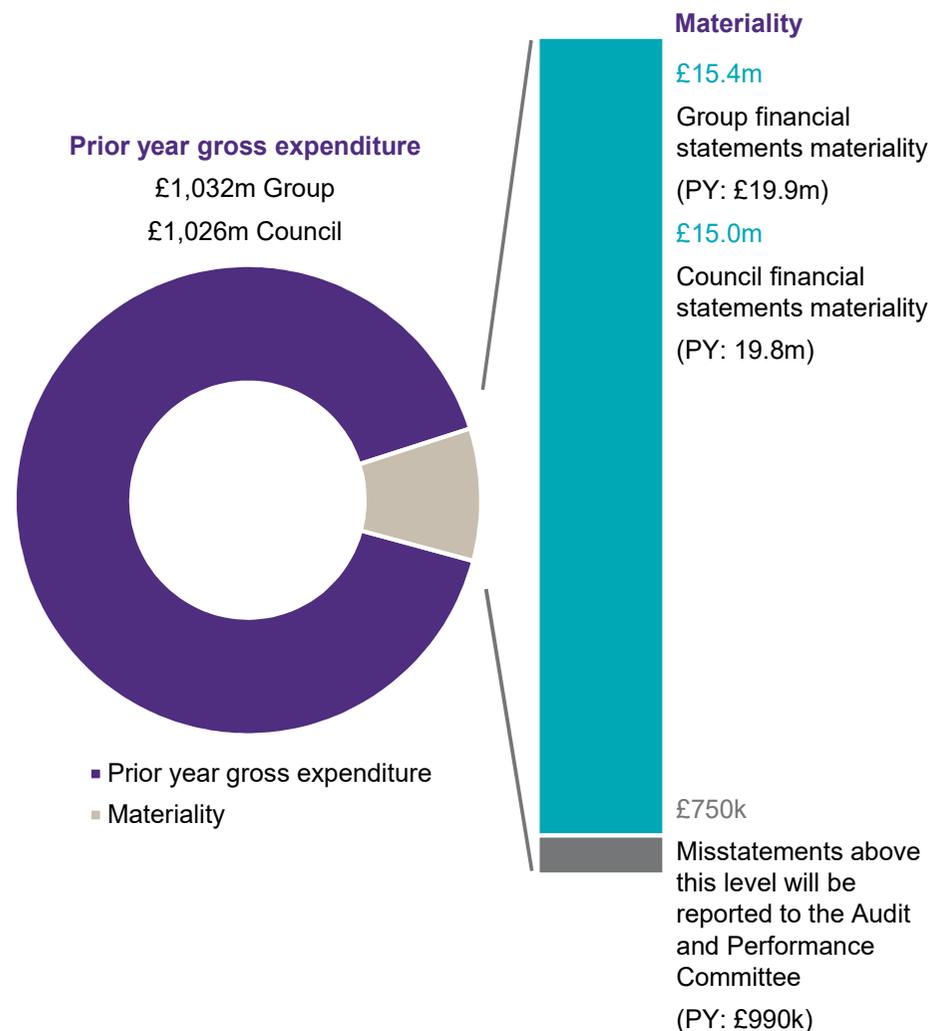
We re-consider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

## Matters we will report to the Audit and Performance Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Performance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the group and Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £750k (PY £990k). In the context of the Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £709k (PY £709k).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Governance Committee to assist it in fulfilling its governance responsibilities.



# 8. Value for Money arrangements

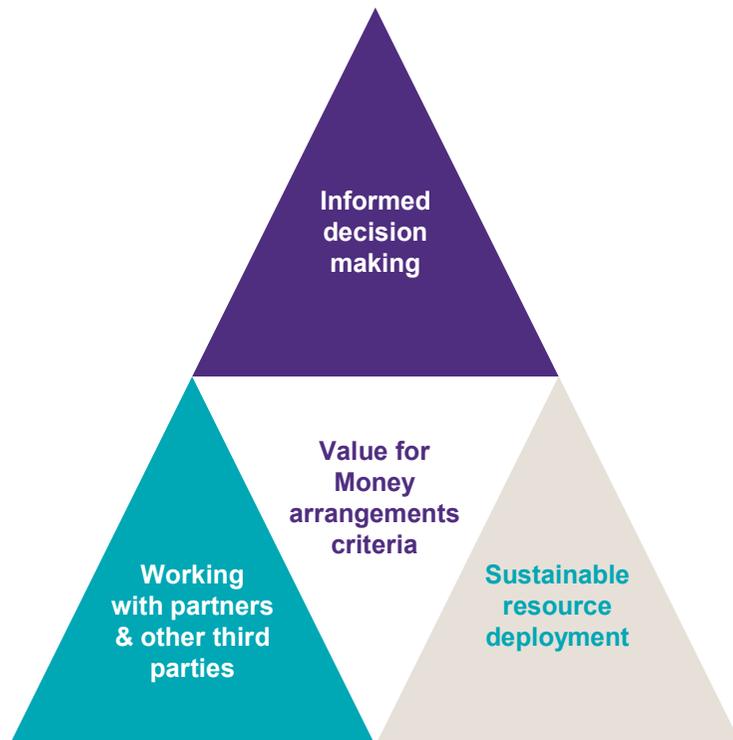
## Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

The guidance identifies one single criterion for auditors to evaluate:

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

This is supported by three sub-criteria, as set out below:



## Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.

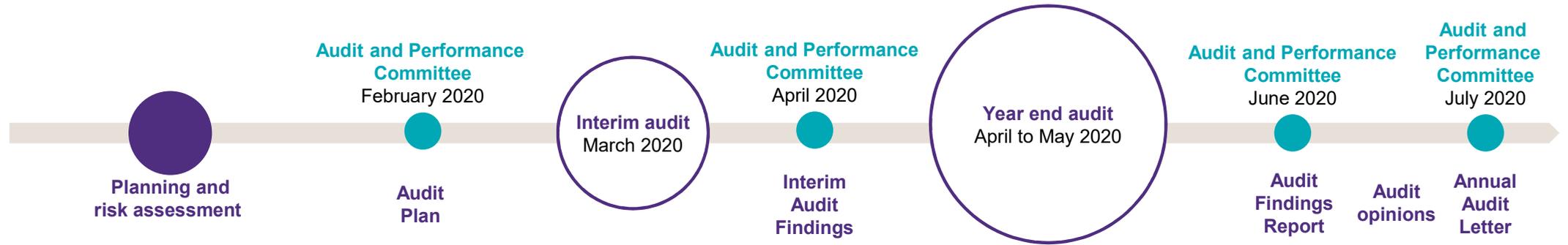


### Management of Capital Projects

The Council's capital programme includes a number of key projects and investments, which are significant both in scale and financial terms. The Council recognised that several of these schemes continue to be subject to significant slippage. We will undertake the following work:

- Review the Council's budgeting and timescales for delivery of projects to determine whether these are realistic.
- Review the Council's project management processes that ensure delivery of projects to time and budget.
- Analyse the reasons for slippage and determine whether these are outside of the Council's control.

# 9. Audit logistics & team



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### Paul Dossett, Engagement Lead

Paul will be the main point of contact for the Chief Executive, statutory officers and Members. Paul will share his wealth of knowledge and experience across the sector providing challenge, sharing good practice, providing pragmatic solutions and acting as a sounding board with Senior Management and the Audit and Performance Committee. Paul will ensure our audit is tailored specifically to the Council and Fund and is delivered efficiently. Paul will review all reports and the team's work focussing his time on the key audit risks.



### Laurelin Griffiths, Council Audit Manager

Laurelin will support Paul in his work to ensure the early delivery of audit testing, but with a focus on issues relating to the Council. She will lead on a number of complex accounting issues. Laurelin will attend Audit and Performance Committee meetings and draft reports, ensuring they remain clear, concise and understandable to all. She will also be responsible for undertaking reviews of the team's work.



### Paul Jacklin, Senior Manager

Paul will work with the senior members of the finance and executive teams, ensuring early delivery of testing and agreement of accounting issues on a timely basis. Paul will attend Audit and Performance Committee meetings, undertake reviews of the team's work and draft reports. Paul will work with Internal Audit to secure efficiencies and avoid duplication, providing assurance for the Annual Governance Statement.



### Marc Chang, Pension Fund Audit Manager

Marc will be the day to day contact for the Pension Fund audit. Marc will monitor the deliverables, highlight any significant issues and adjustments to senior management, draft reports and review the team's work.

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# 9. Audit logistics & team continued

## Client responsibilities

Where clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

## Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- Produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement.
- Ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you.
- Ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples.
- Ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit.
- Respond promptly and adequately to audit queries.

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# 10. Independence & non-audit services

## **Auditor independence**

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

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# Appendices

**A. Audit Quality – national context**

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# Appendix A: Audit Quality – national context

## What has the FRC said about Audit Quality?

The Financial Reporting Council (FRC) publishes an annual Quality Inspection of our firm, alongside our competitors. The Annual Quality Review (AQR) monitors the quality of UK Public Interest Entity audits to promote continuous improvement in audit quality.

All of the major audit firms are subject to an annual review process in which the FRC inspects a small sample of audits performed from each of the firms to see if they fully conform to required standards.

The most recent report, published in July 2019, shows that the results of commercial audits taken across all the firms have worsened this year. The FRC has identified the need for auditors to:

- improve the extent and rigour of challenge of management in areas of judgement
- improve the consistency of audit teams' application of professional scepticism
- strengthen the effectiveness of the audit of revenue
- improve the audit of going concern
- improve the audit of the completeness and evaluation of prior year adjustments.

The FRC has also set all firms the target of achieving a grading of '2a' (limited improvements required) or better on all FTSE 350 audits. We have set ourselves the same target for public sector audits from 2019/20.

## Other sector wide reviews

Alongside the FRC, other key stakeholders including the Department for Business, energy and Industrial Strategy (BEIS) have expressed concern about the quality of audit work and the need for improvement. A number of key reviews into the profession have been undertaken or are in progress. These include the review by Sir John Kingman of the Financial Reporting Council (Dec 2018), the review by the Competition and Markets authority of competition within the audit market, the ongoing review by Sir Donald Brydon of external audit, and specifically for public services, the Review by Sir Tony Redmond of local authority financial reporting and external audit. As a firm, we are contributing to all these reviews and keen to be at the forefront of developments and improvements in public audit.

## What are we doing to address FRC findings?

In response to the FRC's findings, the firm is responding vigorously and with purpose. As part of our Audit Investment Programme (AIP), we are establishing a new Quality Board, commissioning an independent review of our audit function, and strengthening our senior leadership at the highest levels of the firm, for example through the appointment of Fiona Baldwin as Head of Audit. We are confident these investments will make a real difference.

We have also undertaken a root cause analysis and put in place processes to address the issues raised by the FRC. We have already implemented new training material that will reinforce the need for our engagement teams to challenge management and demonstrate how they have applied professional scepticism as part of the audit. Further guidance on auditing areas such as revenue has also been disseminated to all audit teams and we will continue to evolve our training and review processes on an ongoing basis.

## What will be different in this audit?

We will continue working collaboratively with you to deliver the audit to the agreed timetable whilst improving our audit quality. In achieving this you may see, for example, an increased expectation for management to develop properly articulated papers for any new accounting standard, or unusual or complex transactions. In addition, you should expect engagement teams to exercise even greater challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. As a result you may find the audit process even more challenging than previous audits. These changes will give the audit committee – which has overall responsibility for governance - and senior management greater confidence that we have delivered a high quality audit and that the financial statements are not materially misstated. Even greater challenge of management will also enable us to provide greater insights into the quality of your finance function and internal control environment and provide those charged with governance confidence that a material misstatement due to fraud will have been detected.

We will still plan for a smooth audit and ensure this is completed to the timetable agreed. However, there may be instances where we may require additional time for both the audit work to be completed to the standard required and to ensure management have appropriate time to consider any matters raised. This may require us to agree with you a delay in signing the announcement and financial statements. To minimise this risk, we will keep you informed of progress and risks to the timetable as the audit progresses.

We are absolutely committed to delivering audit of the highest quality and we should be happy to provide further detail about our improvement plans should you require it.



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## Audit and Performance Committee Report

<b>Date:</b>	5 February 2020
<b>Classification:</b>	General Release
<b>Title:</b>	Maintaining High Ethical Standards at the City Council
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	N/A
<b>Report of:</b>	Tasnim Shawkat, Bi-Borough Director of Law and Monitoring Officer.
<b>Author:</b>	Hazel Best Principal Lawyer, Bi-Borough Legal Services Email: <a href="mailto:hbest@westminster.gov.uk">hbest@westminster.gov.uk</a>

### 1. Executive Summary

- 1.1 This annual report to the Audit and Performance Committee is submitted in accordance with the Committee's term of reference as follows:

*"To maintain an overview of the arrangements in place for maintaining high ethical standards throughout the Authority and in this context to receive a report annually from the Director of Law".*

The Director of Law also serves as the Council's Monitoring Officer which is a statutory appointment under the provisions of Section 5 of the Local Government and Housing Act 1989. One of the roles of the Monitoring Officer is to advance good governance and ensure the highest standards of ethical behaviour are maintained through the effective discharge of their statutory duties.

- 1.2 'Ethical governance' lies at the very heart of the way in which an organisation is run, how its business is transacted and how its decisions are taken. In January 2019 the Committee on Standards in Public Life published a report following its review of ethical standards in local government. The covering letter to the report by the Chair stated that local government impacts the lives of citizens every day providing essential services to those it serves. Its decisions directly affect the quality of lives of local people. High standards of conduct in local government are

needed to demonstrate that those decisions are taken in the public interest and to maintain public confidence. The recommendations of the review have been discussed at Standards Committee

1.3 At the City Council we recognise that ethical governance is not simply a matter for the 'decision-makers at the top' but is applicable to all those who work for or in conjunction with the organisation – our elected Members, our staff and our contractors are all expected to adhere to the highest standards of conduct and behaviours. In this context the report will detail how we maintain ethical governance in each case. In compiling this report the Director of Law relies on information provided by or on behalf of Directors of a number of services. The areas covered in this year's report are the following:

- Tri-Borough Internal Audit Service;
- Ethical governance complaints monitoring
- Ethical governance at Member-level;
- Ethical governance in relation to staff and service areas
- Ethical governance in relation to the Council's contractors and procurement.

## **2. Recommendations**

- 2.1 That the annual report and actions taken to maintain high standards of ethical governance throughout the authority be noted
- 2.2 That the Committee suggest any areas of ethical governance which have not been addressed in this report, for inclusion in the next annual report

## **3. Tri-Borough Internal Audit Service**

3.1 The Council's Internal Audit & Fraud Investigation Service reviews policies, procedures and governance arrangements across the Council's Services and promotes a culture of zero tolerance in respect of fraud, corruption and mismanagement. Fraud awareness training is available to service areas where a need has been identified and a fraud internet page informs staff of emerging fraud risks, encourages fraud reporting and to maintains awareness ([Fraud page](#)).

## **How Ethical Governance Complaints are dealt with**

3.2 The [Council's Anti-Fraud & Corruption Strategy 2016-2020](#) (current strategy extended to 2020) sets out the Council's overall policy on fraud and corruption and states that if fraud, corruption or any misconduct directed against the Council is suspected, this should be reported immediately. The Council's strategy aligns to the national strategy published by the Local Government Association (LGA). The LGA will shortly be issuing an updated strategy and the Council will then

review its current strategy and refer the updated strategy to the Committee for approval.

- 3.3 The Officers' Code of Conduct reinforces the requirement for all staff to be vigilant and describes how they should raise any concerns they may have. Further guidance is also provided in the Council's Whistleblowing at Work policy and the Fraud Response Plan.
- 3.4 Support from members of the public is also important in combating fraud and corruption, and facilities are provided to enable them to report their concerns, including an electronic "Report a Fraud" facility on the internet and a more traditional Fraud Hotline. The majority of referrals via these channels provide information regarding unlawful subletting, the abuse of residents' or disabled parking badges. Fraud referrals in respect of welfare benefits are redirected to the Department for Work and Pensions.
- 3.5 The Council's Fraud Response Plan provides guidance on the action to be taken when a fraud or corruption complaint is received, and details action to be taken to ensure the Council can;
- Minimise and recover losses
  - Establish and secure evidence necessary for criminal and disciplinary action
  - Take disciplinary action against those involved
  - Review the reasons for the incident and ensure that actions are implemented to strengthen procedures and prevent recurrence.
- 3.6 Any suspicion of fraud will be treated seriously and will be investigated in accordance with the Council's procedures and the relevant legislation including the Fraud Act 2006.

#### **4. Ethical Governance Complaint Monitoring**

- 4.1 As part of the arrangements in place for maintaining high ethical standards throughout the Authority, on 15 March 2007 the Standards Committee endorsed a definition of what constitutes an ethical governance complaint so that Departments can identify and refer any ethical governance complaints to the appropriate persons, and consistently record such complaints.

The definition of an ethical governance complaint as endorsed by the Standards Committee is as follows:

*"An alleged breach of the high standards of ethical conduct set out in the codes of conduct for officers and Members"*

- 4.2 As the Tri-Borough Internal Audit Service investigate allegations of fraud, bribery and corruption, it is not appropriate for such ethical governance complaint issues

to be investigated under the Council's normal complaints procedure. However, if such a complaint is raised under the complaint's procedure, the complainant will be advised that the matter will be referred to the Fraud Investigation Team to take the appropriate action.

- 4.3 The Corporate Complaints Team is a distinct service to that of the Fraud Investigation Team and is based within the Corporate Services Department. The team has overall responsibility for the management and development of the Corporate Complaints procedure and for the compilation of the Annual Complaints Review. The Annual Complaints Review for 2018/19, which went to Audit and Performance Committee on 27 November 2019, did not report on any complaints which meet the definition of an ethical governance complaint as none were reported to the Complaints Team. Adults and Children Social Care Services each have their own separate statutory complaints procedure. Neither have received any complaints which meet the definition of an ethical governance complaint.
- 4.4 As part of monitoring ethical governance complaints service areas are reminded on a quarterly basis what constitutes an ethical governance complaint, and they are also asked if any ethical governance complaints have been dealt with under the Council's complaint procedure. It is not unusual for Departments to report that no ethical governance complaints have entered the complaints procedure and as already explained it is a matter of general practice that allegations of this nature are usually referred to Internal Audit for investigation as appropriate.

## **5. Ethical governance at Member-level**

- 5.1 The Council's Standards Committee meets three times per annum. At its meeting on 21 March 2019 the Committee discussed the report by CSPL on ethical standards in local government and noted the recommendations and points of best practice highlighted by the review. The review had examined structures, processes and practices in local government for

- Maintaining codes of conduct for local councillors
- Investigating alleged breaches fairly and with due process
- Enforcing codes and imposing sanctions for misconduct
- Declaring interests and managing conflicts of interest; and
- Whistleblowing

And

- Assessed whether the existing structures, processes and practices were conducive to high standards of conduct in local government
- Made 26 recommendations for how they could be improved and 15 points of best practice

The review highlighted that Leadership is essential in embedding an ethical culture. The Monitoring Officer has quarterly meetings with the Leader and

meetings with the Group whips to discuss any standards issues. The previous Leader was invited and attended the Standards meeting on 21 March 2019 for a question and answer session on ethical standards. The new Leader will be invited to attend the next Standards Committee.

- 5.2 A further report in relation to the CSPL recommendations was considered at the Standards Committee on 12 July 2019. The report appended a list of the review's recommendations and set out who was the responsible body i.e whether it can already be implemented by a Local Authority or if it requires legislative change, and, whether the Council has already adopted the recommendation or best practice. (include link to list). The Committee agreed to enhance the wording of the provision in relation to bullying and harassment in the Members Code of Conduct and to adopt the Cabinet Office principles for accepting gifts or hospitality. The proposed changes were endorsed by the General Purposes Committee on 11 September 2019 and agreed at the Council meeting on 18 September 2019.
- 5.3 In last year's annual update the Monitoring Officer referred to the Council's commissioning of an independent review of its planning service by the Planning Advisory Service (PAS) in 2018 and at its meeting on 25 October 2018, Cabinet considered the findings of the review. Cabinet made several recommendations on the findings one which was to improve the openness and transparency of the planning system. In January 2019 the Council introduced the procedure for public speaking at Planning sub-committee meetings. The Council has also updated the guide for Members of Planning Committees across a range of issues including, but not limited to, standards of conduct and probity in decision making.
- 5.4 On 19 December 2019 the LGA published an updated guide in relation to probity in planning concerning the role of councillors and officers in the planning process. The Council will review its guide referred to in paragraph 5.3 to consider whether it needs to be updated.
- 5.5 The LGA has introduced a new programme of work – Civility in Public Life. Part of this programme is to review the members code of conduct. The consultation will commence shortly, date to be announced with a view to the LGA taking a recommendation to their Annual General Meeting in July 2020. The Council can participate in the consultation and it is anticipated this will be discussed at the Standards Committee.
- 5.6 The Monitoring Officer has considered five complaints alleging a breach of the Members Code of conduct. The monitoring Officer, in consultation with one of the Independent Persons decided that the criteria was not met to investigate four of the complaints. The Monitoring officer, in consultation with one of the Independent Persons did consider that the criteria was met in relation to the fifth complaint. The complaint was resolved without having to refer it to the Standards Committee.

5.7 Ethical standards were included in the Members' Development Programme, as part of a mandatory Code of Conduct session following the local elections in 2018. All re-elected councillors and newly elected Councillors attended the mandatory session led by or on behalf of the Monitoring Officer. Refresher training sessions were held for Members on ethical standards and diversity in October and November 2019.

**6. Ethical Governance in relation to staff and service areas**

6.1 The public is entitled to expect the highest standards of conduct from all Westminster City Council employees.

6.2 The law, the Council's Constitution, Code of Governance, Terms and Conditions of Employment, policies and procedures all bear on the way Council employees carry out their duties. The main provisions are summarised in the Council's Code of Conduct for employees. The employee guide to the Code of Conduct details source documents such as HR Policies where more comprehensive information can be found.

6.3 Breaches of the Code may result in action under the Council's Disciplinary Code. The Code is published on the Council's intranet and forms part of corporate induction for all new starters

**People Services**

**Details of Staff Disciplinary Cases and Whistleblowing / Grievance issues**

6.4 Details of staff disciplinary cases, grievance cases and whistleblowing issues throughout the authority, excluding schools, categorised by issue, are set out below. Details of all cases are monitored by People Services who review these and flag up any issues arising. The level of disciplinary cases are regarded as normal in an organisation the size of the City Council.

An overall three-year trend:

	2016 - 2017		2017 - 2018		2018 – 2019		Trend
	Closed	Open	Closed	Open	Closed	Open	
Disciplinary	11	1	9	8	11	15	Increased
Staff employed	1809		1869		1890		

- The council concluded 11 disciplinary cases in total in the 2018/2019 financial year (this excludes schools).

- There were 4 cases opened in 2018/2019 that remained open going forward to the new financial year. These are all now concluded.
- The outcome of those disciplinary matters closed in 2018/19 were:

<b>Outcome</b>	No Case to answer	Formal Written Warning	Final Written Warning	Dismissal	Resigned	Left by mutual agreement
<b>Closed Cases</b>	3	2	1	2	3	0

There has not been any case which would fall under the remit of ethical governance. In general, the issues included: allegations of inappropriate comments being made both to colleagues and on social media, sexual harassment, bringing the Council into disrepute, actions which could have resulted in the harm of others and allegations of a safeguarding nature.

The disciplinary cases have occurred in a number of services across the Council. Given the small number of cases there is no evidence that there are systemic weaknesses or problems of unethical conduct in the Council or in any particular department.

In 2018 / 2019 there were 3 whistleblowing matters raised. These cases were all concluded within the year, 1 case was upheld leading to disciplinary action and the dismissal of the individual identified, 1 case was partially upheld and formed part of a wider independent review and 1 case was found to be sent with malicious intent and so was not upheld.

There were 9 individual grievance cases opened within the stated period and 7 brought forward from the previous year, 13 cases in total were closed and 3 remained open going forward to the next financial year. These cases have all now been concluded.

The outcome of those cases closed within 2018/2019 were;

Outcome	Not Upheld	Upheld	Partially Upheld	Dealt with Informally	Withdrawn
Closed Cases	5	4	3	0	1

- The general themes to the grievances do not highlight any concerns of unethical conduct.
- Although around half the cases closed are indicated as being either upheld or partially upheld we do not deem there to be a widespread cultural issue of harassment and bullying across Westminster's management. For these cases

there were management learnings highlighted and implemented. We continually monitor this important matter in our annual staff survey so that any area of concern can be highlighted to senior officers.

- The below table shows the results for the September 2019 staff survey. The 'yes' figure has increased by 2% and the 'prefer not to say' has decreased by 2% also.

In the last year, whilst working for the council, I have personally experienced bullying and/or harassment	2019	2018	2017	Trend for 2018 - 19
Yes	11%	9%	11%	+2%
No	80%	81%	81%	-1%
PNTS	8%	10%	8%	-2%

### Staff Declarations of Interest and Receipt of Gifts and Hospitality

- 6.5 The Council requires all employees to disclose any interests which may conflict with their public duty by completing a Declarations of Interests Form. The form is accessible from the Council's intranet, The Wire. The Council also requires all employees in specified designated<sup>1</sup> posts to complete a Declarations of Interests Form on taking up the post and on any change in personal circumstances. Employees are further prompted to disclose whether they have any such interests when completing their annual performance appraisal form.
- 6.6 ELT members or their nominated officer will use the information on Declaration of Interests Forms to compile and maintain a register of pecuniary and personal interests for their area of responsibility. Each ELT member will review their register and consider whether any steps need to be taken to avoid conflict when relevant employees complete and resubmit forms. The register is not available for public inspection and there is no statutory requirement to make them available. However, subject to any exemptions which may apply, information contained within the register will be disclosed in accordance with the Freedom of Information Act 2001.
- 6.7 Every endeavour is made to keep the registers up to date but the onus is on employees to ensure that their registration details are accurate and up to date.

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#### <sup>1</sup> Designated Posts

- all posts at Band 5 or above level or their non-Reward equivalent
- any post referred to on a Directorate / Unit Scheme of Delegation for contract purposes; and
- any other post as determined by the EMT member or their nominated officer where the post holder has a significant involvement in contract matters or other work which requires a high level of transparent probity.

Information will be maintained and held on the register during the employees' employment and for six years thereafter. In addition to completion of the declaration of interests form, employees must also declare any interests at meetings as appropriate. Failure to disclose such interests may lead to disciplinary action under the council's policies.

### **Staff Receipt of Gifts and Hospitality**

- 6.8 The Council also provides managers and employees with guidance as to when they can legitimately receive or give gifts and hospitality during the course of their duties. Without exception all gifts and hospitality given and received, whether accepted or declined, must be entered in the designated corporate register immediately after the offer is made. Given that the Council is a public body it is essential that all such items are recorded in an easily accessible and efficient way. To this end, an online Gifts and Hospitality Register has been implemented and been used since 19 December 2006. The corporate Gifts and Hospitality Register is maintained and reviewed by the designated monitoring officer on a regular basis. This is currently the Audit Manager.

## **7. Ethical Governance guidance and safeguards in relation to the Council's contractors and procurement**

- 7.1 The Council's Standing Orders and the Procurement Code set out the requirements which must be followed in respect of all procurement and contract management activity. The Code states that the Council expects all officers involved in procurement activity to ensure they are aware of and comply with all legislation, corporate strategies and policy; to take the necessary action to formally disclose situations of potential, perceived or actual conflict of interest; to behave with the highest levels of probity and integrity, making specific reference to the Bribery Act 2010 and the Council's Code of Conduct.
- 7.2. The Code informs officers of the appropriate governance and procurement assurance processes to be followed, as well as the approvals that must be obtained to ensure good business practices are applied and risks are minimised. It reflects the EU Treaty principles to drive competition and to ensure compliance with public procurement law.
- 7.3. Procurement Services support officers with best practice advice, guidance through the stages of the procurement and contract lifecycle and will lead on all procurement activity valued at £100,000 or more.
- 7.4. Following an extensive review of procurement, a number of transformational changes are now being implemented that will strengthen the service and the support it provides to each business area. The new service becomes effective from April 2020. The main changes include;

- The implementation of a 'Business Partner' operating model – which is designed to embed good commercial practice and oversight across all business areas;
- Consolidation of the procurement activity previously undertaken in Adults and Children's Shared services. This will create a combined centre of expertise offering greater scale and resilience, common standards and a single way of doing things;
- A standard governance model for all procurement activity - with greater emphasis on early engagement, constructive challenge and transparency;
- A stronger commitment to professional development and performance improvement at all levels.

## **8. Conclusion**

- 8.1 This report provides the Committee with an overview of the arrangements in place across the Council to maintain high standards of ethical governance and highlights the work which has been undertaken in this respect during the 2018-2019. As detailed in this report, action has been taken to ensure the Council is fully compliant with legislation relating to ethical governance and to ensure Officers' and Members' responsibilities in this context are communicated accordingly. Appropriate systems are in place to facilitate the reporting of ethical governance complaints and defined mechanisms and procedures exist to ensure any such complaints are dealt with in the correct way.

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

### **BACKGROUND PAPERS:**

[Report to Standards Committee 21 March 2019 Review of Local Government Ethical Standards by CSPL](#)

[Report to Standards Committee 12 July 2019 Implementation of recommendations by CSPL](#)



## Audit and Performance Committee Report

<b>Meeting or Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	5 <sup>th</sup> February 2020
<b>Classification:</b>	General Release
<b>Title:</b>	Period 8 Finance Report
<b>Key Decision:</b>	Review and challenge officers on the contents of the report
<b>Report of:</b>	Gerald Almeroth, Executive Director of Finance and Resources.

### 1. Executive Summary

1.1 The Period 8 Performance Report presents detailed results for the period to November 2019 against the 2019/20 approved budget. The report provides explanations and commentary in respect of forecast variances to budget.

### 2. Recommendations

2.1 Committee notes the content of the report.

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

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

### 3 Reasons for Decision

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

### 4 Background, including Policy Context

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

## 1. Key Messages

- 1.1 The period 8 monthly Revenue Monitoring report projects a £0.761m (0.4%) underspend.
- 1.2 If all risks and opportunities are realised against the budget the underspend will increase to £1.111m (0.6%).
- 1.3 The period 8 monthly capital monitor includes adjusted budgets as at the midway point of the financial year. These budgets adjustments are pending formal Cabinet Member sign off. However, if compared to the latest forecasts, there is a variance of £24.252m on expenditure and £2.493m against income, representing a net underspend of £21.759m.
- 1.4 At the end of period 8 the Housing Revenue Account is forecasting an overall surplus of £4.057m. This is an adverse variance of £5.736m compared to budget.
- 1.5 At the end of period 8, the forecast gross capital expenditure outturn for the HRA is £142.771m resulting in a total variance of £7.083m compared to the budget of £149.854m.

## 2. Revenue – Forecast Outturn

- 2.1 The period 8 monthly Revenue monitoring report projects a £0.761m underspend against budget with net opportunities of £0.350m. These continue to be monitored closely.
- 2.2 The table below shows a summary of forecast variances, risks and opportunities by Cabinet portfolio.

<u>Cabinet Portfolio</u>	Full Year Budget (£m)	Full Year Forecast (£m)	Full Year Variance (£m)	Risks Identified (£m)	Opps Identified (£m)	Projected Variance inc Opps and Risks (£m)
Leader of the Council	8.861	8.915	0.054	0.000	0.000	0.054
Deputy Leader, Environment and City Management	(14.349)	(14.269)	0.080	0.500	(0.650)	(0.070)
Customer Services and Digital	12.634	12.376	(0.258)	0.100	0.000	(0.158)
Economic Development, Education and Skills	7.823	8.805	0.982	0.000	0.000	0.982
Family Services and Public Health	78.636	78.172	(0.464)	0.000	(0.250)	(0.714)
Finance, Property and Regeneration	46.355	44.780	(1.575)	0.600	(0.800)	(1.775)
Housing Services	23.284	23.384	0.100	0.200	0.000	0.300
Deputy Leader Place Shaping and Planning	1.411	1.411	0.000	0.000	(0.350)	(0.350)
Public Protection and Licensing	9.283	9.283	0.000	0.000	0.000	0.000
Sports, Culture and Community	8.046	8.366	0.320	0.300	0.000	0.620
<b>NET CONTROLLABLE BUDGET</b>	<b>181.984</b>	<b>181.223</b>	<b>(0.761)</b>	<b>1.700</b>	<b>(2.050)</b>	<b>(1.111)</b>
Council Tax*	56.674	56.674	-			
Business Rates - Net of Tariff*	125.310	125.310	-			
<b>CORPORATE FINANCING</b>	<b>181.984</b>	<b>181.984</b>	<b>0.000</b>			
<b>NET (SURPLUS) / DEFICIT</b>	<b>-</b>	<b>(0.761)</b>	<b>(0.761)</b>			

<b>Housing Services</b> (Housing Revenue Account)	Full Year Budget (£m)	Full Year Forecast (£m)	Full Year Variance (£m)	Risks Identified (£m)	Opps Identified (£m)	Projected Variance inc Opps and Risks (£m)
(Housing Revenue Account)	<b>(9.793)</b>	<b>(4.057)</b>	5.736	-	<b>(1.000)</b>	4.736

### 2.3 Period 8 Forecast Outturn by Cabinet Portfolio

#### Leader of the Council (Councillor Nickie Aiken)

- 2.3.1 At the end of period 8, the portfolio is reporting an overspend of £0.054m against a £8.861m annual budget.
- 2.3.2 Some of the main drivers for the overspend are one-off design fees of £0.154m to support various campaigns and council initiatives, an under recovery in income target for events, filming and park hire of £0.350m and other net overspends of £0.130m. These are offset by underspends in the Policy and Projects service of £0.381m and a reduction of pay expenditure across the portfolio due to careful management of staff costs of £0.307m.
- 2.3.3 No opportunities or risks are reported within this portfolio as at period 8.

#### Environment and City Management (Councillor Tim Mitchell)

- 2.3.4 At the end of period 8, the portfolio is reporting an overspend of £0.080m, an improvement of £0.520m since period 6.
- 2.3.5 This reflects a shortfall on Parking of £1.400m partially offset by Roads Management income £0.400. This is also offset by the forecast over recovery of income from Commercial Waste of £0.920m - reflecting an improvement of £0.620m from the reported position at period 6. This is due to revised forecasts for special events and container collections.
- 2.3.6 There is a risk of £0.500m still held against a potential downward turn in suspensions income which is currently offsetting the under recovery in other income streams for parking.
- 2.3.7 There is a reported opportunity of £0.650m within this portfolio.
- 2.3.8 An opportunity on the Road Management income (£0.300m) based on volumes of temporary traffic orders and temporary structure licences processed continue to match expectations.

2.3.9 A potential opportunity of (£0.150m) due to the existing rollout of LED lighting is now being highlighted while a further review of spend takes place.

2.3.10 An opportunity (£0.200m) relating to further over-recovery of commercial waste income in the Waste and Parks service.

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

2.3.11 At the end of period 8, the portfolio is forecasting an overspend of £0.982m to the annual budget of £7.823m. The adverse variance in Education relates to increased activity above that budgeted for, in relation to Short Breaks Respite Placements £0.328m and Passenger Transport totalling £0.309m. The Education Service also has a pressure of £0.345m against the employees' budget.

2.3.12 No risks or opportunities reported at period 8.

#### Customer Service and Digital (Councillor Paul Swaddle)

2.3.13 At the end of period 8, the portfolio is now forecasting an underspend of £0.258m against a budget of £12.634m. Mainly driven by contract expenditure with Agilisys being less than budget by £0.152m and offset by £0.062m due to one-off additional project resource costs incurred primarily to help embed the new Customer Relationship Management (CRM) system that went live in April 2019. Careful management of staff costs has also contributed £0.168m.

2.3.14 The portfolio has a reported risk of £0.100m at period 8 largely due to using external contractors to support increased demands on the Information service.

2.3.15 No reported opportunities within this portfolio.

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

2.3.16 At the end of period 8, the portfolio is forecasting an underspend of £0.464m against a budget of £78.636m.

2.3.17 At the end of period 8, Adult Social Care is forecasting a £0.320m underspend against the core budget of £54.256m. This is after allocation of one-off funding received such as the Winter Pressures Funding of £1.323m and Improved Better Care Fund (iBCF) of £15.807m for 2019/20.

2.3.18 The Public Health (PH) service is reporting an overall nil variance. The service is fully-funded by a Department of Health (DoH) grant, in addition to the budgeted drawdown from the accumulated Public Health reserve. This is because the PH funding is ringfenced. The budget for 2019/20 includes an in year DoH grant of £30.425m plus £1.425m from the PH earmarked reserve. As at period 8, the amount required from the reserve has been forecast at £0.155m less than budgeted due to an underspend in commissioned services.

2.3.19 Most of the budgeted expenditure is commissioned from third party providers on block and activity driven contracts. The department regularly reviews and updates

contract performances and spending patterns to identify current trends as and when more activity information is received.

2.3.20 Children's Services are forecasting an underspend of £0.144m. Further details are set out below.

2.3.21 The Family Services team are reporting an underspend of £0.068m

2.3.22 Operations and Programmes team is forecasting a net underspend of £0.096m

2.3.23 These underspends are being offset by some minor overspends of £0.020m within the Children's Commissioning and the Operations and Programmes services.

2.3.24 There is a reported opportunity of (£0.250m) within Adult Social care relating to a potential increase in recharges to Health with regard to a specific cohort of clients. The data is currently being reviewed and this is therefore an estimated amount until the review is completed. The outcome of this should become clearer by early 2020.

2.3.25 There is no reported risk at period 8

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

2.3.26 At the end of period 8, the portfolio is reporting an underspend of £1.575m against a budget of £46.355m.

2.3.27 This is primarily attributable to the £1.100m reported underspend from interest earnings due to a further increase in average cash balances available for investment and yields being higher than the assumptions in the budget.

2.3.28 Projected reductions in cash balances in future years and the general uncertainty over future yields mean that this over recovery is expected to be one off rather than recurring.

2.3.29 Underspends of £0.540m are being reported in the Revenue and Benefits service relating to savings on their contracts now confirmed by their service providers.

2.3.30 Some other minor overspends in the Coroner's, Local Land Charges and Electoral Services of £0.065m offset the above underspends.

2.3.31 There is a reported risk of £0.600m within the portfolio,

2.3.32 A risk of £0.500m from increased card payment charges which is primarily driven by large NNDR payments being made by credit card. Mitigations are being investigated.

2.3.33 Within Legal Services a risk is being reported relating to an under recovery of the internal trading target £0.100m to fully recover all Legal direct and indirect service costs.

2.3.34 Total opportunities of £0.800m have been identified in period 8 made up as below;

2.3.35 A new opportunity of £0.600m as a result of continuing higher than anticipated cash balances.

2.3.36 An opportunity of £0.200m within Procurement services relating to an over recovery of a management charge for the Matrix contract. The charge to council services is linked to spend on temporary staff.

#### Housing Services – General Fund (Councillor Andrew Smith)

2.3.37 At the end of period 8, the portfolio is forecasting £0.100m overspend against a budget of £23.284m. This was previously reported as a risk.

2.3.38 Due to £0.055m of prior year invoices being charged within Rough Sleeping / Commissioned Support, and the recently reported withdrawal of a £0.045m payment from CCG to part-fund a rough sleeping activity.

2.3.39 Housing Operations also includes an overspend on TA of £1.687m due to an increase in clients housed in TA properties, higher supplier costs and Private Sector Rent costs. This overspend is offset by an additional draw down from the Flexible Housing Support Grant reserve.

2.3.40 There is a reported risk of £0.200m owing to staffing recharges from IT to the Homelessness contract which is still under investigation.

2.3.41 No opportunities are identified at period 8.

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

2.3.42 At the end of period 8 the Housing Revenue Account is forecasting an overall surplus of £4.057m. This is an adverse variance of £5.736m compared to budget.

#### Underspends - £5.647m

2.3.43 The breakdown of the underspends of £5.647m is as below:

2.3.44 A £0.428m net underspend across the service - £0.528m permanent staffing underspends offset against additional £0.351m agency costs and £0.082m increase in the Housing Options recharge, while a £0.332m underspend is forecast across other service areas.

2.3.45 Due to the slippage of the capital programme £2.512m less contribution will be required from revenue.

2.3.46 The General Fund recharge to the HRA has seen a reduction of £1.298m through a detailed analysis of recharges and assessment of the GF position.

2.3.47 £0.500m reduction in capital financing costs as the capital programme is not expecting to borrow in the current financial year

2.3.48 Release of balance sheet reserves £0.909m.

Overspends - £11.382m

2.3.49 Resident Services is reporting an adverse £1.185m variance to budget, due to a net overspend of £1.098m from less rental income (dwelling and non-dwelling) following detailed analysis of income generating properties.

The budget was based on a higher number of rent generating units than identified in the analysis undertaken. The breakdown of dwelling pressure and non-dwelling pressure is £0.765m and £0.333m respectively. Contact centre net overspend £0.225m relates to ongoing Agilisys agency costs, which are higher than budgeted. Estate Services overspend £0.185m mainly due to outstanding CWH Castle Water invoices that were not provided for in 2018/19. Net Salary underspends £0.241m (salary underspend £0.469m against £0.227m agency staff overspend). A net underspend across the remainder of the service totals £0.082m.

2.3.50 Property services is reporting an adverse variance of £3.113m made up of:

2.3.51 Net overspends of £3.965m relating to additional repairs carried out broken down as follows: Planned repairs £0.639m overspent; Reactive repairs £3.103m overspent; Void properties overspend £0.223m; Net salary underspend £0.691m across the service; Professional services (Broadband income) over recovery £0.200m; Thames Water overspend £0.064m other net underspends of £0.135m; Under recovery of Tenant Service income £0.110m.

2.3.52 Asset Strategy is reporting an adverse variance of £7.084m made up as follows: Leaseholder Services for Major works are forecasting a £4.760m overspend to budget as a result of detailed billing analysis carried out on Major Works. This has been reported since period 6. A reduction to the Leaseholder service charge income forecast £0.575m due to the calculation of actual service charge costs to leaseholders based on more accurate review of leaseholder numbers. An additional £0.350m of costs associated with Fire Risk assessment has been identified. Net Staffing overspend £1.005m; a reduction in income rechargeable to capital of £0.240m; an additional £0.074m of costs for the Westminster on Wheels service; net overspend across residual areas total £0.080m.

Place Shaping and Planning *(Councillor Richard Beddoe)*

2.3.53 At the end of period 8, the portfolio is forecasting to a budget of £1.411m with a nil variance.

2.3.54 An identified opportunity of £0.250m at period 8 relating to projections of Planning Income and a new opportunity of £0.100m has been included this month for pay costs

Public Protection and Licensing *(Councillor Ian Adams)*

2.3.55 At the end of period 8, the portfolio is forecasting a budget of £9.283m with a nil variance.

2.3.56 There are no risks or opportunities identified in period 8.

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

2.3.57 At the end of period 8, the portfolio is reporting an overspend of £0.320m against a budget of £8.046m. This is within the Libraries and Registrars service due to the disaggregation of Hammersmith and Fulham from the shared service, a shortfall in income from the Schools Library and historic unachieved savings.

2.3.58 Total risks of £0.300m reported within this portfolio at period 8, as follows:

2.3.59 There continues to be a risk of £0.150m, relating to uncertainty on the VAT position within Registrars (£0.080m) and the ongoing discussions with Pimlico Academy to resolve queries over the SLA (£0.070m).

2.3.60 A new risk of £0.150m has emerged in period 8 in relation to Moberly Leisure Centre, where the actual energy costs after first year of operation are substantially in excess of the estimates made in the contract.

2.3.61 No opportunities identified in period 8.

### 3. Capital – Forecast Outturn

3.1. The Council's General Fund capital projects are currently reporting a forecast gross expenditure of £210.958m and gross income of £69.017m. Capital budgets have been adjusted at the midway point of the financial year and are pending formal Cabinet Member sign off. The variances to original and revised budgets are summarised below:

	<b>Original Budget Apr 2019 £m</b>	<b>Revised Budget Oct 2019 £m</b>	<b>Change in Budget £m</b>
<b>Expenditure Budget</b>	314.393	235.211	79.182
<b>Income Budget</b>	(100.442)	(71.511)	(28.931)
<b>Net Forecast as at P8</b>	141.941	141.941	0.000
<b>Variance - Forecast to Budget</b>	<b>72.010</b>	<b>21.759</b>	<b>50.251</b>

3.2. During the year the capital monitor has identified a number of changes to scheme delivery and budget variances. Adjusting the budget position allows project managers to more effectively monitor their expenditure using more relevant target budgets.

3.3. As noted in the table above expenditure budgets have been reprofiled by £79.182m of which six projects make up the majority of this difference:

- Oxford Street District – £17.5m
- Capital Contingency - £9.6m
- Ceremonial Streetscape - £5.8m
- Lisson Grove Refurb - £4.4m
- Piccadilly Underpass - £3.5m
- Seymour Leisure Centre - £3.4m

3.4. If considered in the context of the Council's overall capital programme, in 2019/20 the Council has over 400 capital projects and six projects (1.5%) account for 55% of the reprofiled budgets across the programme.

The table below summarises the capital programme by directorate and shows the original budget, revised budgets and latest forecasts.

	Original Expenditure Budget	Original Income Budget	Revised Expenditure Budget	Revised Income	Expenditure Forecast	Income Forecast	Expenditure Variance Revised Budget vs. Forecast	Income Variance Revised Budget vs. Forecast	Previous Expenditure Forecast	Expenditure to Date
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Economic Development, Education and Skills	17,957	(15,957)	12,145	(8,213)	12,521	(9,014)	377	(802)	12,519	5,386
Customer Services and Digital	1,503	-	903	-	896	-	(7)	-	903	1,308
Deputy Leader, Environment and City Management	34,313	(9,481)	24,999	(6,847)	25,149	(7,781)	150	(934)	25,564	12,899
Family Services and Public Health	1,606	(1,183)	700	(500)	609	(409)	(91)	91	700	197
Finance, Property and Regeneration	117,166	(7,950)	95,313	(4,081)	82,681	(2,778)	(12,632)	1,303	83,515	23,659
Housing Services	27,411	(18,849)	39,561	(31,001)	38,263	(29,701)	(1,298)	1,300	38,263	23,408
Deputy Leader Place Shaping and Planning	35,394	(1,441)	12,325	(801)	6,532	(1,108)	(5,793)	(307)	10,532	2,743
Deputy Leader, Environment and City Management/Deputy Leader Place Shaping and Planning	51,711	(43,546)	28,514	(18,858)	24,199	(17,015)	(4,315)	1,843	26,965	12,219
Public Protection and Licensing	1,759	(1,162)	1,759	(1,162)	1,759	(1,162)	-	-	1,759	876
Sports, Culture and Community	9,042	(873)	5,484	(48)	4,822	(49)	(662)	(1)	5,423	1,838
<b>Service Area Total</b>	<b>297,862</b>	<b>(100,442)</b>	<b>221,703</b>	<b>(71,511)</b>	<b>197,431</b>	<b>(69,017)</b>	<b>(24,271)</b>	<b>2,493</b>	<b>206,143</b>	<b>84,533</b>
Projects Funded from Flexible use of Capital Receipts	16,531	-	13,508	-	13,527	-	19	-	13,508	1,438
<b>Grand Total</b>	<b>314,393</b>	<b>(100,442)</b>	<b>235,211</b>	<b>(71,511)</b>	<b>210,958</b>	<b>(69,017)</b>	<b>(24,252)</b>	<b>2,493</b>	<b>219,651</b>	<b>85,971</b>

### Funding

	Revised Funding Budget	Funding Forecast	Variance
	(£,000's)		
Grants	(71,511)	(69,017)	2,493
Contributions			-
Revenue Account			-
<b>External Funding Total</b>	<b>(71,511)</b>	<b>(69,017)</b>	<b>2,493</b>
Internal Funding*	(163,700)	(141,941)	21,759
<b>Grand Total</b>	<b>(235,211)</b>	<b>(210,958)</b>	<b>24,252</b>

\* This is by capital receipts or borrowing

## **Period 8 Forecast Outturn by Cabinet Portfolio**

The key movements between the revised budgets and the latest forecasts for each portfolio are outlined below.

### **Economic Development, Education and Skills** *(Councillor Tim Barnes)*

- 3.5.1 As at period 8, the capital programme for this portfolio is forecasting a positive variance of £0.376m compared to a revised budget of £12.145m. This is primarily due to CIL funding that has been approved for 470 Harrow Road and an accelerated programme for this site.
- 3.5.2 Other variances include the Schools Minor Works projects and the Reactive Capitalised Maintenance Works.

### **Customer Service and Digital** *(Councillor Paul Swaddle)*

- 3.5.3 At period 8, the projected expenditure outturn is a minor variance of £0.007m against the revised budget of £0.903m.

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

- 3.5.4 Deputy Leader, Environment and City Management is forecasting a positive variance of £0.150m compared to a revised budget of £24.999m. This is due to a number of variances with some of the key projects highlighted below.
- 3.5.5 Waterloo and Golden Jubilee Bridge - £0.608m – this has been reprofiled into 2020/21 due to an ongoing review of the works. A new start date has subsequently been planned in early 20/21.
- 3.5.6 LED Lighting - £0.269 reprofiled into 2020/21 due to a longer than anticipated lead time in delivery of items.
- 3.5.7 The remaining variances are due to a number of schemes being brought forward or reprofiled into 2020/21. Included within this is reprofiling of budgets within the Public Realm Improvements Schemes programme.

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

- 3.5.8 At period 8, Family Services and Public Health is forecasting a £0.091m variance compared to a revised budget of £0.700m.

3.5.9 The variance is due to the Barnard and Florey project and the protracted negotiations with the landlord NHS Property Services, to establish the leases and secure the required permission to undertake the refurbishment.

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

3.5.10 At period 8, Finance, Property and Regeneration is projecting a variance of £12.632m against a revised budget of £95.313m.

3.5.11 The key drivers of variances in this portfolio are the acquisitions budgets for Church Street and Huguenot House.

3.5.12 There is an underspend of £7.816m in Church Street acquisitions. The provision in the budget included sites A, B and C. However, as site A acquisitions will be held vacant for redevelopment, these units will be purchased directly by the HRA and therefore is not reflected as part of the General Fund budget.

3.5.13 Huguenot House acquisitions have reprofiled £1.999m into future years, reflecting the expected acquisitions achievable in 2019/20.

3.5.14 The remaining £2.817m is reprofiling across the portfolio.

#### Housing Services *(Councillor Andrew Smith)*

3.5.15 At period 8, Housing Services is forecasting a variance of £1.298m against a revised budget of £39.561m.

3.5.16 The Affordable Housing Fund Budget is projecting to reprofile £1.298m into future years. This expenditure is fully funded through Affordable Housing Fund income. Westminster Community Homes (WCH) acquisitions, funded by this budget - at Dolphin Square and Lanark Road have slipped into the next financial year. This is due to the developer being unlikely to reach practical completion of the sites by March. Other allocations have slipped, owing to WCH's decision to focus on the purchase of studio and 1-bedroom properties for which an additional budget of £15.000m has been provided this financial year.

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

3.5.17 At period 8, Deputy Leader, Place Shaping and Planning is forecasting a variance of £5.793m against an original budget of £12.325m.

3.5.18 Oxford Street District accounts for the majority of the variance which is projecting to reprofile £6.000m compared to the budget and has slipped following a delay in appointing the design and the build contractor.

3.5.19 The Harrow Road Place Shaping scheme has brought forward budget of £0.357m in line with the latest programme.

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

3.5.20 At period 8, Environment and City Management/Place Shaping and Planning jointly monitor projects, which are projecting a variance of £4.315m to a revised budget of £28.514m. This is due to a number of schemes which are outlined below.

3.5.21 Christchurch Gardens - £1.000m - Issues in access to the site due to protesters. Court injunction sought and granted which has delayed the start of the programme.

3.5.22 Queensway Streetscape - £0.700m - Phases 3, 4 and 5 will be delivered in the current and the next financial year, which is later than originally planned. The delay in the delivery is due to an extended stakeholder engagement process.

3.5.23 Berkeley Square North - £0.500m – Due to adjacent site works impacting on our phasing of works, this scheme has been reprofiled into 2020/21.

3.5.24 Public Realm Improvement Schemes - £1.547m due primarily to Riding House Street variance of £0.390m as the consultation process is starting later than originally planned. Various other schemes account for the remainder of the variance within this programme.

3.5.25 The remaining £0.568m is reprofiling across the portfolio.

**Public Protection and Licensing** *(Councillor Ian Adams)*

3.5.26 At period 8, Public Protection and Licensing is forecasting to budget.

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

3.5.27 At period 8, Sports, Culture and Community is forecasting a variance of £0.662m against a revised budget of £5.484m. The key driver behind this variance is ongoing delays due to commencement of redecoration works for Church Street, Paddington and Victoria libraries.

3.5.28 The remaining reprofiling variance relates to capital works at Paddington Recreation Ground.

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

4.1 At the end of period 8, the forecast gross capital expenditure outturn for the HRA is £142.771m resulting in a total variance of £7.083m compared to the budget of £149.854m. This reflects the expenditure forecast for Major Works of £45.867m, Housing Regeneration of £70.081m and Other Projects of £26.823m.

Variances within each category as per the original budget are set out in the table below:

Description	Full Year Budget (£'000's)	Forecast P8 (£'000's)	Variance (£'000's)
Major Works	49,353	45,867	(3,486)
Housing Regeneration	66,187	70,081	3,895
Other Projects	34,314	26,823	(7,491)
<b>Total Capital Expenditure</b>	<b>149,854</b>	<b>142,771</b>	<b>(7,083)</b>

##### Major Works

4.2 At period 8 the forecast outturn is an underspend of £3.486m.

4.3 Reprofiling of £3.486m for Major works project is due to the delay in the start of a project which enables communications to leaseholders to prevent issue of Notice of Estimate and engage the residents about projects. The delay will increase the risk of the project slipping into next financial year.

##### Housing Regeneration

4.4 At period 8 there is a forecast overspend of £3.895m.

4.5 A review of anticipated expenditure was conducted during the period to enable development managers to provide a realistic forecast outturn at the end of the year.

4.6 There is reprofiling into future years for Parsons North (£2.975m), Cosway (£2.183m) and Ashbridge (£1.608m) schemes. Parsons North reflects a reprofiling of the scheme in line with the full business case. For Cosway and Ashbridge, the forecast reduction in-year is due to ongoing negotiations relating to the repeater station causing delay to the programme, in addition to anticipated slippage on contract payments with the main contract works unlikely to start in 2019/20.

- 4.7 There is reprofiling into future years of £5.652m for the Ebury acquisitions programme, representing a realistic target to be achieved by the end of the year with the new phasing agreed. There is a forecast overspend on Ebury of £6.491m, which relates to the profile changing from a developer model to self-delivery. In addition to this, increased meanwhile use costs previously unbudgeted for and demolition works brought forward have increased the forecast. Further increases relate to UKPN tranche payment based on drawdown schedule now confirmed, ground source heat pump well tests brought forward, and regeneration-base fit out costs.
- 4.8 Lisson Arches forecasts an overspend of £1.023m as a result of revised utility costs and requirements to complete the enabling works on site. Reduction from period 7 forecast is due to a deferral of the FM Conway enabling works package to next year.
- 4.9 Church Street acquisitions are now being forecast within the HRA for Site A at £10.000m. An increase in professional fees for surveys on the Church Street site has resulted in a forecast overspend of £0.384m.
- 4.10 Luton Street reprofiling into future years of £2.232m reflects the programme changes now confirmed by agreement between the contractors and development team. Improvement works to surrounding blocks are now expected to take place next financial year. Further movements have resulted in a forecast overspend of £0.647m on other schemes.

#### Other Projects

- 4.11 At period 8, the forecast underspend is £7.491m for other projects.
- 4.12 Reprofiling of £1.194m for West End Gate, reflecting a revision in the developer's construction profile moving payments based on valuations forward into 2019/20. The overall cost of the scheme has increased owing to a revision in estimates on the purchase price per unit given similar acquisitions within the area and increased construction costs.
- 4.13 In addition to this, there is reprofiling of £5.976m within the Small Sites programme. This relates to reprogramming of Lapworth Court, Senior Street and Wellington road in phase two of the Infill programme in addition to a tender extension on the packages for the Estate offices. In addition to this, Adpar and Torridon professional fees have been reprofiled into future years to reflect the current programme. Further movements on other schemes have resulted in a net decrease of £0.321m.

## 5. Schools' Balances

### Overview

- 5.1. The Bi-Borough Schools' Finance team provides support to 40 maintained schools and nurseries in the borough of Westminster with total delegated budgets of £44.5m funded from the Schools Block of the Dedicated School's Grant (DSG). In addition, there are 18 academies which have total budgets of £67.6m
- 5.2. The responsibility for school budget management transferred to school governing bodies when Local Management of Schools was introduced in 1988 which was fully implemented in 1992. All school governing bodies are responsible for setting and approving the annual budget plan for their school, including the development of deficit recovery plans (where necessary) which officers review and determine whether to approve recovery plans.
- 5.3. The 2020/21 pupil headcount reduced by a net of 61 (-0.3%) pupils as per the October 2019 census. Primary school numbers fell by 272 (-2.5%), and conversely secondary schools increased by 211 (+2.3%). 76% of school funding is based on pupil numbers. Per pupil funding increased by an average of 3.5%.
- 5.4. 2020/21 Dedicated Schools Grant (DSG) allocations were provided by the Education and Skills Funding Agency (ESFA) in December 2019. The Schools Block figure shows an increase of £3.494m (3.1%) compared to 2019/20.

### Schools with Deficits

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

## Settings with Licensed Deficit Recovery Plans

School Name	Deficit (£)	Deficit Recovery Plan Received
Essendine	87,417	Yes
Portman Early Childhood Centre	167,425	Plan under review
St Luke's	397,456	Yes
Westminster Cathedral	188,835	Yes
All Souls	75,479	Yes
<b>Total</b>	<b>916,612</b>	

5.8. The six remaining schools with deficits at the end of 2018/19 are listed below. Each school planned to eliminate its deficit by reducing 2019/20 in-year expenditure accordingly. However this will not be achieved by four of the schools (marked as \*) who are now required to revisit their deficit recovery plans.

### **Settings managing deficits in-year**

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

## Schools at Risk

- 5.9. Of the eleven schools with a deficit at the end of 2018/19, nine expect to still be in deficit at the end of 2019/20 – and for those with deficit recovery plans this is in line with their plans for this year. On the basis of the latest monitoring information a further six schools are expected to be in deficit at the end of 2019/20 which would result in 15 schools in deficit.
- 5.10. We have ensured that the quality and timeliness of monitoring information from schools has improved significantly and we regularly review monthly monitoring returns, provide training sessions to Governors and headteachers and work closely with Schools Standards and Governor Services to ensure that all schools develop a sustainable medium-term budget to support schools with identifying and implementing mitigating actions. Work on a number of schools has required deep dives into the financial issues so that the school and LA can agree the deficit position while also working on future plans.
- 5.11. Additional support is provided to all schools to implement staffing restructures and maximise income opportunities and ensure value for money in the receipt of

services. We also liaise with both dioceses on: school pupil projections; forecast deficits; financial management; exploring opportunities for joint working between schools and to influence the future strategic direction of schools. and deep dives to deal with specific issues arising

### Managing the Risk

- 5.12. In addition to the support detailed in paragraph 5.10 & 5.11 the following paragraphs detail further action that has or will be taking place to help manage the risks faced.
- 5.13. The Schools Finance team have met and continue to meet with schools with deficits and have worked with them to establish changes required for implementation of sustainable licensed deficit recovery plans. The team also provide Finance training and updates at termly School Business Managers meetings.
- 5.14. An additional fixed term member of staff, with experience of supporting schools with deficit, will commence within the next month, to provide additional challenge and support to those schools without deficit recovery plans as a priority and then those at risk of going into deficit.
- 5.15. As part of the DfE's £2.3m initiative to support struggling schools, the Council has been allocated the services of a school resource management advisor (SRMA) from MLG Education Services. The advisor was to spend two days working on two schools (Portman and St Barnabas), with the remit of providing impartial and expert business advice on making the best use of resources and dealing with financial challenges in the face of current and future deficits. The advisor has been chased for his final report and recommendations. The DfE have also been contacted to pursue the outcome of this work.
- 5.16. Schools resource management is part of the DfE's toolkit comprising of information, training and guidance that aims to help schools with financial planning and resource management. Schools Finance have shared the link to the online toolkit on Gov.uk with all Westminster Schools and also promoted schools use of the DfE's Integrated Curriculum Financial Planning toolkit through Schools Standards.
- 5.17. A number of schools applications to the Council for support with meeting the cost of redundancies as a result of necessary restructurings to ensure schools are financially sustainable have been supported. In line with Westminster's Scheme for Financing, support may be provided to schools, which is funded from the Dedicated Schools Grant (DSG) if a number of conditions are met, including the following:
- The school does not have reserves greater than £200,000.
  - The changes are not as a result of the school experiencing financial issues that are within their control.
  - There is a resulting headcount reduction in the school's staffing establishment.

5.18. Regarding falling rolls, action has been taken to reduce primary forms of entry by six (180 places per year) since 2018 and further reductions building on existing informal capping arrangements may be agreed for September 2020. Officers from the Admissions team are working in partnership with schools and both dioceses, and discussions about further school organisation changes such as sharing of headteachers, administrative support and school sites to ensure financial viability are also being held.



# Appendix 1 – Capital Programme by Project Category

Project Categorisation	Cabinet Member	Original Expenditure Budget	Original Funding Budget	Revised Expenditure Budget	Revised Funding Budget	Expenditure Forecast	Funding Forecast	Expenditure Variance	Funding Variance	Net Variance
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
<b>Operational</b>	Customer Services and Digital	1,503	-	903	-	896	-	(7)	-	(7)
	Deputy Leader, Environment and City Management	31,769	(8,158)	24,111	(6,097)	24,092	(7,031)	(19)	(934)	(953)
	Deputy Leader, Environment and City Management/Deputy Leader Place Shaping and Planning	27,823	(23,876)	20,130	(10,595)	16,857	(9,794)	(3,273)	801	(2,472)
	Economic Development, Education and Skills	17,957	(15,957)	12,145	(8,213)	12,521	(9,014)	377	(802)	(425)
	Family Services and Public Health	1,606	(1,183)	700	(500)	609	(409)	(91)	91	-
	Finance, Property and Regeneration	17,336	(1,490)	11,003	(39)	10,102	-	(901)	-	(901)
	Housing Services	20,421	(11,859)	20,419	(11,859)	20,421	(11,859)	2	-	2
	Deputy Leader Place Shaping and Planning	3,981	(1,250)	1,375	(610)	1,582	(917)	207	(307)	(100)
	Public Protection and Licensing	1,759	(1,162)	1,759	(1,162)	1,759	(1,162)	-	-	-
	Sports, Culture and Community	9,042	(873)	5,484	(48)	4,822	(49)	(662)	(1)	(663)
<b>Operational Total</b>		<b>133,197</b>	<b>(65,808)</b>	<b>98,029</b>	<b>(39,123)</b>	<b>93,661</b>	<b>(40,235)</b>	<b>(4,367)</b>	<b>(1,152)</b>	<b>(5,519)</b>
<b>Development</b>	Deputy Leader, Environment and City Management	2,544	(1,323)	888	(750)	1,057	(750)	169	-	169
	Deputy Leader, Environment and City Management/Deputy Leader Place Shaping and Planning	23,888	(19,670)	8,384	(8,263)	7,342	(7,221)	(1,042)	1,042	-
	Finance, Property and Regeneration	79,830	(6,460)	64,310	(4,042)	52,579	(2,778)	(11,731)	1,264	(10,467)
	Housing Services	6,990	(6,990)	19,142	(19,142)	17,842	(17,842)	(1,300)	1,300	-
	Deputy Leader Place Shaping and Planning	31,413	(191)	10,950	(191)	4,950	(191)	(6,000)	-	(6,000)
<b>Development Total</b>		<b>144,665</b>	<b>(34,634)</b>	<b>103,674</b>	<b>(32,388)</b>	<b>83,770</b>	<b>(28,782)</b>	<b>(19,904)</b>	<b>3,606</b>	<b>(16,298)</b>
<b>Investment</b>	Finance, Property and Regeneration	20,000	-	20,000	-	20,000	-	-	-	-
<b>Investment Total</b>		<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Efficiency</b>	FCR	16,531	-	13,508	-	13,527	-	19	-	19
<b>Efficiency Total</b>		<b>16,531</b>	<b>-</b>	<b>13,508</b>	<b>-</b>	<b>13,527</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>19</b>
<b>Grand Total</b>		<b>314,393</b>	<b>(100,442)</b>	<b>235,211</b>	<b>(71,511)</b>	<b>210,958</b>	<b>(69,017)</b>	<b>(24,253)</b>	<b>2,494</b>	<b>(21,759)</b>

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<b>Meeting or Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	05 February 2020
<b>Classification:</b>	General Release
<b>Title:</b>	Quarter 3 Performance Report
<b>Key Decision:</b>	Review and challenge officers on the contents of the report
<b>Report of:</b>	Julia Corkey, Executive Director of Policy, Performance and Communications

## 1. Executive Summary

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

## 2. Recommendations

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

## 3. Reasons for Decision

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

## 4. Background, including Policy Context

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

# Quarter 3 Performance Report – 2019/20

## 1. This quarter's headlines

The information presented below is by exception and highlights the top achievements and challenges in quarter three (October - December 2019). This section draws on the data provided by service directorates detailed in appendix 1.

## Performance achievements and opportunities

### City of opportunity

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

- **Westminster officially became a living wage employer.** In November the Council received official accreditation as a Living Wage employer. This means that both employees and contractors are all guaranteed the current rate of £10.55 per hour compared with the statutory minimum wage of £8.21.
- We launched an ambitious new CityLions initiative that opened doors to some of the UK's top institutions for local young people to experience the very best of what the city has to offer. **It's been a great year for City Lions with 800 young people participating in the programme so far.**
- We've **secured £2.8m to deliver a European Regional Development Fund project** that aims to connect small and medium-sized enterprises within Westminster to superfast broadband connectivity. We see the provision of future proof broadband as essential to help businesses to grow and break down barriers to growth. Some of this funding will see the deployment of WiFi networks on all our street markets, in what will be the first fully digitised street markets in London.
- We are committed to offering the right environment and support for start-up businesses. **Over the last year, we have significantly increased the amount of Enterprise Space available in Westminster.** Somerset House Exchange, Huckletree Soho and PopHub have all launched and are operating successfully.
- **We launched an innovative new project called 'Dance Westminster' that aims to help more disabled people in the community to be active.** It will give people the opportunity to attend one of three free workshops where they can experience an inclusive, engaging dance class and learn a dance routine.
- **Our market traders have helped shape our recently published strategy for markets 2019-2022.** The strategy aims to help the markets become more environmentally and financially sustainable, offer a more diverse mix of products and invest in new IT infrastructure such as WiFi, outdoor furniture and public realm improvements, so that each market is a great place to work and shop.
- **We published our most ambitious new City Plan for 2019-2040** to create more affordable homes, more jobs and a greener city. It was submitted to the Secretary of State on 19 November 2019.
- To date, we **have delivered 641 modern affordable homes built to the highest standards and continue at pace to deliver 1,850 affordable homes by 2023 in Westminster:**
  - We are **transforming under-used spaces across the city into modern, affordable homes** for our residents. The infills programme will deliver 170 units (including 109 affordable homes).
  - **The Masefield in Maida Vale is our first self-build residential development,** created to help fund its affordable housing programme. The property sales from this project will also fund a new 84-bed care home. By building homes ourselves for sale, we can increase the overall supply, and raise funds for our own affordable house building programme.

- We recently **approved the of a first phase of the Ebury Bridge Estate renewal** that will deliver over 200 new homes and the first, high quality public open space.
  - We have delivered **47 new affordable homes at Lyons Place** on Edgware Road, providing a mixture of social rent and shared ownership homes.
  - **The Whiteleys shopping centre redevelopment proposal will deliver 159 new homes** including 14 affordable homes and £8m contribution to the Council's affordable housing fund, together with a new shopping centre and an hotel.
- **In December 2019, we were notified that our London Business Rates Pool - Strategic Investment Pot (SIP) bid was successful.** Westminster's allocation of funding is c.£800k and will be used to help residents from all backgrounds to set-up in business and for small businesses to expand. The project will fund the delivery of diverse business space and business support programmes.
- **During November 2019, we delivered its 5th Westminster Enterprise Week as an official partner of Global Entrepreneurship Week.** The programme's 20 events, 3 assemblies and a parents evening engaged with 1,076 young people across 13 schools and colleges in a range of activities which included; events with London Zoo, entrepreneurship course with the Pop-Up Business School, coding workshops with Three and an event with adult learners for WAES.
    - 93% of young people rated their WEW experience highly.
    - 90% of teaching staff and 93% of employers rated WEW highly with 100% stating they would be extremely likely to work with the Council on future programmes.
- **In October, Morgan Sindall was a finalist at the Westminster Business Council Awards 2019 for its City Futures Apprenticeship programme.** MS was awarded "highly commended" in the category "Best business delivering Apprenticeship Programmes".

### Excellent local services

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

- **Our resident satisfaction remains very high at 88%**, consistent with 2018's result, and 15% above the national average (LGA's polling on resident satisfaction with councils across the UK).
- Nearly one in seven residents (69%) say they feel informed about services and benefits, as well as about plans for their local area (up from 68% and 63% respectively in 2018). Core council services continue to see high satisfaction levels. In 2019, **89% of residents were satisfied with waste collection and 90% were satisfied with street sweeping.**
- We were **awarded 'City of the Year' Gold Award in this year's RHS Britain in Bloom awards.** This is the first time this has been achieved since 1990. The judges commended our environmental practices and partnerships with our business improvement districts and praised our work with local communities who are benefitting from cultural and physical activities programmes all year round. Additionally, we **won Park of the Year for Victoria Embankment Gardens.**
- **Our Housing Standards Taskforce uncovered 202 unlicensed houses in multiple occupation (HMOs) which have subsequently been licensed and the housing standards assured.** So far this year, the team has issued 10 Civil Penalty Notices (CPN) with a value of over £150,000 for housing offences. To date £61,500 in fines, have been paid to the Council. The team have several other suspected unlicensed HMOs in their sights and are using intelligence from the community to identify those responsible. The team is working hard to ensure that everybody living in Westminster has the right to a safe home.

- On Wednesday 13 November 2019, **our IT team won awards** for the Best Public IT Project Award for FamilyStory - using technology to allow families-in-need to own their story, and Digital Transformation Project of the Year for Workplace technology transformation – as part of the Windows 10 roll out during the City Hall refurbishment. This was a significant achievement for the IT team as they were competing against major national and international organisations.

## Caring and Fairer City

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

- **The Homelessness Prevention Trailblazer scheme in Westminster has proved a major success.** So far this year, the team has provided successful interventions for 395 families. Additionally, we consulted on **our ambitious Homelessness Strategy 2019 to 2024**. It sets out how we plan to shape our services, prevent and respond to those at risk of losing their home or made homeless in Westminster.
- **We secured additional funding of £1.6m to support people who are sleeping rough in Westminster into sustainable housing.** The money has allowed us to develop different ways of supporting people, including psychological support in hostels and assessment centres, and employing people with lived experience of homelessness in the development and delivery of our services. In January, 24 new bed spaces are becoming available for people who are on the streets but working in low income roles and require support to gain better employment and access to the private rented sector. In the first half of this year our assessment centre supported over 80 sustained reconnections for people who were rough sleeping in Westminster. We have also delivered 22 sustained housing first tenancies for people with complex needs. At our last street count in November, we saw a total of 333 rough sleepers bedded down, however only 12 people had been seen sleeping before in the last three street counts. This demonstrates the success of our interventions, but also the transient nature of rough sleeping in Westminster.
- Since its Launch in July 2019, the **‘Hidden Network’** campaign which encourages Londoners who want to contribute money to help to give it directly to specialist charities which work with rough sleepers. We are on course to roll out more than 30 of these machines in key West End locations – for example outside McDonald’s in Oxford Street – as well as an easy-to-use payment page on line. The aim is to ensure that generosity gets to those who need it through the dedicated professionals working within our charitable partners to help people off the streets for good.
- **Our newly refurbished Tresham Centre for Disabled Children opened earlier this year.** The centre now includes a new sensory room and soft play area, brand new furnishings, toys and a huge range of activities and groups for all Disabled children aged 0-18 yrs. This Service will also develop a “core offer” for Families to access independently without the need for any assessment.
- **The new Corporate Parenting strategy was launched on 4<sup>th</sup> November 2019** in an event attended by Councillors, officers from across the council, partners and some of our young people. The revised strategy ensures that WCC continues to be an outstanding corporate parent to those in its care. Our key priorities offer the opportunity to build on our work to date and deliver even better outcomes for young people. The Annual Report for children in care and care leavers detailed a changing picture locally with a growing number of unaccompanied minors, and 65% of the care population being aged over 14.
- **We supported 698 vulnerable residents to continue living in their homes** through the Westminster’s Home Improvement Agency and are on track to exceed our ideal target of 800 for the year.

- **Since its launch, more than 1,200 people have been helped by our Soho Angels service in its first year of operation** - which includes medical assistance being given in 230 cases, of which 80 were classed as serious incidents.
- **In September 2019, Morgan Sindall launched MS Care in the Community.** MS Engineers and their supply chain partners escalate to the Council any residents where they are concerned for the residents welfare and wellbeing. 40 cases have been referred to the Council for risk assessment since the launch.

### **Healthier and greener city**

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

- Satisfaction with Westminster as a place to live remains very high, **with nine in ten (92%) saying they are satisfied with the area. 87% of our residents think they are in good health, which is consistent with 2018 results.**
- **We were awarded additional funding of £640,000 to continue to deliver our outstanding London Healthy Workplace Award which encourages Westminster's businesses to invest in their employees' health and wellbeing.** To date, we have supported 65 Westminster businesses to gain the Healthy Workplace Award - the highest number and one-fifth of accredited organisations across London. We also won the GLA's Healthy Workplace award for being a leading borough in supporting employers to achieve the London Healthy Workplace Award. Businesses who focus on the health and wellbeing of their staff experience improved productivity, fewer accidents and lower absence rates.
- **Moberly Sports Centre to celebrate one-year anniversary.** The centre has been attracting around 45,000 visits a month, has over 4,500 gym members and hosts Westminster's largest learn-to-swim programme with over 1,045 members, a testament to our Council's fantastic sporting facilities.
- **The annual Community Champions conference** was held in November to celebrate achievements and thank the community champions for their hard work over the year. Community Champions deliver local activities and events in five neighbourhoods across Westminster. The purpose of these events is to bring people together, support residents to be active, promote key health messages, and link residents with preventative services. Over the last year they have involved 8,678 residents in community fun days; run 1,029 sessions which bring people together to be active physically and socially, with 16,962 attendances; and run 32 health campaign sessions involving 2,857 people on topics such as mental health, healthy eating and oral health.
- **We are leading the way with a number of environmental campaigns,** having introduced the **first diesel surcharge**, a **school's clean air fund** and **more electric vehicle infrastructure than any other London borough.** Two years ago, the council launched the #DontBeldle campaign to cut engine idling at the kerbside which has over 14,000 supporters.
- In a London-first, we are **trailing two up-cycled electric powered waste collection vehicles** over the next two years. These vehicles will substantially reduce carbon emissions and air and noise pollution in Westminster.
- **We launched the new Recycling Information Hub** and rolled out five neighbourhood pilots including the expansion of our 'In It To Win It' campaign, working with local neighbourhoods to achieve a step change in recycling rates across the city

## City that celebrates its communities

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

- **86% of people say that different communities in Westminster get on well together.**
- Almost all residents (95%) continue to feel safe in the City and over four in five (83%) feel safe after dark, **the highest recorded ever.**
- **The Community Contribution Fund**, which gives Westminster residents living in high value properties the chance to make a greater contribution to their community, has raised £900k to date.
- **The #MyWestminster Fund has now granted funding to 106 local organisations.** The fourth and final round took place between September and November 2019. Over £600,000 in funding has been awarded over the four rounds of the Fund. The fund was open to give local groups the opportunity to apply for up to £10k to spend on community projects promoting air quality, neighbourhoods, community cohesion and more.
- **We've introduced 20mph speed limits around 39 schools in Westminster.** Seven out of ten residents felt it would be safer to walk and cycle in their community. Consultation period for a borough wide 20mph limit finished on the 10th December and a consultation report will be published in the new year.
- **The Active Westminster Awards took place on Friday 22<sup>nd</sup> November.** The awards, now in their tenth year, thank and congratulate people and organisations for their work in physical activity and sport. A record 275 nominations were put forward for prizes including 'Active Club or Organisation', 'Active Volunteer' and 'Outstanding contribution'. Winners on the evening were handed their trophies by Westminster City Council Lord Mayor Cllr Ruth Bush.

## Performance challenges

### Key challenges and pressures

- **There has been an increase in Serious Youth Violence in North Westminster.** In response to these incidents the council has identified significant community concern over the safety of young people in the area. Practitioners from the council's Early Help service, along with others, are working with young people and families affected by and involved in youth violence. An inclusion pilot is taking place in schools which focuses on preventing exclusions which are seen as strong precursors to gang involvement/ recruitment.
- **High levels of robbery within the City, especially in St James and West End wards. Offences of personal robbery are currently up 56% from the same period last year.** Robbery offences have been rising within the borough for several years and is now a key policing priority for the borough. There is a direct correlation between incidents of robbery and the high levels of knife crime reported within the City. Progress against robbery is monitored through the Council's Scrutiny process, which holds Westminster Police to account for performance. The police have recently created a dedicated Priority Crime Unit comprising of 48 officers, targeting robbery. The Safer Westminster Partnership also instituted a Task and Finish Group looking to address the high levels of crime in St James' and West End wards.
- The **increased demand in placements for unaccompanied asylum-seeking children (UASC)** creates a financial pressure on the council as well as a pressure on our capacity to manage this demand. The Pan London rota continues to operate; however, capacity across the whole of London has been affected. London authorities are now mostly at their 0.07 quota per 10,000 population limiting the Pan London transfer scheme to small numbers of transfers from Croydon. This means that the potential number of UASCs coming into the authorities (especially for Westminster) may increase dramatically in the coming financial years.
- **Income from planning fees, particularly Planning Performance Agreements (PPAs) is significantly down.** PPA income is around £170k below budget. If current levels are maintained this could impact upon long term budget proposals. Last year's income profile suggests there may be an acceleration in income in the later months of the year.
- **Due to a combination of seasonal factors there has been an increase in level of Housing emergency jobs being received from residents.** This has been made worse by the inability to access premises to effect repairs. To mitigate the problem, Morgan Sindall is currently undertaking a daily analysis of emergency jobs raised the previous day. Information on those deemed not an emergency are returned to the contact centre, for lessons learned / training purposes. We are also working with Morgan Sindall to identify the main reasons for the levels of no access and will be putting together an action plan to reduce the no access levels over the next quarter.

### Key Performance Indicators flagged for attention

There are no 'off track' KPIs reported at the end of quarter three. The table below provides movement of KPIs flagged for attention since the last quarter. All KPIs reported at the end of Q3 are meeting the minimum standard however some of these are at risk of failing to meet end of year targets.

The full set of KPIs for each directorate can be found in Appendix 1.

**Note.** The table below presents the latest cumulative outturns available for each KPI at the end of Q3 (April 2019 – December 2019). Availability of results for some KPIs vary and may not align to the quarterly performance reporting cycle – in these cases the latest position is reported for the quarter.

Q3 Target assessment definitions	Off track	Failing to achieve the minimum target level set by the council
	Projected to exceed target	Projected to exceed ideal target level set by the council
	Meeting target	On track to meet ideal target level set by the council
	Minimum standard met	Meeting the minimum target below ideal level set by the council

Key performance indicator	2018/19 position	2019/20 ideal target	Latest position available at Q3	Target assessment	Movement since last quarter
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#### New KPIs flagged for this Quarter

Percentage of opiate misusers in treatment, who successfully completed treatment and did not represent within 6 months	7.09%	7%	<b>6.49%</b> (36/555)	Minimum standard met	↓ Down from 7.2% (Meeting Target) in Q2
<p><b>Service commentary:</b> After nearly a year of being a top quartile performing borough Westminster has slipped to Quartile 2 in September after a poor quarter for completions in Q2. We are however the highest performing London borough in our Public Health England comparator group (Camden, Hackney, Lambeth, Hammersmith and Fulham).  <i>NB. Data for this KPI reported a quarter in arrears. Q2 data reported above.</i></p>					
% satisfaction with repairs service	82%	84%	<b>83%</b> (2,403/2,897)	Minimum standard met	↓ Down from 84% (Meeting Target) in Q2
<p><b>Service commentary:</b> Resident satisfaction with repairs dipped to 80% in October but improved to 81% for November and 85% for December, giving an overall performance for the year to date of 83%. The dip was due to delays in completing work which is being addressed through improving the quality of repair orders so that contractors are more prepared for the job and improving processes for timely completion of follow on works.  <i>NB. November position reported for this KPI.</i></p>					
Percentage of Westminster residents supported by the Westminster Employment Coaching function (WES) that start work and stay in work for 6 months.	54%	60%	<b>53%</b> (105/198)	Minimum standard met	↓ Down from 56% (Meeting Target) in Q2
<p><b>Service commentary:</b> Employment sustainments are measured as someone staying in work for six months. As such we monitor them as they occur, depending on each individual's job start date. One of our teams changed target client group in May (Requested by the commissioner) and therefore was starting with a new cohort of clients. This means the team have not been contacting their old clients to check sustainment rates systematically but have now been asked to do so by the Head of Coaching.  <i>NB. November position reported for this KPI.</i></p>					

#### No change/significant improvement since the last quarter

Key performance indicator	2018/19 position	2019/20 ideal target	Latest position available at Q3	Target assessment	Movement since last quarter
To complete all high-risk food premises inspections (category A-B)	420	100%	93% (173/185)	<b>Off Track</b>	→ Same as last quarter
<p><b>Service commentary:</b> We have reduced the number of premises in cat A&amp;B this year, by improving the food safety standards at these premises. As a result of the due dates for the food inspection programme, which are set in law, there is a significant skew of inspections to be undertaken in quarter 4. This increase in inspections is a yearly trend and one that the team prepares for annually.</p> <p><b>Mitigation:</b> The service is now fully staffed with extra resource brought in to complete the A&amp;B inspections.</p> <p><b>Timeframe for improvement:</b> We are confident that the team will complete all inspections by the end of the year.</p>					

Number of Houses of Multiple Occupation improved (buildings with more than one household including shared facilities)	54	65	45	<b>Minimum standard met</b>	↑ Up from 30 (minimum standard met) in Q2
<p><b>Service commentary:</b> Performance for year to date is slightly behind the cumulative ideal target for the year. There are a number of cases across the team which are in progress and expected to complete by year end to achieve target.</p> <p><i>NB. November position reported for this KPI.</i></p>					

Satisfaction with anti-social behaviour case handling	74%	74%	63% (97/155)	<b>Off track</b>	↓ Down from 65% (off track) in Q2
<p><b>Service commentary:</b> Case managers have now been recruited and contact centre staff have been seconded to the support roles - all joining the team in early January.</p>					

## Marked improvement on Q2

Percentage of children who receive a 2-2.5-year Development Review	70%	75%	72% (383/534)	<b>Minimum standard met</b>	↑ Up from 65.9% (off track) in Q2
<p><b>Service commentary:</b> Service performance has continued to improve month on month and latest available figures reported are to the end of September 2019. Figures forecasted for Q3 show service will exceed target with 77%.</p> <p><i>NB. November position reported for this KPI.</i></p>					

No. of days taken to collect debt	N/A	61 to 70 days	64.10 days	<b>Minimum standard met</b>	↓ Down from 76.65 days (minimum standard met) in Q2
<p><b>Service Commentary:</b> Due to an ongoing dispute with NHS Central London and NHS West London, Adult Social Care were unable to raise invoices for quarter 1 and 2 Better Care Fund until September 2019. Total amount of the NHS invoices was £11.53m, which in 2018 were raised in period June and October. This spike in the NHS invoices being raised in September dramatically affected the debtor days figure to achieve the minimal target. The debtor days improved from 90.19 in September to 72.82 in October. We are currently awaiting payment for 20 invoices from the NHS from September, October and November totalling £8.516m, which would substantially improve our debtor days figures.</p> <p><i>NB. November position reported for this KPI.</i></p>					

## 2. Council's Risks

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

### Strategic Risks

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

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

##### **Garside Nursing home update:**

In response to concerns raised under a whistleblowing complaint about the safety of residents at Garside Nursing Home, Council staff working with partner agencies have undertaken a number of actions to support residents and families. Actions taken have included:

- The multi-agency partnership has worked closely with the Care Quality Commission who inspected the home in October and November 2019 and published a report in the 2nd January finding the home inadequate.
- From the 23rd October a Step-in team of Nurses and Carers has provided additional support and oversight at the home. These arrangements are continuing and are being actively monitored by the multi-agency steering group.
- A programme of meetings have taken place with residents, families and carers to provide updates and enable engagement with the Step-in team throughout this process.
- The police investigation into concerns continues, working closely with the multi-agency partnership.

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

We work closely with other local authorities, the emergency services and partner organisations, to ensure that when an incident occurs, our response and recovery plans are ready to be activated. The council has emergency plans in place to ensure that we can provide specialist resources and technical support to the emergency services. The council maintains a generic emergency plan and number of specific emergency plans to deal a wide range of emergencies. These plans cover essential components such as incident response, council service provision and recovery.

#### 3. The impact of Brexit on Council services and communities across Westminster

The UK is now scheduled to leave the EU on the 31<sup>st</sup> January 2020, with the Government limiting the post-Brexit transition period until the end of 2020. The uncertainty around Brexit relates now to the trade deal that the UK can negotiate with the EU. Brexit creates uncertainty for the economy of the City and the high number of EU nationals that currently work and reside in Westminster. Also, the lack of financial mitigation from the Treasury may mean that there are further pressures on local government funding, impacting on finances available to deliver

services. Policy, Performance and Communications is monitoring trends on key issues that impact Westminster. There will be further work done with central London partners to understand and articulate specific issues relating to Westminster.

#### **4. Loss of IT systems or data**

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

A reflection of the continuous improvement is our recent award for the Best Public Sector IT Project and the awards for the Best Public IT Project Award for FamilyStory - using technology to allow families-in-need to own their story, and Digital Transformation Project of the Year for Workplace technology transformation – as part of the Windows 10 roll out during the City Hall refurbishment.

#### **5. Financial pressures resulting in an inability to fund services for resident, businesses and visitors**

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

The Prime Minister promised he will put his spending plans before Parliament within the first 100 days of his administration. Most policies in the 2019 manifesto will require a Budget to be passed to release Treasury funding which could be as soon as March 2020.

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

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

**Garside Nursing Home update** - The council is working closely in partnership with the CCG to review current commissioning arrangements that include Garside. In parallel the council is reviewing its possible actions as commissioner of care.

# Top Departmental Risks

Risk Description & Impact	Risk Assessment	Current & Future Controls
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## New departmental risks identified in Quarter 3

<p><b>CMC: Continued decline in demand for Paid for Parking and Permits.</b> A decline in revenue across parking income streams is expected this financial year.</p>	Likelihood of occurring: <b>HIGH</b>	<p>The decline in income will be considered as part of the budget risk management process and shortfalls will be mitigated from underspends and improved income performance within the directorate. A risk of 2m has been built into the budget forecast as at period 10.</p>
	Impact if risk materialises: <b>CRITICAL</b>	
	Risk score out of 25: <b>16</b>	

## Movements in the assessment of risks since the last quarter

<p>Risk likelihood reduced from “high” to “significant”, and risk impact reduced from “critical” to “significant” changing the total risk score to 9 (from 16 in Quarter 2).</p>		
<p><b>Adults &amp; Public Health: Health protection incidents</b> could have a direct impact on the wellbeing of residents and visitors.</p> <p>Health protection Incidents - e.g. infectious disease outbreaks, legionella outbreaks, screening and immunisations, heat waves, cold weather.</p>	Direction of travel: <b>↓</b> (Reduced)	<p>Public Health have developed a Health Protection Protocol and supporting awareness raising sessions to ensure staff are equipped to respond in the event of an incident. Seasonal campaigns, and targeted communications based on identified need, form part of our local planning.</p>
	Likelihood of occurring: <b>SIGNIFICANT</b>	
	Impact if risk materialises: <b>SIGNIFICANT</b>	
	Risk score out of 25: <b>9</b>	

## Standing Risks - no changes since the last quarter

<p><b>CMC: The risk of abuse and violence against staff working in public facing roles</b> could have a critical impact on customer and staff safety, risk to Council property and reputation.</p>	Direction of travel: <b>→</b> (No change)	<p>There are numerous controls in place such as refreshed training for staff, continued monitoring, violence and aggression risk assessments, and strengthening relations with local and community police.</p> <p>The risk is monitored by the quarterly City Management and Communities Health and Safety committee. Local measures are also in place to minimise this risk.</p> <p><i>For more information regarding the controls mentioned above, please see the Appendix 2 of this report.</i></p>
	Likelihood of occurring: <b>VERY HIGH</b>	
	Impact if risk materialises: <b>CRITICAL</b>	
	Risk score out of 25: <b>20</b>	
<p><b>CMC: The reduction of policing resources following the Basic Command Unit (BCU) merger</b> could reduce the policing support and responsiveness in Westminster particularly given the high volume of crime associated with the West End and Evening and Night Time Economy.</p>	Direction of travel: <b>→</b> (No change)	<p>Ongoing discussions with MPS over current concerns. Strategic assessment completed detailing increases in crime and will be raised at the Safer Westminster Partnership Meeting in November. A letter has been sent to the Policing Minister by the Leader, requesting an urgent allocation of additional officers back into Westminster.</p>
	Likelihood of occurring: <b>HIGH</b>	
	Impact if risk materialises: <b>CRITICAL</b>	
	Risk score out of 25: <b>16</b>	

Risk Description & Impact	Risk Assessment	Current & Future Controls
<p><b>Children's: Schools with a reduced number of pupils are at risk of developing budget deficits.</b> This can have a financial and reputational impact for the council. Schools are required to set and maintain a balanced budget; however, circumstances may arise where this is not always possible. Pupil numbers are the main driver for school funding, and schools with falling rolls will therefore see reductions in their funding.</p>	Direction of travel: → (No change)	<p>Schools Forum agree the formula used to allocated budgets to schools with the aim of keeping per pupil funding reductions to a minimum, within the constraints of available resources.</p>
	Likelihood of occurring: <b>HIGH</b>	<p>Officers ensure adherence to financial regulations and promote a wider understanding of financial management through the delivery of training to schools' staff and governing bodies. Sessions aim to provide those involved with school finances and operational and strategic decision making with a greater understanding of their budgets and their financial responsibilities so that resources can be managed effectively.</p>
	Impact if risk materialises: <b>CRITICAL</b>	<p>All maintained schools provide quarterly returns to the Authority for financial monitoring and reporting purposes, and schools with deficit recovery plans are required to provide this information on a monthly basis.</p>
	Risk score out of 25 <b>16</b>	<p>Schools with falling rolls of more than 5% were able to apply for an allocation from the falling rolls fund. The Schools' Forum finalised allocations in June 2019.</p> <p>School deficit reporting is now a standing item on the agenda at Schools Forum meetings.</p> <p>Officers continue to support and promote the development of joint arrangements between schools and are engaging with the relevant Dioceses in relation to Voluntary Aided Church schools.</p>

### 3. Featured analysis – 2019 City Survey Results

#### Introduction

Westminster's annual resident survey, the City Survey, helps assess how satisfied residents are with the services the Council provides, how informed they feel, and the extent to which they consider Westminster a City of opportunity. Additionally, it offers insight into a range of resident perspectives on topics such as crime and anti-social behaviour and attitudes toward the environment. Analysing residents' demographic information with their survey responses offers detailed pictures of how different types of people in Westminster feel across the City.

#### Council Reputation & Satisfaction Key Insights

- Resident satisfaction with the council remains very high at 88%, consistent with 2018 results, and 15 percentage points higher than the national average as of June 2019.
- As in 2018, over nine in ten (92%) say they are satisfied with the area as a place to live. Over two thirds (68%) of residents agree the Council offers good value for money (down from 73% in 2017), however this remains 20 percentage points above the national average.
- Nearly seven in ten residents (69%) say they feel informed about services and benefits, as well as plans for their local area (up from 68% and 63% respectively in 2018).
- Fewer residents feel they can influence decisions in their local area (43% in 2019 compared to 48% in 2018).
- Two thirds of residents (65%) feel the council is open and transparent.
- 61% of residents believe the council does enough to ensure businesses act responsibly, 8 percentage points lower than in 2017.
- Over one in four (28%) feel services have improved over the past 12 months, consistent with 2018 figures (29%), which rose from 22% in 2017.
- Over half (55%) reported services have remained the same and 8% felt they have worsened.
- Core council services continue to see high satisfaction levels, however these have fallen marginally compared to 2018. 89% of residents are satisfied with waste collection (down from 93%) and 90% are satisfied with street sweeping (down from 91%).

#### Perceived problems in local areas

- Satisfaction with Westminster as a place to live remains very high, with nine in ten (92%) saying they are satisfied with the area. However, residents are significantly more concerned about visible street based problems than in previous years. Although some issues saw minimal or no change, most areas monitored drew more concerns (see table below).
  1. Residents' top concern is people homeless on the streets, 44% perceived this to be a fairly or very big problem, a 15-percentage point increase since 2018.
  2. The second greatest issue for residents was people begging on the street (42% were concerned, a 14-point rise from 2018).
  3. 40% of residents were concerned about poor air quality, nearly returning to 2017 records (42%), and marking a 17-point increase from 2018.
- Last year's top concern for residents, people using or dealing drugs, rose to 39% (increase of 8 percentage points).
- Almost all residents (95%) continue to feel safe in the City and over four in five (83%) feel safe after dark. These metrics have both marginally fallen since last year (-2 and -4 percentage points respectively).
- One in four residents (26%) feel fear of crime is affecting their quality of life, the highest rate since 2009 (28%). In 2017 and 2018 the rates were 19% and 22% respectively.

## Perceived Problems in Local Area - Ranked

% of residents perceive issue to be a 'fairly' or 'very' big problem	2017	2018	2019	Change 2018-19	3 Year Average
People homeless on the streets	30	29	44	15	34
People begging on the streets	29	28	42	14	33
Poor air quality	42	23	40	17	35
People using or dealing drugs	30	31	39	8	33
Smoking in public places	24	18	29	11	24
Noise from building sites	20	19	29	10	23
Anti-social behaviour (pre-2019: 'young people behaving anti-socially')	20	19	28	9	22
Rubbish and Litter	30	19	27	8	25
People being drunk and rowdy	22	17	27	10	22
Dog fouling	26	22	25	3	24
Violence among young people	20	18	21	3	20
Noisy neighbours & parties	15	11	17	6	14
Vandalism	14	11	17	6	14
Issues related to licensed premises	14	12	17	5	14
Issues related to commercial premises	16	14	15	1	15
Hostility or prejudice	12	9	14	5	12
Street entertainment	15	10	13	3	13
Issues related to deliveries	12	11	11	0	11
Short-term letting	13	10	10	0	11

Note: borough averages for each year is shown, perception of problems present can vary significantly across locales

# Appendices

## Appendix 1 - Performance by service directorate

The information presented below is by exception and has been provided by service directorates.

Each directorate section below features:

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

## Appendix 2 – Detailed Responses to Previous Audit and Performance Committee Questions

## APPENDIX 1 - Performance by service directorate

### 1.1 Adult Social Care & Public Health

#### Achievements

##### Annual community champions conference

As part of the Thriving Communities focus, the annual Community Champions conference, “Celebrating Diversity”, was held in November to celebrate achievements and thank the community champions for their hard work over the year. Community Champions deliver local activities and events in five neighbourhoods across Westminster. The purpose of these events is to bring people together, support residents to be active, promote key health messages, and link residents with preventative services. Over the last year, they have involved 8,678 residents in community fun days; run 1,029 sessions which bring people together to be active physically and socially, with 16,962 attendances; and hosted 32 health campaign sessions involving 2,857 people on topics such as mental health, healthy eating and oral health.

##### **Outputs delivered:**

220 Community Champions, maternity champions, junior champions and partners attended the conference. Along with service providers, Members had the opportunity to meet the champions, and take part in discussions on diverse themes. Plans were developed to make both the champions and the activities they deliver more inclusive. Champions left inspired to do more next year. A video will be released online in January 2020 along with the graphic report.

<https://www.communitychampionsuk.org/>. The champions programme is developing ways for community voice to influence and shape our work at the council, and for opportunities to expand the programme linking together with the work of other departments.

##### **Outcomes achieved:**

95 champions received awards for their commitment in delivering their work through the many volunteering hours they commit as well as recognising the special achievements of some community champions and the accredited public health training certificates.

In their own words, this is what the champions and the providers took away from the event:

“Great to see more young people involved”

“I know more now about my local community”

“I learned how to connect to the community through discussion”

“I learned that we have some exceptional people and volunteers in our community. They make a real difference to society.”

“I am taking away the difference between acceptance and respect”

“It was an opportunity to meet a lot of champions who create a stronger and healthier community”

“Every time I learn something new from different people”

**“Extraordinary People, Extraordinary Lives” conference**

Adult Social Care and Public Health held a staff conference in October titled “Extraordinary People, Extraordinary Lives”. The conference in Porchester Hall was aimed at focussing on staff health and well-being and breaking down barriers. It was attended by directorate staff, other directorates that we work in partnership with, and the Local Account Group – a group comprised of residents who use our services.

**Outputs delivered:**

Over 550 people attended the conference, which also provided an opportunity for staff from different directorates and resident service users to network across the bi-borough. As part of the conference, staff were given awards for going the extra step in their roles.

**Outcomes achieved:**

The conference provided an opportunity for staff across the bi-borough with similar roles to network and share ideas and feel part of a greater organic unit in which everyone has a role to play to deliver the councils’ goals and ambitions.

**National Adults Safeguarding Awareness Week**

National Adults Safeguarding Awareness Week occurred between the 18<sup>th</sup> November and 24<sup>th</sup> November 2019. The purpose of the week is to raise awareness of adults at risk through learning more about key safeguarding risks, sharing resources at a national and local level, and running local events to raise awareness. In the Bi-Borough the Safeguarding Adults Executive Board (SAEB) held a Community Engagement Event for carers, service users, provider organisations and members of the public.

**Outputs delivered:**

The event focused on residents’ right to live a life free from harm in which communities: have a culture that does not tolerate abuse; work together to prevent abuse; and know what to do when abuse happens. The session was attended by 128 people, including 38 local residents and 78 people from partners. The event also included 16 stalls from partner organisations including the Police and Fire Brigade that presented the services that they deliver and their role in safeguarding.

**Outcomes achieved:**

The event has resulted in an increased awareness of Safeguarding across the Bi-borough, helped to form greater partnerships across organisations, and enabled networking for people attending the session.

## Risks and issues:

### Childhood immunisations (0-5yr olds) rates are among the lowest in England.

Latest figures show:

Vaccination	Westminster	London	England
<b>Diphtheria, Tetanus, Pertussis (DTap) / Inactivated polio vaccine (IPV) / Haemophilus influenzae type b (Hib)/ Hepatitis B vaccine</b> - % of children who have completed their schedule at 1 year old	84.1%	87.4%	92.1%
<b>Diphtheria, Tetanus, Pertussis (DTap) / Inactivated polio vaccine (IPV)</b> - % of children receiving their pre-school booster of DTaP / IPV by the age of 5	63.9%	73.9%	84.8%
<b>Haemophilus influenzae type b (Hib) and meningitis C booster</b> - % of children vaccinated by the age of 2	75.0%	83.0%	90.4%
<b>Haemophilus influenzae type b (Hib) and meningitis C booster</b> - % of children vaccinated by the age of 5	79.5%	88.1%	92.4%
<b>PCV Vaccine (Primary Care Vaccine)</b> - % of children vaccinated by the age of 1	84.8%	88.2%	92.8%
<b>Meningococcal B Vaccine –</b> - % of children primary dose vaccinated by the age of 1	84.4%	86.9%	92.0%
<b>Meningococcal B Vaccine –</b> - % of children secondary dose vaccinated by the age of 2	68.7%	79.5%	87.8%
<b>Rotavirus Vaccine</b> - % of children vaccinated by the age of 1	79.4%	85.1%	89.7%
<b>Measles, Mumps, and Rubella (MMR) Vaccine</b> - % of children receiving first dose by the age of 2	75.7%	83.0%	90.3%
<b>Measles, Mumps, and Rubella (MMR) Vaccine</b> - % of children receiving second dose by the age of 5	64.1%	76.3%	86.4%
<b>Flu</b> - % of 2 year olds receiving a flu vaccine nasal spray	24.6%	31.8%	43.8%
<b>Flu</b> - % of 3 year olds receiving a flu vaccine nasal spray	24.7%	33.0%	45.9%

### Impacts and consequences

Immunisation and vaccination reduce the risk of disease outbreaks and preventable morbidity and mortality. A high coverage is required to prevent onward transmission of infections.

### Mitigation and progress

Holding the health system to account:

- A Local Immunisations Implementation Board has been set up, bringing partners together to co-ordinate the approach to Immunisations in the Bi-Borough through a delivery plan. The Board's first meeting was held on November 25th and the Board will meet bi-monthly.
- An Immunisation Local Implementation Plan Draft has been compiled with actions for all, including NHS England (NHSE) and the Clinical Commissioning Group (CCG).

Since June 2019 Public Health have also:

- Facilitated 4 partnerships workshops on Immunisations to explore reasons for low performance and methods to drive up uptake
- Delivered presentations / discussions with Practice Managers and Primary Care Networks to increase a targeted response
- Developed a [Local Childhood Immunisations Tool](#) to assist CCGs, PCNs and General Practices in understanding GP practice variation and help to develop tailored interventions
- Undertaken analysis of SystemOne GP data to understand the factors associated with MMR uptake in Westminster

### Timeframe for improvement

Improvements are expected to be reflected in 2020-21 published figures.

### Fragility of the Care Market (Ongoing issues since the start of the year)

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

### Impacts and consequences

Inability to provide services to the number of clients requiring care or support.

### Mitigation and progress

- The Quality Team is working with local providers across Westminster and Kensington and Chelsea to focus on improving the quality of care provision.
- Working with all providers that require improvement in order for them to obtain a Care Quality Commission (CQC) rating of “Good” as a basic minimum standard.
- Utilisation of the improved Better Care Fund (iBCF) grant funding to support the local care market.
- Working with the West London Alliance (WLA), placement data has given a vital data source to compare prices paid by all London boroughs for all residential and nursing placements commissioned in London boroughs.
- A 3% uplift to the market was awarded in 2019/20 in recognition of legitimate cost pressures being experienced by the sector, and to support its ongoing sustainability.
- Credit and finance checks are carried out routinely on key strategic providers – care homes and homecare so that officers know their current financial standing.

### Ongoing delays in the government publishing the Social Care Green Paper, increasing reliance on short term funding mechanisms (Ongoing issues since the start of the year)

### Impacts and consequences

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

### Mitigation and progress

Savings plans and improvement activity are in place to increase the efficiency of services, ensuring most effective utilisation of the budget available.

### Timeframe for improvement

Unknown. The government has stated it will bring forward proposals in due course for Social Care but has not specified a timescale.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019).

<b>Target range definitions</b>	<b>Minimum</b>	The minimum level for the KPI that will still allow the service to deliver
	<b>Ideal</b>	A level which is acceptable for service continuity
	<b>Aspirational</b>	The level at which the service is improving beyond current capability
<b>Q3 Target assessment definitions</b>	<b>Off track</b>	Failing to achieve the minimum target level
	<b>Projected to exceed target</b>	Projected to exceed ideal target level
	<b>Meeting target</b>	On track to meet ideal target level
	<b>Minimum standard met</b>	Meeting the minimum target below ideal level

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available at Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				

Adult Social Care - November 2019 figures reported below unless indicated.

1. Total number of new permanent admissions to residential/nursing care of people aged 65 years and over	98	105	→	95	→	85	39	Meeting target	↑ Up from 30, still meeting target	<b>Benchmarking:</b> In 2017/18, the number of admissions per 100,000 was 315.2, below the average for all London boroughs.
2. Delayed transfers of care, acute days attributed to social care (cumulative)	848	1,213	→	1,103	→	1,047	498 (Oct 2019)	Meeting target	↑ Up from 410, still meeting target	
3. % of carers (caring for an adult) who have received an assessment or review of their needs	90.6%	80%	→	90%	→	95%	66% (675/1030)	Meeting target	↑ Up from 52%, previously projected to exceed target	<b>Insight:</b> The data shown is cumulative. 27.7% of performance has been achieved in the first quarter which is well above the expected position for the year to date.
4. % of service users receiving an assessment/review	85.8%	80%	→	90%	→	95%	65% (1,613/2,468)	Meeting target	↑ Up from 51%, still meeting target	<b>Insight:</b> Cumulative indicator.

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available at Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	→	Ideal				

**Public Health** – data reported a quarter in arrears. Q2 data reported below.

5. % of children who receive a 2-2.5-year development review	70%	70%	→	75%	→	80%	<b>72%</b> (383/534) Quarter2	<b>Minimum standard met</b>	↑ Up from 65.9%, previously off track	
<p><b>Service commentary:</b> Service performance has continued to improve month on month and latest available figures reported are to the end of September 2019. Figures forecasted for Q3 show service will exceed target with 77%. <i>*More information is provided in Appendix 2 - Detailed Responses to Previous Audit and Performance Committee Questions.</i></p>										

6. % of alcohol misusers in treatment, who successfully completed treatment and did not re-present within 6 months	36.96%		→	35%	→	40%	<b>36.23%</b> (171/472) 2018/19	<b>Meeting target</b>	↓ Down from 37.8%, still meeting target	
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7. Community Champions - Number of residents reached through activity	16,962	10,000	→	12,000	→	14,000	<b>3,215</b>	<b>Meeting target</b>	↓ Down from 3,984, previously projected to exceed target	<b>Insight:</b> This is an annual target - it is not fixed into any contracts but rather an aspirational level the service aims to achieve.
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8. % of opiate misusers in treatment, who successfully completed treatment and did not re-present within 6 months	7.09%	Mid Percentile	→	7%	→	7.37%	<b>6.49%</b> (36/555)	<b>Minimum standard met</b>	↓ Down from 7.2%, previously meeting target	
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**Service commentary:** After nearly a year of being a top quartile performing borough Westminster has slipped to Quartile 2 in September after a poor quarter for completions in Q2. We are however the highest performing London borough in our Public Health England comparator group (Camden, Hackney, Lambeth, Hammersmith and Fulham).

**Mitigating action:** The drop in outcomes reflects the real challenges for the service in achieving opiate completions with a high proportion of our opiate users reporting housing problems, co-morbidities and with sometimes low recovery capital (internal and external resources that can be drawn upon to initiate and sustain recovery from substance misuse). Achieving sustained top quartile performance in this context is challenging and we are working to further improve our pathways including residential rehabilitations and links with housing.

Appendix 1 – Performance by service directorates

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available at Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
9. Stop Smoking Services – number of 4 week quits	1,020	820	→ 920	→ 1,020	520	Projected to exceed target	↑ Up from 258, still projected to exceed target	<b>Insight:</b> Annual Stop Smoking figures have been published, putting Westminster as Second top performer nationally.
10. Total Sexual Health Screens Undertaken through E-services	5,862	8,000	→ 9,000	→ 10,000	7,210	Projected to exceed target	↑ Up from 3,820, still projected to exceed target	<b>Insight:</b> Following first year Implementation, strong growth shows that we'll be looking for 10,000 screens.
11. Screening Positivity rate (% screens resulting in diagnosis)	1.93%	5%	→ 4%	→ 3%	2.58% (501/19,383)	Projected to exceed target	↓ Down from 2.62%, still projected to exceed target	<b>Insight:</b> Targets are monitoring levels. A high percentage of positive screenings could signal incorrect referrals to the service.

## City for All Tracker

The table below provides a progress update at quarter 3 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

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

## 1.2 Children’s Services

### Achievements

#### The permanent appointment of a Director of Children’s Services

Bi-Borough Children’s Services has appointed a permanent Executive Director of Children’s Services. Sarah Newman has been Acting Bi-Borough Director of Children’s Services since the summer, and as of December 2019, Sarah Newman’s position has become permanent.

#### **Outputs delivered:**

- Appointment of a permanent Director with a track record of success, most recently steering the council through the recent Ofsted inspection and improving the overall outcome of ‘Outstanding’ for all judgements.
- High quality leadership and direction of travel for Bi-Borough Children’s Services.
- New leadership is already bringing a clear vision and ambition for Children’s Services going forward.

#### **Outcomes achieved:**

Succession planning worked well to conclude the recruitment process with an excellent result for the Council.

#### The official launch of the updated corporate parenting strategy

The Corporate Parenting strategy has been refreshed to reflect our ambition for children in care and for care leavers. The revised strategy was launched on 4<sup>th</sup> November 2019 in an event attended by Councillors, officers from across the council, partners and some of our young people.

The Annual Report for children in care and care leavers detailed a changing picture locally with a growing number of unaccompanied minors, and 65% of the care population being aged over 14.

#### **Outputs delivered**

Four key priorities have been identified for action this year through the strategy. Progress is reported to the Corporate Parenting Board:

1. to ensure our workforce has the right experience, knowledge and skills to meet the needs of children in care and care leavers;
2. to ensure we have sufficient care placements to provide options for young people so that they are supported in the right care environment and given options to move to independent living arrangements;
3. to promote healthy lifestyles and develop resilience;
4. to increase the number of Children in Care and care leavers who are in education, employment and training.

To set these four key priorities, we sought feedback from young people about what matters to them.

#### **Outcomes achieved**

WCC has a refreshed and forward-thinking corporate parenting strategy which reflects the ambition of Councillors, officers, partner agencies and our young people. Our strategy ensures that WCC continues to be an outstanding corporate parent to those in its care. Our key priorities offer the opportunity to build on our work to date and deliver even better outcomes for young people.

## **Children with SEN continue to perform well in Westminster schools, both at Key Stage 2 and at Key Stage 4, compared to their peers nationally in 2019**

Children on SEN support and children with an EHCP (Education, Health and Care Plan) attending Westminster schools perform considerably better than their peers nationally.

### **Outputs delivered:**

- All pupils in Westminster attend a school which is rated either good or outstanding by Ofsted.
- Schools report that the Education Psychology liaison visits are highly valued and contribute to making a difference for the outcomes of children with SEND.
- The Virtual School monitors the quality of planning and support provided to looked after children and young people with SEND. This helps to ensure good outcomes for our SEND pupils.

### **Outcomes achieved:**

2019 educational outcomes for children with SEN show that at both primary and secondary, their achievements are well above national comparators.

At KS2 37% of children on SEN Support achieved the expected standard in reading, writing and mathematics compared with a national average of 25%; 16% of children with an EHCP achieved the expected standard in reading, writing and mathematics compared to a national average of 9%.

At KS4 49% of children on SEN Support achieved grades 4-9 in English and mathematics compared with a national average of 32%; 22% of children with an EHCP achieved grades 4-9 compared to a national average of 11%.

## **Risks and issues:**

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

#### **Impacts and consequences**

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

#### **Mitigation and progress**

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

#### **Timeframe for improvement**

We have a review date of April 2020 in place for this risk and will continue to keep this risk under review.

## **An increase in Serious Youth Violence in North Westminster**

Youth violence statistics relate to the victim of a crime who is aged 19 or less. Across the Metropolitan Police Service offences increased by 1% compared to the previous year, compared with a 58.4% increase in WCC (792 in Sept 18 – Aug 19, 500 in Sept 17 – Aug 18.) Westminster accounts for 9.6% of all youth violence victims in London. Currently, as a daily average, there are 2.1 victims of youth violence in Westminster compared with 1.4 a year ago\*.

\*It should be noted that the figures are likely to be significantly impacted by offences in the West End which make up the majority of violent crime in Westminster.

### **Knife Crime**

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

### **Impacts and consequences:**

In response to these incidents the council has identified significant community concern over the safety of young people in the area.

### **Mitigation and progress:**

Practitioners from the council's Early Help service, along with other services and partners, are working with young people and families affected by and involved in youth violence. Practice is trauma informed with the Early Help workforce, and key stakeholders in schools and communities offered the ARC (Attachment, regulation, competency) trauma informed training. An inclusion pilot is taking place in schools which focusses on preventing exclusions, which are seen as strong precursors to gang involvement/ recruitment. Currently, Early Help staff are embedded in two schools - Marylebone Boys and Beachcroft - and they are working directly with families affected. Triage is offered to first time offenders by the council's Early Help service: results show that this has reduced a number of cases escalating to receiving Youth Offending Team (YOT) interventions. The development of three local family hubs for families to access early support and three youth hubs will deliver more joined up support and a greater variety of activities. This will encourage positive engagement by young people.

### **Timeframe for improvement**

We have a review date of April 2020 in place for this risk and will continue to keep this risk under review.

## **The rising numbers of unaccompanied asylum-seeking children (UASC) and the pressure on resources that this creates.**

### **Impacts and consequences:**

The increased demand in placements creates a financial pressure on the council as well as a pressure on our capacity to manage this demand. Without mitigations this will lead to financial overspend. The Pan London rota continues to operate however capacity across the whole of London has been affected. London authorities are now mostly at their 0.07 quota per 10,000 population limiting the Pan London transfer scheme to small numbers of transfers from Croydon. This means that the potential number of UASCs coming into the authorities (especially for Westminster) may increase dramatically in the coming financial years. The numbers of UASC arriving in Westminster are likely to remain the responsibility of the Council. Modelling, using trend analysis, highlights a net financial increase in Looked After Children due to numbers of UASC presenting by £0.650m per annum. This reflects an average increase of 49 children per annum cumulatively.

### **Mitigation and progress:**

Regular review and monitoring of current placement costs including a breakdown of these costs. We will begin implementing a new Placement Strategy in 2019/20 as part of a wider transformation review of Looked After Children Placements.

A Looked After Children tracker and financial placement models are in place to monitor numbers, need and cost.

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

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

### **Timeframe for improvement**

We have a review date of April 2020 in place for this risk and we will be keeping this risk under review. We are closely monitoring current placement costs and forecasting future demand. We will continue to lobby Central Government on this issue.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019).

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available at Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
1. % of Westminster schools judged to be outstanding by Ofsted	34% (20/59)	27%	32%	37%	34% (20 of 59)	Meeting target	→ Same as last quarter, still meeting target	<b>Insight:</b> Please note that there may be changes in performance as many of our outstanding schools have not had an Ofsted inspection in more than six years.
2. % of Westminster's pupils who achieve 9 - 4 (A*-C) in English & mathematics	74% (2018 Year)	74%	76%	78%	75% (2019 Year)	Meeting target	→ Same as last quarter, still meeting target	<b>Insight:</b> Provisional results for 2019 represent an increase to 75% from 74% in 2018. Performance remains above the 2019 National rate of 65% and Inner London rate of 66%.
3. % care leavers in education, training or employment (at age 19, 20, 21) (excluding those not in touch)	63%	50%	60%	80%	69% (41 of 57)	Meeting target	→ Same as last quarter, still meeting target	<b>Service Commentary:</b> 72% of Care leavers aged 19, 20, 21 who have had a birthday in the quarter. Nationally, Westminster achieves higher rate of Care Leavers aged 19-21 in EET when compared with the most recent England 2018 rate of 51% and London rate of 53%.
4. Increased proportion of Education, Health and Care assessments which are completed within 20 weeks	89%	60%	70%	75%	100% (88 out of 88) (Aug 2019)	Projected to exceed target	→ Same as last quarter, still projected to exceed target	
5. % of children who reach expected levels for reading, writing and maths at the end of primary school	72% (2018 academic year)	58%	68%	73%	70%	Meeting target	↑ Up from 69%, still meeting target	<b>Benchmark:</b> Revised 2019 results published in December 2019 indicate a decrease to 70%. Performance remains above the 2019 National rate of 65% and slightly below the Inner London rate of 71%.

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available at Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
6. To promote independence of young people by offering Independent Travel Training	2	2	3	4	NA	NA	NA	Recruited two Independent Travel Training officers. Training to be offered from January 2020 onwards when monitoring will begin.

## City for All Tracker

The table below provides a progress update at quarter 3 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
<b>Caring and fairer city</b>		
We will prioritise resources to support our most vulnerable children. We are offering a package of help to the 700 children with special education needs and their families, including a short-breaks offer. We will pilot a new approach to tackling the root cause of exclusion from primary school, helping every child thrive in the classroom	<b>On Track</b>	<ul style="list-style-type: none"> <li>Feedback from families that took part in the short break play scheme pilot was positive and the pilot was extended to run during October Half Term and Christmas Holidays. This has enabled us to offer a service locally and fund outings and trips that offer better experiences for the children. 5 additional families have signed up and will be using the offer moving forward.</li> <li>The register of Disabled Children is in place to support service planning and improve communication with families. To date 70 Families have registered. To encourage more families to register, we are now introducing the MAX card. It is a recognised discount card for children with additional needs and it offers discounts on a huge range of activities nationwide. We have taken over the health notifications from Health. Families receive a letter from us welcoming them to the Local Authority and introducing them to the Local Offer. We then follow this up with a phone call and a meet up where the Front Door Officer can signpost as needed or take a referral for the Short Breaks Service.</li> <li>All five schools involved in the schools’ exclusions pilot to date had sent staff to two-day Trauma Informed ARC (Attachment, Regulation and Competency) framework training. Over 88 people including practitioners from agencies supporting the schools have attended the training. The pilot had received direct referrals from the schools involved with the team working with 16 families (with some cases closed or moved on for mentoring support provided by local agencies). The schools involved have started to report positive outcomes. Further training is planned for 2019/20 with a priority to involve secondary schools in the programme and a conference for schools in June 2019.</li> </ul>
<b>City of opportunity</b>		

City for all Pledge	Delivery Status	Progress update
<p>We recognise that we have some of the best schools in the country. We will do all we can to make sure they continue to receive the support needed to maintain the highest standards.</p>	<p>On Track</p>	<ul style="list-style-type: none"> <li>34% of Westminster Schools are currently judged outstanding by Ofsted. This compares very strongly to average national figure which currently stands at 21% and a London average of 32% and is in line with minimum targets for the service. The target was set when all schools had 2-day inspections and could move up to outstanding position, which is now not the case. Please note that there may be potential risk as many of our outstanding schools have not had an Ofsted inspection in more than six years.</li> </ul>
City that offers excellent local services		
<p>We will continue to invest in and maintain the highest standards in our outstanding children’s services as rated by Ofsted.</p>	<p>On Track</p>	<ul style="list-style-type: none"> <li>Ofsted inspected the council's children's services in September. Westminster’s children’s services were judged to be outstanding for the impact of leaders on social work practice; the experiences and progress of children who need help and protection; the experiences and progress of children in care and care leavers and for the service’s overall effectiveness.</li> <li>Ofsted concluded that excellent services for vulnerable children in the city result in positive enduring change for children and families. They praised highly skilled, experienced social workers and other frontline practitioners who provide sensitive and innovative child-centred interventions. Early Help services are described as exemplary with highly skilled assistance for children at risk and Ofsted noted that children who do come into care are provided with highly dedicated care and support. Inspectors observed that leaders are tireless and curious in their approach to practice.</li> </ul>

## 1.3 City Management and Communities

### Achievements

#### Westminster awarded the RHS Britain in Bloom 'City of the Year' Gold award.

##### Outputs delivered

Westminster was awarded 'City of the Year' Gold Award in this year's RHS Britain in Bloom awards. Britain in Bloom is an annual competition to encourage entrants to care for their environment, maintain and/or enhance horticultural displays and for each entry to encourage and support volunteering and community gardening. Westminster's entry was for the whole of the City, including local businesses, all public spaces and gardens, housing estates and streets.

##### Outcomes achieved

This is the first time this has been achieved since 1990. The judges commended our environmental practices and partnerships with our business improvement districts, and praised our work with local communities who are benefitting from cultural and physical activities programmes all year round. Additionally, we won Park of the Year for Victoria Embankment Gardens.

#### Additional funding to continue to deliver our outstanding London Healthy Workplace Award which encourages Westminster's businesses to invest in their employees' health and wellbeing.

##### Outputs delivered:

We have supported 65 of Westminster businesses to gain the Healthy Workplace Award - the highest number and a fifth of accredited organisations across London. Businesses who focus on the health and wellbeing of their staff experience improved productivity, fewer accidents and lower absence rates.

##### Outcomes achieved:

This year we have accredited an additional 15 businesses and are on track to train 100 managers on mental health awareness. We have been awarded £640,000 to expand this scheme over the next three years to enable the team to deliver mental health awareness training and nutritional workshops to employees working in Westminster. The funding will also allow us to introduce a Westminster award ceremony to recognise local businesses and reward them for their commitment to the healthy workplace initiative. The team won an award in November at the GLA Healthy Workplace awards ceremony for being a leading borough in supporting employers to achieve the London Healthy Workplace Award.

#### Additional resources available to support people who are sleeping rough in Westminster into sustainable housing.

##### Outputs delivered:

This year the team has secured an additional £1.6m, from bids to the GLA, Public Health England and Ministry of Housing, Communities and Local Government. The money has allowed us to develop different ways of supporting people, including psychological support in hostels and assessment

centres, and employing people with lived experience of homelessness in the development and delivery of our services. The Public Health project, starting in February 2020, will see 2 psychologists, substance misuse workers and peer advocates embedded into our street-based outreach and assessment centres. The goal is to increase access to health services to support people to move away from the street-based lifestyle. In January, 24 new bed spaces are becoming available for people who are on the streets, but working in low income roles and require support to gain better employment and access to the private rented sector.

The Westminster Homelessness Partnership (WHP) has been relaunched with senior representation from St Mungo's, The Connection at St Martin's, Passage, Housing Justice, Mayday and West London Mission, in order to work with our key partners to reduce rough sleeping across the City.

#### **Outcomes achieved:**

In the first half of this year our assessment centre supported over 80 sustained reconnections for people who were rough sleeping in Westminster. We have also delivered 22 sustained housing first tenancies for people with complex needs. At our last street count in November, we saw a total of 333 rough sleepers bedded down, however only 12 people had been seen sleeping before in the last three street counts. This demonstrates the success of our interventions, but also the transient nature of rough sleeping in Westminster.

### **Results from our Housing Standards Task Force and Short Term Lets Team**

#### **Outputs delivered:**

The Housing Standards Taskforce made up of Environmental Health Officers, Trading Standards, Planning Enforcement and City Inspectors protects vulnerable residents by targeting criminal landlords and letting agents and tackling the problems associated with short-term letting.

#### **Outcomes achieved:**

The task force uncovered 20 unlicensed HMOs which have subsequently been licensed and their housing standards assured. The team has issued 10 Civil Penalty Notices (CPN) with a value of over £150,000 for housing offences.

This includes a company which was fined £25,000 by the courts for an unlicensed HMO in Hyde Park Square and £25,000 Civil Penalty Notice against the same company for another unlicensed HMO.

- Two CPNs were served on a letting agent for operating unlicensed HMOs in Star Street, Paddington. Following appeals to the First-Tier tribunal, we have secured £25,000 from them in CPN fines with a further £5,000 due to Trading Standards for consumer protection offences.
- We have another CPN awaiting appeal for the sum of £20,000 relating to an unlicensed HMO in Shirland Road.

To date £61,500 in fines have been paid to the Council. This meets our expectation around collection rates. The team have several other suspected unlicensed HMOs in their sights and are using intelligence from the community to identify those responsible. The team is working hard to ensure that everybody living in Westminster has the right to a safe home.

## Risks and issues:

### High levels of robbery within the City, especially in St James and West End wards. Offences of robbery are currently up 56% from the same period last year.

#### Impacts and consequences

Robbery offences have been rising within the borough for several years and is now a key policing priority for the borough. There is a direct correlation between incidents of robbery and the high levels of knife crime reported within the City. Robbery has the potential to cause devastating effects upon victims, cause serious financial loss and result in serious personal injury. High levels of robbery negatively impact on the reputation of Westminster as a safe place to live, work and visit.

#### Mitigation and progress

Progress against robbery is monitored through the Council's Scrutiny process, which holds Westminster Police to account for performance. The police have recently created a dedicated Priority Crime Unit comprising of 48 officers targeting robbery. The Safer Westminster Partnership also instituted a Task and Finish Group looking to address the high levels of crime in St James' and West End wards. The group will examine how partners can support the police in delivering crime reduction initiatives through crime prevention and other activities.

#### Timeframe for improvement

The increase in robbery rates are already beginning to stabilise and reduce. Providing that this trajectory is sustained any potential reductions should be achieved by April 2021.

### Seymour Leisure Centre renovation/Marylebone Library re-provision

This project is currently awaiting a decision on capital funding and being reviewed following feedback from Historic England on the proposed changes to the grade II listed Seymour building. Funding and planning permission are essential pre-requisites for the scheme, and failure to secure these could result in deterioration of a historic and local landmark and inability to re-provide an adequate library for the community.

#### Impacts and consequences:

If the funding and planning permission are not in place this will delay the provision of a new library for the local community.

#### Mitigation and progress:

Officers are working with colleagues in Planning and Property, and with Historic England, to come to a solution that enables the scheme to progress. Work on financial viability and maximising the commercial offer will feed in to the Strategic Outline Business Case and Outline Business Case which are in preparation and will be delivered by February 2020.

#### Timeframe for improvement:

Local stakeholders, including Ward Members, are being informed and engaged and we are being transparent about the challenges. Wider public engagement is currently planned from spring 2020. The scheme is due before the Capital Review Board in April 2020.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019).

<b>Target range definitions</b>	<b>Minimum</b> <b>Ideal</b> <b>Aspirational</b>	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	<b>Q3 Target assessment definitions</b>	<b>Off track</b> <b>Projected to exceed target</b> <b>Meeting target</b> <b>Minimum standard met</b>	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>City Highways</b>								
1. % of urgent lighting defects made safe within agreed timescale	97%	95%	→ 98%	→ 100%	100% (Oct 2019)	Meeting target	→ Same as last quarter, still meeting target	
2. % of carriageway and footway defects repaired or made safe within 24 hours	99%	95%	→ 98%	→ 100%	99% (Oct 2019)	Meeting target	→ Same as last quarter, still meeting target	
<b>Public Protection and Licensing</b>								
3. % of total licences issued within 28 days from the publication date of the Licensing Sub-Committee decision.	39%	70%	→ 80%	→ 90%	88%	Projected to exceed target	↑ Up from 85%, previously meeting target	
4. To complete all high-risk food premises inspections (category A-B)	420	100%	→ 100%	→ 100%	93% (173/185)	Off Track	→ Same as last quarter, still off track	
<p><b>Service commentary:</b> We have reduced the number of premises in cat A&amp;B this year, by improving the food safety standards at these premises. As a result of the due dates for the food inspection programme, which are set in law, there is a significant skew of inspections to be undertaken in quarter 4. This increase in inspections is a yearly trend and one that the team prepares for annually.</p> <p><b>Mitigation</b> The service is now fully staffed with extra resource brought in to complete the A&amp;B inspections.</p> <p><b>Timeframe for improvement:</b> We are confident that the team will complete all inspections by the end of the year.</p>								

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
5. Number of Houses of Multiple Occupation improved (buildings with more than one household including shared facilities)	54	50	65	75	45	Minimum standard met	↑ Up from 30, previously off track	
<p><b>Service commentary:</b> Performance for year to date only slightly behind ideal target. There are a number of cases across the team which are in progress and expected to complete by years end to achieve target. In addition, a recent proactive street survey of predicted HMOs is producing some additional properties for intervention.</p> <p><b>Mitigation:</b> Ongoing case management of cases to ensure necessary improvements are carried out, as well as ensuring proper recording of work is taking place</p> <p><b>Timeframe for improvement:</b> By end of year.</p>								
6. Number of hazards removed from residential dwellings which pose a serious and immediate threat to people’s health or safety	436	400	500	600	547	Meeting target	↑ Up from 353, still meeting target	<b>Insight:</b> There is ongoing work to build intelligence in this area, which will include more information around prevalence of housing hazards. The English Housing Survey 2016-17 estimated that 15% of private rented dwellings contained at least 1 Category 1 hazard.
7. % of licensed premises that are safe and well managed following a single inspection.	82%	65%	70%	100%	94% (Nov 2019)	Meeting target	↑ Up from 85%, still meeting target	<b>Insight:</b> This ensures that Westminster residents and the public have access to safe bars and restaurants across the city.
8. Number of vulnerable residents supported to continue living in their homes	1,065	600	800	1,000	698 (Nov 2019)	Meeting target	↑ Up from 516, previously projected to exceed target	<b>Insight:</b> This is a programme run by the public protection team offers housing related services to help vulnerable residents live independently.
9. % of women accessing specialist domestic abuse services who report a reduction in abuse	95%	75%	75%	80%	84% (Sept 2019)	Projected to exceed target	→ Same as last quarter, still projected to exceed target	<b>Insight:</b> Q3 position available Jan 2019.

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>Physical Activity, Leisure &amp; Sport (PALS)</b>								
10. Total participation in Council sports, leisure and wellbeing activities	4.07m	3.5m	→ 3.7m	→ 3.8m	2,947,371	Meeting target	→ Same as last quarter, still meeting target	<b>2019 City Survey:</b> 90% of residents were satisfied with Council sports facilities.
<b>Parking</b>								
11. Ensuring parking compliance across the City is over 97%	98%	97%	→ 98%	→ 99%	98% (Oct 2019)	Meeting target	→ Same as last quarter, still meeting target	<b>2019 City Survey:</b> 80% of residents were satisfied with Council parking services.
12. Availability of residents parking in Westminster (Ratio of residential permits issued against parking bays available on the street)	99%	85%	→ 90%	→ 95%	89% (Nov 2019)	Meeting target	↓ Down from 89.65%, still meeting target	
<b>Waste &amp; Parks</b>								
13. % of streets in Westminster that pass the street score survey for litter	97%	98%	→ 98%	→ 98%	95.10%	Meeting target	↓ Down from 99.21%, previously projected to exceed target	<b>2019 City Survey:</b> 91% of residents were satisfied with the Council's street sweeping service.
<b>Libraries &amp; Registration Services</b>								
14. 2% increase in real and virtual visits to libraries	-3.4% (1.96m visitors)	1%	→ 2%	→ 3%	1,534,958 visitors (Nov 2019)	Projected to exceed target	↑ Up from 1.15m, still projected to exceed target	<b>Insight:</b> Full quarters details not available until w/c Jan 6th. Although reported figure as at Nov 2019 is are ahead of where we were last year (1,306,012)
15. % of appointments to register births available within 5 days of enquiry	95%	95%	→ 95%	→ 98%	96% (837/876)	Meeting target	↓ Down from 96.19%, still meeting target	
16. % of satisfied users across the Libraries Services (City Survey)	94%	85%	→ 90%	→ 95%	95% (2019 City Survey)	Target met	↑ Up from 94%, still meeting target	

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>City Management and Communities</b>								
17. Number of Emergency planning exercises completed	17	6	7	10	13	Target exceeded	↑ Up from 9, previously meeting target	<b>Insight:</b> Working closely with other local authorities, the emergency services and partner organisations, the Contingency Planning Team make sure that when an incident occurs, our response and recovery plans are ready to be activated. We work closely with staff and partners to prepare for emergencies, with regular training and exercises.

## City for All Tracker

The table below provides a progress update at quarter 3 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
<b>City that offers excellent local services</b>		
By the end of 2019 we will license buskers and street entertainers to make sure that residents and visitors get the best experience, and that new performers have a chance to shine.	See progress update.	<ul style="list-style-type: none"> <li>Updated project timeline delivered with Cabinet Member approval. Stakeholder engagement on revised proposals have been completed. This proposal will go before the Licensing Committee on the 10th January 2020, for approval to go out to consultation on the proposal.</li> </ul>
We will extend our Licensing Charter across the whole of the city, working in partnership with the industry to set the standards for how venues take care of the welfare of patrons and be good neighbours.	On Track	<ul style="list-style-type: none"> <li>We are legally bound to review our Statement of Licensing Policy by Jan 2021. We are now looking beginning this process and will begin engaging with key stakeholders. We see this an opportunity to underwrite the principles of the Licensing Charter in the policy to support its role out across the city.</li> </ul>
We will ask all power and utility companies to sign up to a new protocol to coordinate works so our streets and traffic are not needlessly disrupted.	Completed	<ul style="list-style-type: none"> <li>Improvements to services from utilities continue to be delivered in terms of greater reductions of impact on residents and better sharing of information with all parties. Final versions of formal letters are with the utilities and agreement is being chased.</li> </ul>
We have established the Housing Standards Task Force which has the dedicated job of making sure private renters are protected from rogue landlords and unlawful nightly letting does not overrun the city.	Completed	<ul style="list-style-type: none"> <li>Housing Standards Taskforce (Rogue Landlord) have uncovered 20 unlicensed HMOs which have subsequently licenced. We have issued 10 Civil Penalty Notices with a value of over £150,000. To date £61,500 has been paid to the Council. We have successfully defended one appeal at the First Tier Tribunal and have another appeal pending. The data analysts have helped construct an HMO identification tool which enables us to identify unlicensed Houses in Multiple Occupation</li> </ul>
<b>Caring and fairer city</b>		
We will consult on a new gambling policy, leading the way nationally on setting the standards for the industry and protecting the most vulnerable in our neighbourhoods by providing better regulation of betting shops across the city.	On Track	<ul style="list-style-type: none"> <li>We are reviewing the approach to licensing policy across the council. It is proposed to develop a more strategic approach to licensing so that it supports strategic City for All aims. This approach is being developed as part of the statutory review of the Licensing Act 2003 Licensing Policy review. A new revised licensing policy, which will include our approach to gambling will be out before full council for adoption in November 2020.</li> </ul>
We will fund a dedicated officer to support the work of our local neighbourhoods and the police to combat hate crime and discrimination as part of a new anti-hate crime strategy.	On track	<ul style="list-style-type: none"> <li>The independent Hate Crime Commission has been appointed and has met twice. It is currently engaged in an evidence gathering process.</li> </ul>

City for all Pledge	Delivery Status	Progress update
<b>Healthier and greener city</b>		
We will deliver a new £1m Schools Clean Air Fund, giving schools the resources, they need to tackle poor air quality.	On Track	<ul style="list-style-type: none"> <li>The School Clean Air Fund will be spent by schools by 31st March 2021 to complement the School Air Quality Audits.</li> </ul>
Our new four-year ActiveWestminster strategy will ensure all our neighbourhoods have access to open spaces and sports facilities through developments like the new £28m Moberly Sports Centre	<p>Moberly Leisure Centre Completed</p> <p>Active Westminster Strategy On track.</p>	<ul style="list-style-type: none"> <li>The ActiveWestminster (AW) Strategy is being delivered across all thematic areas (ActiveCity, ActiveLives, ActiveNeighbourhoods) with significant improvements through the AW Digital Programme that will see a new website launched in Q4 utilising Open Data. A refreshed AW Card has been developed during Q3 that gives improved access to Westminster's Physical Activity, Leisure &amp; Sports facilities for residents and those that study in the city.</li> <li>The 10th AW Awards was held in Q3, generating a record number of nominations (270) and the event held for the first time at Porchester Hall welcomed in excess of 300 guests from local community sports clubs, volunteers, coaches, schools and our best promising athletes from the champions of the future scheme.</li> </ul>
We will expand our network of 165 electric charging points by 25%, making it as easy as possible for people to switch to EVs.	Completed	<ul style="list-style-type: none"> <li>470 charge points have now been installed.</li> </ul>
We will launch a new Recycling Information Hub and roll out five neighbourhood pilots including the expansion of our 'In It To Win It' campaign, working with local neighbourhoods to achieve a step change in recycling rates across the city.	Completed	<ul style="list-style-type: none"> <li>New web page added to the Council's website supporting the SWAT project, including information on rubbish and recycling collections.</li> </ul>
We will expand #DontBeldle, setting the ambition for 1,000 businesses to sign up and play their part in reducing their own and their customers' emissions.	Completed	<ul style="list-style-type: none"> <li>We have continued to target business to join the campaign and train their drivers to turn off their engines while stationary. The latest businesses to sign up include UPS, Bouygues and Big Bus Company, and we are in detailed discussion with Sainsburys, Amazon and Uber.</li> <li>Additionally, all schools in Westminster have been issued with a #DontBeldle banner to help prevent idling outside the school gates. We have also issued two newsletters to over 850 supporters to engage them in the campaign and encourage them to spread the word.</li> <li>We have held twelve action day events to target idling drivers across the City, sent campaign material to residents' groups, and updated stakeholders through the council's digital and print communications channels.</li> <li>Currently we are installing 200 new lamppost signs at idling hotspots across Westminster, whilst updating #DBI design work to reflect the positive steps forward in achieving campaign aims and launching a new social media campaign at the start of January.</li> </ul>

City for all Pledge	Delivery Status	Progress update
<b>City that celebrates its communities</b>		
<p>We are consulting on a new market’s strategy, listening to the views of residents, shoppers, visitors and traders on how we can keep the city’s eight thriving local markets at the heart of local neighbourhoods. The new strategy roll-out in 2019.</p>	<p>Completed</p>	<ul style="list-style-type: none"> <li>The strategy has been published and we are working closely with traders to ensure Westminster's markets are thriving in the heart of our neighbourhoods. Work is ongoing to introduce WiFi onto our markets in 2020. Improved storage facilities are planned for January onwards. A new scheme to reduce single use plastics has been implemented at Tachbrook Market in partnership with traders.</li> </ul>
<p>We will introduce 20mph speed limits where residents tell us they want them.</p>	<p>On Track</p>	<ul style="list-style-type: none"> <li>Consultation period finished on the 10th December and a consultation report will be published in the new year.</li> </ul>

## 1.4 Growth, Planning and Housing

### Achievements

#### **Successful Strategic Investment Pot Bid**

In December 2019, we were notified that our Strategic Investment Pot (SIP) bid was successful. The bid was a collaborative bid with Tower Hamlets, RBKC, Camden, Hackney and Haringey, and as a partnership we were awarded £5m towards our Central London Inclusive Growth project. Westminster's allocation of funding is c.£800k and will be used to support our Enterprise Space Programme which includes 470 Harrow Road and Public Conveniences (that would be used as workspaces) projects.

#### **Outputs to be delivered**

- £800k external funding secured
- 99 jobs created (fully occupying the workspaces available)
- 1,026 square meters of enterprise space
- 145 businesses supported
- £400k rateable value uplift

#### **Outcome to be achieved**

The investments will help residents from all backgrounds to set-up in business, micro businesses to employ (diversely) and small businesses to expand. The project will fund the delivery of diverse business space and also business support programmes.

#### **Affordable Housing Programme**

To date, we have delivered 641 modern affordable homes built to the highest standards and continue at pace to deliver 1,850 affordable homes by 2023 in Westminster.

#### **Outputs delivered**

Following extensive consultation with residents and productive pre-application discussions with the planning department, planning applications have been submitted for developments at Torrington, Luxborough Street, Queens Park Court and 300 Harrow Road.

Westminster has taken handover of 47 new affordable homes at Lyons Place on Edgware Road, providing a mixture of social rent and shared ownership homes. The long lease on these properties is with Almacantar who have delivered these affordable homes as part of their planning obligations associated with this development.

The Mayor of London has issued his Stage 2 report in respect of the latest planning application for Whiteleys. He is now content for the City Council to determine this application which was approved on 17 December.

#### **Outcomes to be achieved**

- The above infills will deliver 170 units (including 109 affordable homes).
- Lyons Place provides 47 new affordable homes.
- The Whiteleys shopping centre redevelopment proposal will deliver 159 new homes including 14 affordable homes and £8m contribution to the Council's affordable housing fund, together with a new shopping centre and a hotel.

### **Ebury Bridge Estate Regeneration**

In partnership with Ebury Bridge residents, Westminster City Council is taking forward a scheme that will see 750 new homes built with at least 342 of those affordable homes. The project aims to provide more affordable housing and bring about long-term physical, economic and social sustainability of the area.

#### **Outputs delivered**

Following the demolition of Edgson House, many local residents have cited the sensitive way in which Westminster undertook this work when compared to other developers in the area. The clearance of the site allowed a pop-up 'meanwhile use' to be established, providing a site for a temporary ice rink and Christmas market and an Ebury Lights Christmas installation. The event involves various festive activities with entertainment. There has been good attendance and residents have welcomed and been positive as to the way Westminster is engaging with the local community.

#### **Outcomes achieved**

The council has sent a clear message to the residents of Ebury and surrounding areas, that the regeneration of the estate will be carefully and professionally managed and will always have consideration for residents and local businesses as a priority. Still anticipated to be completed in Autumn 2023, the first phase of the scheme will deliver a minimum of 200 new homes built on the estate

### **Risks and issues:**

#### **Income from planning fees, particularly Planning Performance Agreements (PPAs) is significantly down.**

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

PPA income is around £170k below budget. If current levels are maintained this could impact upon long term budget proposals. This could be as a result of current uncertainty in the development industry, resulting in fewer major planning applications being submitted in recent months, but may also be the result of typical quarterly fluctuations in the submission of major scale applications.

##### **Mitigation and progress & Timeframe for improvement**

Last year's income profile suggests there may be an acceleration in income in the later months of the year, and income / application trends continue to be closely monitored.

#### **Due to a combination of seasonal factors there has been an increase in level of Housing emergency repair jobs being received. This has been made worse by the inability to access premises to effect repairs.**

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

This increase in unplanned workload reduces the availability of resources to plan urgent and routine jobs, resulting in an inefficient use of resources and increases unavailability for other appointments.

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

To mitigate the problem, Morgan Sindall are currently undertaking a daily analysis of emergency jobs raised the previous day. Information on those deemed not an emergency are returned to the contact centre, for lessons learned / training purposes. We are also working with Morgan Sindall to identify the main reasons for the levels of no access and will be putting together an action plan to reduce the no access levels over the next quarter.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019).

<b>Target range definitions</b>	<b>Minimum Ideal Aspirational</b>	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	<b>Q3 Target assessment definitions</b>	<b>Off track</b> <b>Projected to exceed target</b> <b>Meeting target</b> <b>Minimum standard met</b>	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				

### Housing service

1. Number of cases of homelessness prevented (Defined as outcomes from a combination of Housing Solutions, Shelter and Trailblazer work)	506	500	→ 520	→ 550	<b>438</b>	<b>Meeting target</b>	↑ Up from 209, still meeting target	
2. Reduction in rough sleepers spending more than one night out	83%	75%	→ 85%	→ 90%	<b>87%</b> (Sept 2019)	<b>Meeting target</b>	↑ Up from 77%, previously minimum standard met	<b>Insight:</b> 85% is target for each quarter (65% cumulative - due to people returning to the street later in the year). Reported a quarter in arrears - externally managed data (CHAIN).
3. Affordable Housing units delivered in 19/20 (1,850 by 2023)	105 (303)	350 (648)	→ 470 (768)	→ 591 (889)	<b>338</b> <b>(641)</b>	<b>Meeting target</b>	↑ Up from 210 (508 cumulative), still meeting target	<b>Insight:</b> The cumulative figure for the overall affordable homes target is indicated in brackets. Based on the anticipated profile, this KPI is on track.

### Housing Management Service Performance

4. % satisfaction with repairs service	82%	82%	84%	86%	<b>83%</b> <b>(2,403/2,897)</b>	<b>Minimum standard met</b>	↓ Down from 84%, previously meeting target	<b>Insight:</b> Source: Independent Kwest Survey (an independent Tenant survey)
<p><b>Service commentary:</b> Resident satisfaction with repairs dipped to 80% in October but improved to 81% for November and 85% for December, giving an overall performance for the year to date of 83%. The dip was due to delays in completing work which is being addressed through improving the quality of repair orders so that contractors are more prepared for the job and improving processes for timely completion of follow on works.</p> <p><b>Mitigation:</b> In response we are working on a number of service improvements to address the issues raised.</p>								

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
5. Satisfaction with ASB case handling	74%	72%	74%	76%	63% (97/155)	Off track	↓ Down from 65%, still off track	<b>Insight:</b> Source: Independent Kwest Survey (an independent Tenant survey)
<p><b>Service commentary:</b> Satisfaction is in part due to staff vacancies (two case managers and two support staff)</p> <p><b>Mitigation:</b> Case managers have now been recruited and contact centre staff have been seconded to the support roles - all joining the team in early January. The team are also in the final stage of updates to the reporting portal which will allow residents to create their own ASB cases online and provide updates on existing cases. These will go directly to the ASB team, avoiding delays and ensuring that residents receive a quicker response.</p>								
6. Contact centre - % calls answered in 30 seconds	63%	65%	70%	75%	75%	Meeting target	→ Same as last quarter, still projected to exceed target	<b>Insight:</b> Source: Housing call centre IT system. Mirrors Westminster call centre target.
<b>Development Planning</b>								
7. % of 'non-major' planning applications determined within 8 weeks [S]	80%	68%	68%	80%	80% (5,465/6,840) (Sept 2019)	Projected to exceed target	↑ Up from 79%, still projected to exceed target	
8. % of 'major' planning applications determined within 13 weeks i.e. larger scale development.	79%	60%	60%	79%	77% (67/87) (Sept 2019)	Meeting target	↓ Down from 78%, previously projected to exceed target	
9. % planning appeals determined in favour of the Council (Excluding telephone boxes)	67%	60%	63%	67%	76% (264/348)	Projected to exceed target	↓ Same as Q2, still projected to exceed target	

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>Growth and Economy</b>								
10. 1,000 businesses significantly engaged (including vouchers issued, Corporate Social Responsibility activity)	1,108	900	→ 1,000 →	1,100	890	Meeting target	↑ Up from 717, still meeting target	
11. 400 Westminster residents into jobs through our Westminster Employment Service (WES)	305	300	→ 400 →	450	252 (Nov 2019)	Meeting target	↑ Up from 164, still meeting target	<b>Service commentary:</b> On track to achieve 400 based on projected profiles for the remaining quarters.
12. % of Westminster residents supported by the Westminster Employment Coaching function (WES) that start work and stay in work for 6 months.	54%	50%	60%	65%	53% (105/198) (Nov 2019)	Minimum standard met	↓ Down from 56%, previously meeting target	
<p><b>Service commentary:</b> Employment sustainments are measured as someone staying in work for six months. As such we monitor them as they occur, depending on each individual’s job start date. One of our teams changed target client group in May (Requested by the commissioner) and therefore was starting with a new cohort of clients. This means the team have not been contacting their old clients to check sustainment rates systematically, but have now been asked to do so by the Head of Coaching.</p> <p><b>Mitigation:</b> Plan in place to identify previous clients’ sustainment rates.</p>								
13. 2,000 young people engaged in enterprise and sector-based experiences	3,582	1,500	→ 2,000 →	2,500	1,718	Meeting target	↑ Up from 642, still meeting target	<b>Insight:</b> Our main youth engagement activity is profiled for Q3 and Q4, including: Westminster Enterprise Week, STEAM Week, Apprenticeship Week.
14. Social Value: % of WCC suppliers with commitments delivered to profile	N/A	65%	→ 70% →	85%	69%	Minimum standard met	New KPI	<b>Insight:</b> The Economy team is currently monitoring Social Value commitment for 26 supplier contracts. Of those being monitored, 69% are currently on track.

## City for All Tracker

The table below provides a progress update at quarter 3 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
<b>City of opportunity</b>		
We will deliver the most ambitious house building programme in the city for a generation. We are on track to deliver nearly 2,000 new council and affordable homes by 2023 and have identified sites for a further 2,000 homes.	On track	<ul style="list-style-type: none"> <li>The Council is on track to deliver over 1,850 new affordable homes. In the reporting period, the Council has taken handover of 47 new affordable homes at Lyons Place on Edgware Road.</li> </ul>
We will support 750 people into jobs per year. We also will make sure people have the best chance of finding work by ensuring our housing and children’s services work together to enable parents to return to work.	Complete	<ul style="list-style-type: none"> <li>1,010 people into jobs in 2018-19 of which 343 were long term unemployed.</li> </ul>
<b>Caring and fairer city</b>		
We will continue to support our new £6m state-of-the-art assessment centre, outreach services and accommodation for rough sleepers, helping people to get off the streets at night	On track	<ul style="list-style-type: none"> <li>Assessment centre saw 36 sustained reconnections with a marked improvement of a 72% success rate.</li> </ul>
We have identified three priorities chosen by residents that will receive funding from the £900,000 raised so far through our voluntary community contribution scheme’.	Achieved	<p>The Community Contribution scheme has now raised nearly £900,000 and supports the following priorities:</p> <ul style="list-style-type: none"> <li>Extra support to help rough sleepers away from the streets</li> <li>Providing young people with life skills, experience or training</li> <li>Combating loneliness in the community – not just among the elderly but also the young.</li> </ul> <p>£60,000 of this has been awarded to Riverside Care and Support to employ two ex-rough sleepers to become Westminster ‘buddies’ – helping people on the streets who may be distrustful of mainstream authority.</p> <p>The fund was also opened to VCS and schools to bid for. Through this process, £200,000 has so far been awarded to 18 number of projects to support the fund’s priorities. The fund is controlled by City of Westminster Charitable Trust.</p> <p>The next round of grants is expected to open in late 2019/early 2020.</p> <p>The funds are controlled by City of Westminster Charitable Trust.</p>

City for all Pledge	Delivery Status	Progress update
<b>City that celebrates its communities</b>		
<p>We are reforming the planning system so that, for the first time, members of the public will be able to speak at planning meetings. This is one of a range of measures to make the UK's busiest planning authority more transparent.</p>	<p>On track</p>	<ul style="list-style-type: none"> <li>Public speaking introduced in 2018-19. We are now in the process of introducing the live streaming of Planning Committee meetings. Ongoing trialling is taking place and full implementation is currently anticipated for Qtr 4.</li> </ul>
<p>We will remove unwanted and misused phone boxes from our streets.</p>	<p>On track</p>	<ul style="list-style-type: none"> <li>The Planning Enforcement Team continues to pursue action against the poor condition of telephone boxes to ensure that their condition is improved to a satisfactory standard.</li> </ul>
<p>We will work with residents to develop new proposals for the Oxford Street District, which includes the reduction of pollution levels, control of deliveries, protection of resident parking bays, ensuring traffic will not 'rat run' down residential roads and effective management of pedestrian areas and surrounding streets.</p>	<p>On track</p>	<p>Phase 1 works have begun addressing safety critical concerns as well as undertaking a range of enabling works in advance of the OSD Strategy:</p> <ul style="list-style-type: none"> <li>Repairs to over 50 utility covers, Over 2km of roads relining to refresh the road markings</li> <li>Jet washing and surveying of over 200 gullies including fixing drainage</li> <li>Maintenance to the trees / tree pits, Repairs to street lights</li> <li>Over 4000 sqm of pavement repairs / repaving</li> <li>A Programme Director and a Contractor have been appointed to ensure that the programme for 2020 is maintained. The team have been working on a number of strategic workstreams to plan for the delivery of the Oxford Street Place Strategy and Delivery Plan.</li> <li>Key workstreams include the development of a street trading masterplan for the district, traffic and air quality modelling, a freight behaviour change programme and the development of a management plan for the district.</li> <li>The development of the design-related work packages is also in progress, with projects such as Ramillies, Berners and Sustainable Streets gaining momentum.</li> <li>Stakeholder engagement has been a priority for the Council with zonal working groups meeting regularly</li> </ul>
<b>City that offers excellent local services</b>		
<p>We will deliver a step change in the quality of CityWest Homes customer service so that it is the standard that our tenants and lessees deserve</p>	<p>On track</p>	<ul style="list-style-type: none"> <li>Performance is improving and the service has completed its ramp up of staff to cover the additional volumes over the winter period.</li> </ul>

## 1.5 People Services

### Achievements:

#### Our Voice 2019 Staff Survey

##### Outputs

This is the third year of our revamped staff survey, Our Voice. Running from 16<sup>th</sup> September- 4<sup>th</sup> October 2019, it provides a measure of the level of engagement staff have with the council and highlights areas of focus for the wider people strategy, the Westminster Way. The response rate to the survey was 70% which has increased significantly compared to the last two years when it was 62%.

##### Outcomes

Westminster City Council's overall Engagement Index for 2019 is 73%, excluding the housing team (previously City West Homes). This is an increase of 3% from last year (70%). In addition, this result is 4% above the 2019 local government benchmark. The council's Engagement Index including the housing team (formerly CWH) is 72%. The appendix details the full survey results for this year.

The response to the question "I believe the work I do will help us deliver a City for All" has increased by 15% since 2017, and is now 79% positive, showing staff increasingly understand their role in delivering the organisation strategy.

Excellent progress is being made in making Westminster a great place to work: the answer to this question is now 67% positive, an increase of 14% since 2017. The council cares about my health and wellbeing has also increased by 9% from 2018 and is now 56% which is 2% above the benchmark.

#### Embedding the Personal Development Framework

##### Outputs

- **Performance Dashboard:** The Westminster Way Performance Dashboard was launched to the Leadership team (group of 150) in November. The Performance Dashboard developed by Strategy and Intelligence Team brings together performance data from multiple sources in one place. It promotes a more open, engaged and transparent performance culture and establishes a golden thread from City for All to the Westminster Way as an enabler.
- **How to Have Brilliant Conversations** workshops: A series of four 90-minute sessions were piloted and launched to help managers support the development of their staff through coaching and feedback.

##### Outcomes

The Performance Dashboard gives senior leaders a strategic view of the organisation's performance in the delivery of City for All through a range of measures enabling leaders to have directorate level conversations with their teams. The Dashboard helps staff understand the business and leadership priorities better and enables more honest conversations about how well the organisation is performing. How to Have Brilliant Conversation workshops help managers have meaningful seasonal conversations with their teams and make core themes work for them. They help the managers to use coaching skills, give effective feedback and look at creative ways to facilitate the personal development of their teams through which they can get good performance.

These workshops enable the managers to get the best out of their staff. In the future, managers will be able to look at the dashboard and facilitate focused meaningful conversations to drive performance and empower their staff to think about how they can contribute to the wider Council goals and objectives.

## Inclusion & Diversity programme

### Outputs

We are taking steps to address our Black, Asian and Minority Ethnic BAME pay gap which as of the 2019 report is 18%. The latest pay gap data is being calculated and will be reported in March 2020:

- Positive Action: For all middle and senior management roles we will have at least one candidate from a BAME background on every shortlist.
- Reverse mentoring: Championed by our Executive Leadership Team, this enables leaders in the council to improve their cultural intelligence by being reverse mentored by colleagues from different backgrounds.
- Diverse recruitment panels: All interview panels for middle and senior manager roles are gender and BAME diverse.
- Focus on equity in terms of gender and ethnicity in how our staff are rewarded.
- Only working with recruitment partners who have a track record in this area.

### Outcomes:

- Our staff engagement scores have increased by 7% over 2 years (as highlighted in our most recent staff survey).
- Staff are telling us how much more positive and inclusive the organisation feels.
- We have seen a significant increase in the number of women in senior leadership roles from 31% in 2016/17 to 41% in 2018/19, to a current 44% at Q3 2019/20 (these numbers have been restated to include the former City West Homes).
- Since the launch of positive action, 43% of middle and senior management roles have been filled by BAME individuals, building on the increase of BAME staff in leadership roles from 5% in 2016/17 to 11% in 2018/19 and currently 15% at Q3 2019/20.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019).

Target range definitions	Minimum	The minimum level for the KPI that will still allow the service to deliver	Q3 Target assessment definitions	<b>Off track</b>	Failing to achieve the minimum target level				
	Ideal	A level which is acceptable for service continuity	<b>Projected to exceed target</b>	Projected to exceed ideal target level					
Aspirational	The level at which the service is improving beyond current capability	<b>Meeting target</b>	On track to meet ideal target level	<b>Minimum standard met</b>	Meeting the minimum target below ideal level				
Key performance indicator	2018/19 position	2019/20 target ranges				Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	→	Ideal	→				
1. % of staff turnover is managed at appropriate benchmark levels (excluding redundancies)	15.6%	16%	→	15%	→	14%	<b>14%</b> (306 of 2,141)	<b>Meeting target</b>	↓ Down from 16%, still meeting target
2. % of BAME employees in senior leadership roles (band 5 and above)	11%	14%	→	15%	→	19%	<b>15%</b> (23 of 153)	<b>Meeting target</b>	↑ Up from 13.1%, still meeting target <b>Insight:</b> September 2019 data reported
3. Hampshire target – HR transactions made via self-service	71%	75%	→	77%	→	80%	<b>92%</b>	<b>Exceeding target</b>	↑ Up from 85%, still exceeding target
4. Increase the number of women in senior leadership roles (band 5 and above)	47%	42%	→	44%	→	46%	<b>44%</b> (68 of 153)	<b>Meeting target</b>	↓ Down from 46.8%, still meeting target <b>Insight:</b> September 2019 data reported
5. % of apprenticeship starts in relation to the public sector target of 2.3% of total headcount	1.7% (Including schools) 1.8% (Excluding schools)	2% including schools	→	2.3% excluding schools	→	2.3% including schools	<b>2.4%</b> (Including schools) <b>3.0%</b> (Excluding schools)	<b>Target exceeded</b>	↑ Up from Q2, previously meeting target <b>Insight:</b> Different headcounts are used for schools. Schools are not counted in the general WCC headcount
6. Positive action - % of Band 4 roles which have BAME candidate on the shortlist	New KPI	75%	→	80%	→	100%	<b>96%</b> (95 of 99)	<b>Meeting target</b>	↓ Down from 99%, still meeting target

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment		
		Minimum	→	Ideal			→	Aspirational
<b>Staff Survey 2019 – Headline results</b>								
7. Achieve a positive % increase in the Our Voice Survey: Q - My line manager gives me constructive feedback on my performance	65% (2018)	65%	→	66%	→	70%	<b>67%</b> (2019)	<b>Target Achieved</b>
8. I am optimistic about my opportunities for career development	40% (2018)	40%	→	41%	→	44%	<b>43%</b> (2019)	<b>Target Achieved</b>
9. Do you feel valued by Westminster	51% (2018)	52%	→	55%	→	60%	<b>52%</b> (2019)	<b>Minimum standard met</b>
10. The council cares about my health and wellbeing	47% (2018)	47%	→	48%	→	52%	<b>56%</b> (2019)	<b>Target exceeded</b>
11. Experienced bullying and harassment	19% (2018)	19%	→	18%	→	15%	<b>20%</b> (2019)	<b>Off track</b>
12. Freedom to work in the most productive way	77% (2018)	77%	→	78%	→	85%	<b>74%</b> (2019)	<b>Off track</b>
13. I have the opportunity to improve our services by seeking and using feedback from users.	63% (2018)	50%	→	57%	→	66%	<b>61%</b> (2019)	<b>Target Achieved</b>

## 1.6 Legal Services

### Achievements:

#### Grenfell Tower Inquiry

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

#### **Outputs delivered**

Specifically, this has meant:

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

#### **Outcomes achieved**

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

#### Continuing to improve client satisfaction

#### **Outputs delivered**

A new Case Management System was recently implemented to ensure Legal Services are fully equipped with the right facilities, systems and resources to deliver responsive and effective legal services from any location. It also ensures compliance with the high levels of security and performance demanded by the Solicitors Regulation Authority. The system continues to embed but matters closed client satisfaction surveys (albeit slow to be returned) show a marked improvement in satisfaction levels. Further opportunity for feedback has been built into the Service's new Client facing SharePoint site which went live at the beginning of December 2019 and we expect to see increased returns. The service has also continued to roll out its programme of client liaison meetings and the provision of management information packs to both improve service quality and assist with managing demand. The quality of the management information packs continues to improve as they are refined in collaboration with clients.

#### **Outcomes achieved**

90% of the responses to Q3 showed that clients were very satisfied and 10% moderately satisfied with the service.

### Risks and issues:

#### Data Protection Breaches (GDPR)

#### **Impacts and consequences**

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

#### **Mitigation and progress**

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

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019).

<b>Target range definitions</b>	<b>Minimum</b> <b>Ideal</b> <b>Aspirational</b>	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	<b>Q3 Target assessment definitions</b>	<b>Off track</b> <b>Projected to exceed target</b> <b>Meeting target</b> <b>Minimum standard met</b>	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
1. Percentage of clients satisfied with Legal service as measured by the satisfactory survey		70	→ 80	→ 100	100	Meeting target	→ Same as last quarter	
2. Percentage of cases that meet the agreed time frames for Legal cases in each area		80	→ 90	→ 100	N/A	N/A	N/A	Due to implementation of a new Case Management System, this data will not be available until 2020/21.

## 1.7 Finance and Resources

### Achievements:

**IT Staff won the Family Story and Best Transformation Project Manager awards and were nominated for the Best Team Manager and Best Up and Coming awards.**

#### Outputs

IT was a finalist in two national awards, the British Computer Society Award: Family Story and Workplace Technology (the only local authority shortlisted) and the Women in IT Awards including: Best Team Manager, Best Up and Coming, and Best Transformation Project Manager.

#### Outcomes

Winners for Family Story (Best Public Sector Project) and Best Transformation Project Manager (Naseem Golamgouse). These awards showcase WCC as a leader in best practice in the public sector.

### **Debt Enforcement Agent Contract Award**

#### Outputs

We have successfully awarded the Debt Enforcement Agent contract for a five-year period for debt recovery to: Equita Limited which will receive 75% of new cases and Newlyn PLC which will receive 25% of new cases.

The first contact with debtors will be actioned by Equita and Newlyn. If an initial response is not received, the outstanding debtors will then be forwarded to JBW Group Limited and Marston's (Holdings) Limited, which will each receive 50% of the outstanding debtors returned, which did not provide an initial response.

These contracts will cover, NNDR, Council Tax, housing benefit over-payments and Sundry Debt.

#### Outcomes

These contracts will cover National Non-domestic rates (NNDR), Council Tax, housing benefit over-payments and Sundry Debt. These new contract awards will enable competitive performance, as well as additional services to support the collection of housing benefit over-payment debt and Sundry Debt. This will reduce the council's outstanding debt and improve cashflow.

### **WCC became London Living Wage accredited**

#### Outputs

WCC will ensure contractors sign-up to the London Living Wage, as contracts are re-tendered over the next three to five years. WCC staff are already paid the London Living Wage which is £10.55 per hour and this also includes apprentices.

This accreditation will lead to hundreds of people employed by contractors being paid the London Living Wage.

#### Outcomes

This will benefit workers and provide them with a better standard of living.

## Risks and issues:

### Brexit delay and negative, detrimental outcome

#### Impacts and consequences

The Brexit outcome could have a detrimental effect on equity valuations, global trade and future inflation levels. Some analysts suggest such a shock could take upwards of five years to recover from.

#### Mitigation

The Pension Fund Committee moved from UK Equities to Global to cushion the effect of a shock on the UK within a specific UK sub-fund. All property types will be considered in early 2020.

#### Timeframe for improvement

Such a move will be considered at the January 2020 pension committee meeting.

### Movement in interest rates

#### Impacts and consequences

UK base rate changes could result in volatility in the pension fund, resulting from a change in the valuation of liabilities, as well as changes in asset prices.

There could be gains and losses, which would result in a variation to the funding level, and future employer contribution rates.

An Interest rate increase is less likely if the UK/EU no deal scenario crystalizes, thus disrupting the economy and growth.

Pension fund contributions are unlikely to increase from the triennial valuation.

Public works loan board - PWLB interest rates have increased (from premium addition), but alternative sources of borrowing will be explored.

#### Mitigation

- The pension fund is invested in a diverse portfolio, designed to lessen the impact of such shocks.
- Forward deals have cushioned the future impact of an increase in interest rates.

#### Timeframe for improvement

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

### Risk of costs exceeding rental income

#### Impacts and consequences

Cost increases exceeding the income through rents would result in the HRA requiring to drawdown funds from its reserve balances that would have a long-lasting impact on the strength of the HRA account. Cost increases could include an increased cost of repairs and maintenance, staff costs and increased financing costs, if the HRA Capital Programme requires additional debt financing.

Factors, that would drive cost increases include the implication of Brexit and the availability of labour and materials, political changes such as introduction of a higher statutory wages and a general demand increase from WCC. Rental income is governed by statute, and therefore the Council has less flexibility in increasing rents to support rising costs.

### **Mitigation**

WCC could re-assess and reduce service demand to mitigate some of the risk associated with increased costs. The contracts for Repairs and Maintenance have a provision for awarding inflationary increases based on published indices, and should these increase, it will lead to increased costs at a static demand level.

### **Timeframe for improvement**

WCC can also leverage its scale to negotiate to manage costs when contracts for services are re-tendered. WCC can implement these strategies as and when these needs arise.

### **Council's budget setting process for 2020/21**

The Council's budget setting process for 2020/21 is drawing to a conclusion with reports being finalised for Cabinet for February 2020 and Full Council in March 2020. The latest positions for 2020/21 reflect announcements made in the Spending Round from early September 2019 and the 2020/21 provisional finance settlement from late December 2019.

The 2020/21 provisional finance settlement included the following:

- A Settlement Funding Assessment of £120.501m, this broadly in line with what was estimated following the Spending Round;
- Welcome news of an allocation of £9.155m for the new Social Care Grant which is reflected in the budget gap for 2020/21;
- Similarly, an Improved Better Care Fund grant allocation of £17.130m which also includes the Winter Pressures grant. The 2020/21 allocation appears unchanged from 2019/20;
- A New Homes Bonus allocation of £6.237m which is a loss of £2.133m compared to 2019/20 and close to previous internal estimates, also reflected in the budget gap;
- A confirmation of the Council Tax referendum limit of 1.99% for the Core Element of Council Tax as well the Adult Social Care Precept for 2.00%. Members are due to confirm whether Council Tax will increase for 2020/21 shortly.

The outlook beyond 2020/21 is uncertain, however what is known is that:

- The Chancellor of the Exchequer will announce the Budget on 11 March 2020, this was delayed from early November 2019. This will provide the broad envelope for the three-year Spending Review which will be announced *during* 2020.
- MHCLG have committed to providing an update on the Fair Funding Review by Spring 2020, including indicative allocations prior to a final consultation on proposals for 2021/22 implementation
- The Queen's Speech from 16 December 2019 set out plans for a fundamental review on Business Rates and three-yearly revaluations which suggests that the Business Rates Reform are also planned for implementation in 2021/22.
- The Queen's Speech also included confirmation of additional funding for social care in "every year of this Parliament" and plans for a cross party consensus on the longer-term future of social care.

## Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI at the end of quarter 3 (April 2019 – December 2019). Figures reported below are for November 2019 unless indicated.

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
<p><b>Finance</b></p>								
1. Number of days to collect debt	New KPI	71 to 90 days	61 to 70 days	1 to 60 days	64.10 days (Dec 2019)	Minimum standard met	↓ Down from 76.65 days, still minimum standard met	
<p><b>Service Commentary:</b> Due to an ongoing dispute with NHS Central London and NHS West London, Adult Social Care were unable to raise invoices for quarter 1 and 2 Better Care Fund until September 2019. Total amount of the NHS invoices was £11.53m, which in 2018 were raised in period June and October. This spike in the NHS invoices being raised in September, dramatically affected the debtor days figure to achieve the minimal target. The debtor days improved from 90.19 in P7 to 72.82 in P8. We are currently awaiting payment for 20 invoices from the NHS from September, October and November totalling £8.516m, which would substantially improve our debtor days figures.</p> <p><b>Mitigation:</b> Weekly contact is made with the NHS Shared Business centre but being only a processing centre limited information is made available about when payment will be submitted. Making contact with NHS finance directly is also not an option via the Shared Business centre as contact details will not be provided. Where contact with the Shared Business Centre has been exhausted on an invoice, Adult Social Care senior finance managers are requested to engage.</p>								
2. Debt position 90-day change	TBC	Decline on last year	Improvement on last year	Improvement on last year	£21,981m total outstanding (Aug 2019)	Meeting target	↓ Down from £27,302m outstanding, still meeting target	
<p><b>Service Commentary:</b> The total debt position decreased from £24,827 in P8 to £21,981m in P9. Debt 90 to 180 days decreased from £0,920m to £0,906m, 181 to 365 days increased from £1,804m to £1,965m and debt greater than a year decreased from £4,753m to £4,687m.</p> <p><b>Mitigation:</b> ASC debt over a year old increased fractionally from £2,674m up to £2.681m, this is down from £3,119 in P1 as a result of extensive debt recovery from the ASC debt recovery team based within the corporate finance. Two substantially large invoices raised by Children’s Services for £0.415m and £0.394m, have now become over a year old, these are currently disputed and have had the involvement of Legal Services. With the continued debt recovery efforts of the WCC and IBC staff, we would expect the debt days figure to reduce again in period 10.</p>								
3. Variance between budget and full year forecast	£3.918m	On budget	<£5m underspent	As per ideal	£0.761 underspend (Nov 2019)	Meeting target	↓ Down from £1.088m underspend, still meeting target	

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target assessment	Movement since Q2	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
4. Variance between capital budget and FY forecast	£44.571m	On budget based on forecast	→ On budget based on forecast	→ On budget based on forecast	£72.01m (Nov 2019)	Meeting target	↑ Up from £23,513m, still meeting target	
5. % of payments made via Purchase Order	98%	96%	→ 98.00%	→ 99.00%	99% (Nov 2019)	Meeting target	↑ Up from 76.9%, still meeting target	
6. Percentage of council tax collected (forecast)	96.7%	95%	→ 96.5%	→ 99%	85.37% (Dec 2019)	Meeting target	↑ Up from 62.14%, still meeting target	Insights: £87,763,226 collected from total of £102,806,563 owed.
7. Percentage of business rates collected (forecast)	98%	96%	→ 98.5%	→ 100%	76.47% (Nov 2019)	Meeting target	↑ Up from 59.56%, still meeting target	Insights: 1,840,669,044 collected from total of 2,406,991,923 owed.
<b>Complaints</b>								
8. Percentage of stage 2 responses signed by Chief Executive with no need to return	98%	95%	→ 98%	→ 100%	100% (55/55) (Dec 2019)	Meeting target	→ Same as last quarter, still meeting target	
<b>ICT</b>								
9. Number of major business impact Priority 1 incidents per quarter (could affect more than 100 people)	23	22	→ 18	→ 12	10 (Dec 2019)	Above target	↑ Up from 7, still meeting target	
10. Significant incident attracting fines under new GDPR legislation such as Information Commissioner intervention regarding handling of data protection	0	3	→ 1	→ 0	0 (Nov 2019)	Meeting target	→ Same as last quarter, still meeting target	

## 1.8 Policy, Performance and Communications

### Achievements:

#### City Plan

Westminster City Council has approved its new City Plan 2019-2040 following a vote of the Full Council on 13th November. Ambitious new policies to create more affordable homes, more jobs and a greener city form the backbone of the new plan – the council’s blueprint for development in the city for the next 20 years.

#### **Outputs delivered**

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

Following two previous rounds of consultation, including the formal Regulation 19 stage, and Full Council’s approval, the Plan was submitted to the Secretary of State as part of the independent public examination process.

#### **Outcomes achieved**

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

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

#### Soho Angels

The Soho Angels are a team of volunteers helping people who become vulnerable after a night out. The Angels work in partnership with St John Ambulance volunteers to provide medical help at our Night Hub. Alongside keeping people safe, they’re helping prevent trips to A&E and reduce crime.

#### **Outputs delivered**

The Soho Angels initiative celebrated its first-year anniversary. Run by Westminster City Council and the LGBT Foundation, the Soho Angels, provide support to anyone who needs it during a night out in the West End. From finding lost belongings or friends through to facilitating medical attention, the Soho Angels are there to help party-goers get home safely. The Angels, who now have more than 60 volunteers with a further 25 being trained, have also reported more than 40 crimes in their first year.

#### **Outcomes achieved**

More than 1,200 people have been helped by the Soho Angels service in its first year of operation - which includes medical assistance being given in 230 cases, of which 80 were classed as serious incidents. The service supports the safety of residents and visitors to Westminster as well as diverting people away from secondary NHS services.

## #MyWestminsterFund

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

### Outputs delivered

The #MyWestminster Fund has now granted funding to 106 local organisations. The fourth and final round, took place between September and November 2019. Over £600,000 in funding has been awarded over the four rounds of the Fund. The Organisations and projects funded over the fourth round are detailed in the table below:

Organisation	Project	Funds awarded
AL Productions	Bub Quiz for new parents	£5,780
Christ Church Bentinck School	Community Family cooking project	£3,150
College Park School	Supporting young people with SEN	£2,000
DreamArts	Express Plus Art Therapy for young people	£10,000
Dutch Pot Lunch and Social Club	Minibus pick up and over 50s exercise classes	£3,200
Essendine Primary	After school clubs	£10,000
Harris Academy St John's Wood	Access to music lessons and equipment	£10,000
Maida Hill Place	Events celebrating the diversity of food in Westminster	£6,500
Middle Eastern Women & Society Organisation	Services for isolated women	£9,922
Pursing Independent Paths	February Half Term project – visits	£10,000
QPG Community and Sports Hub	Breakfast and after school clubs	£3,600
Queen's Park Gardens Football Academy	Additional sessions and equipment	£6,640
Queen's Park Primary School	Mentoring project	£10,000
St Augustine's CE Federation School	Building a sensory garden	£1,600
St James and St John CE Primary School	Developing garden space at the school	£3,030.95
St John's Church, Kensal Green	Windrush Garden at the Church	£10,000
St Peter's Eaton Square CE Primary School	Playground renovation	£10,000
St Saviour's CE Primary School	Playground improvements	£10,000
St Vincent's Catholic Primary School	Developing a Wellbeing Hub	£5,000
The Avenues Youth Project	Girls Hub programme	£4,000
The Mosaic Community Trust	Interfaith community cohesion project for over 50s	£2,000
The Screen Film Community	Documentary film making workshop for young people	£5,000
Third Sector Media	Close the Gap creative media project	£4,500
Value You	Rewarding volunteering	£3,313
Victoria Medical Centre	Mental health sessions for young men	£5,400
Volta International Festival Ltd	Bright Lights – youth project to manage stress /anxiety	£3,000
West London Doulas	Birthing classes	£9,420
Westminster Bangladeshi Welfare Trust	Sewing and supplementary Maths and English classes	£2,000
Wilberforce Primary School	Purchase of basketball hoops	£1,000

### Outcomes achieved

The fund was open to give local groups the opportunity to apply for up to £10,000 to spend on community projects promoting air quality, neighbourhoods, community cohesion and more.

### **Air quality action consultation launch**

The City Council has set out an Air Quality Action Plan to tackle air pollution in our city.

#### **Outputs delivered**

Westminster launched a consultation on its new Air Quality Action Plan on 30 December. The plan sets out an ambitious set of actions for further improving air quality in the City, including reducing emissions from buildings and transport, and working closely with partners such as schools, businesses and universities to reduce emissions. Stakeholders and the public can give their feedback on the draft plan at [www.westminster.gov.uk/air-pollution](http://www.westminster.gov.uk/air-pollution) between 30 December and 26 February. The consultation will be promoted publicly from early January.

*Note. Appendix 2 provides a response to the previous Audit and Performance Committee on questions about sources of carbon emissions in the City.*

#### **Outcomes to be achieved**

For the first time, this plan commits Westminster to meeting [World Health Organisation guidelines for air quality](#), which exceed the targets set by UK law. Setting this ambitious target emphasises our commitment to improving the air we all breathe in Westminster.

### **20mph speed limit consultation**

We have undertaken consultation on a proposal to introduce on 20mph speed limits for all roads across Westminster (except for Transport for London's red routes, some of which will also become 20mph in the near future).

#### **Outputs delivered**

We have already introduced 20mph speed limits around 39 schools in Westminster following a successful trial. Lower speed limits were supported by an overwhelming majority of residents, who felt it would be safer to walk and cycle in their community.

Consultation on a borough wide 20mph speed limit with residents and other stakeholders across Westminster has now closed, and results will be analysed early in 2020, and a formal report completed by the end of January.

#### **Outcomes to be achieved**

To make Westminster a safer, healthier and cleaner environment for everyone. Reducing speeds reduces the severity of accidents and makes it safer to walk and cycle – helping improve public space and encourage healthier, more active lifestyles.

### **“Hidden network of heroes” who help rough sleepers off Westminster’s streets.**

We launched a major campaign called the ‘Hidden Network’ which encourages Londoners who want to contribute money to help to give it directly to specialist charities which work with rough sleepers.

#### **Outputs delivered**

We are trying to make this as easy as possible by working with businesses to roll out a network of swipe payment machines – similar to those in shops – to donate to a group of six charities. At the end of quarter three we are on course to roll out more than 30 of these machines in key West End locations – for example outside McDonald's in Oxford Street – as well as an easy-to-use payment page on line. The aim is to ensure that generosity gets to those who need it – and is not spent on drink or drugs, or worse yet pocketed by an unscrupulous few who choose to exploit the generosity of Londoners.

## Outcomes to be achieved

The campaign marks the beginning of a of a major Westminster City Council initiative to encourage the public to give their money to a network of charities specialised in helping rough sleepers to turn their lives around. A key message of the campaign will be that giving money to rough sleepers - while well-intentioned - often has the effect of keeping people on the streets.

## Risks and issues:

### City Promotions, Events and Filming Income:

Whilst the volume of event activity has remained strong, the service is continuing to forecast a shortfall in line with period reports.

#### **Event Income:**

As a market driven service, this is largely attributable to external factors and their impact on commercial events, with uncertainty around Brexit and the economic climate reducing external marketing and event budgets, reducing demand which has a direct impact on the service.

Similarly, there has been an industry shift away from high footfall and branding-led commercial events, with organisations seeking to use digital platforms that allow for more targeted, cost effective campaigns without the need to hire public spaces.

Internal corporate priorities have also impacted on income generation, with public health and sustainability policies restricting the acceptability of some commercial brands and organisations that had previously operated in Westminster.

Restrictions on the use of parks and open spaces for commercial events has affected the income generation potential of key sites, namely Berkeley Square and Victoria Embankment Gardens.

#### **Filming Income:**

The volume of filming activity has increased over the last quarter. However, given the majority of filming activity takes place on street, there are limitations on what the council can charge which means that the increase in filming is unlikely to result in a significant rise in income.

Westminster remains the most expensive borough to film in – not just as a consequence of the direct service costs, but also on account of ancillary costs such as parking and road closures.

#### **Advertising Income:**

The council's two large-format sites are on long term licence agreements and therefore continue to generate significant income, though vulnerability around business rates in relation to the Piccadilly Underpass remains.

Income from the sale of lamppost banners has been strong in the last quarter, with income from this revenue stream now expected to be in the region of £400k for this financial year – an increase of £200k from previous years. Whilst approximately 50% of this increase can be attributed to a one-off campaign for the Cricket World Cup, the other 50% is coming from a variety of other campaigns, demonstrating that demand for this asset remains high.

## Mitigation and progress

In November 2019 the service implemented a fees and charges increase.

Outside of the Business as Usual application process, the service continues to explore new commercial opportunities across each of its key platforms to maintain levels of income.

In addition, the service is seeking to build relationships with new sectors that will be looking to promote and market their products in the coming years and which are more aligned with the council's priorities – i.e. electric vehicle agendas.

## Appendix 1 - Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q3 (April 2019 – December 2019) unless indicated.

Key performance indicator	2018/19 position	2019/20 target ranges			Latest position available Q3	Target Assessment	Movement Since Q2	Other contextual insight
		Minimum	Ideal	Aspirational				
1. Less than 4% of calls abandoned (Agilisys)	2.97%	<4%	<4%	<3%	4.39%	Meeting target	↓ Down from 6.43%, still meeting target	
<p><b>Service commentary:</b> The higher than targeted % abandoned rate previously reported was related to the introduction of a new customer relationship management system (Dynamics) in April. Once the system settled in, this did improve. However, due to the replacement of the report it forms this meant that a whole new Dynamics environment had to be built which went live at the end of November. This brought new challenges to the contact centres and had an impact on all service levels.</p> <p><b>Mitigation:</b> We are continuing to monitor the performance of the Dynamics CRM with IT and there is a list of change requests which are being worked through which will further improve the system and the agents ability to quickly and accurately capture customer contacts, reasons for contact, create cases etc. We have also recruited an additional 3 FTE in the day team contact centre who are now fully trained and operational which will help to get service levels to where they should be.</p>								
2. Residents feel informed about services and benefits	68% (2018)				69% (2019)		Results are up (1%) on the previous year.	
3. Residents feel informed about plans for your local area	63% (2018)				69% (2019)		Results are up (6%) on the previous year.	
4. Residents have seen the Westminster Reporter	60% (2018)				56% (2019)		Results are marginally down (4%) on the previous year – more analysis will be undertaken, but age (younger people not reading) seems to be a key factor.	

## City for All Tracker

The table below provides a progress update at quarter 3 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
<b>City of opportunity</b>		
We will roll out our #MyWestminster City Lions Programme for 13 to 16 year olds, making sure that young people from a variety of backgrounds have access to all of the opportunities the city has to offer	Achieved	<ul style="list-style-type: none"> <li>800 Young people engaged on City Lions in year one on track to engage another 800 young people in year two, 160 already engaged in year 2.</li> <li>52% young people Westminster residents from the top 30% most deprived wards in the borough.</li> <li>City Lions has successfully brokered a range of work experience placements, which have been put out to various schools and Looked After Children team for allocation.</li> </ul> <p>We are also working on other innovative programmes that are in development:</p> <ul style="list-style-type: none"> <li>Film production youth engagement strategy, initial stakeholder’s/scoping implementation in March &amp; July 2020</li> <li>YOS Team mentoring programme with Wilmot Dixon Interiors helping young offender into the workplace implementation Jan 2020</li> <li>ACCESS VFX Workshop &amp; Schools programme implementation Jan 2020</li> </ul>
We will consult on and adopt a new City Plan, putting in place the biggest change in policy for a generation to support the building of more affordable homes and making sure residents are at the heart of all new developments.	On track	<ul style="list-style-type: none"> <li>Westminster’s draft City Plan, which sets out the future approach for the city, was launched on 12th November 2018. Underpinned by the City for All vision, it sets out a blueprint for how Westminster will enter the next few decades in a strong and competitive position. Formal consultation followed in June 2019 and the Plan was submitted to the Secretary of State on 19th November 2019. A public examination will follow in early 2020, after which the Plan will be adopted in early 2020.</li> </ul>
We will launch a new enterprise partnership bringing together businesses from across the city to shape a new economic development strategy.	On track	<ul style="list-style-type: none"> <li>We plan to carry out a Careers Education Information Advice and Guidance audit to assess gaps/need</li> <li>We will also establish two networks: i) Employers and ii) Education providers to explore local skills provision [this may build towards a Skills Summit]</li> </ul>
We will work with businesses, residents, schools, colleges, and policy makers to build a new model of vocational education and, by 2020, launch a new city skills framework. This will support people develop their talents – and learn entirely new ones – from birth to well after retirement.	On track	<ul style="list-style-type: none"> <li>We will communicate our ED offer to key sectors, using the sector grid as a prioritisation tool</li> <li>We will establish two networks: i) Employers and ii) Education providers to explore local skills provision [this may build towards a Skills Summit]</li> </ul>

City for all Pledge	Delivery Status	Progress update
<b>Healthier and Greener City</b>		
We will launch a new Green for 18 campaign to raise awareness and make it easy to reduce our reliance on single use plastic. Westminster City Council has already banned single use plastic containers in meetings.	On track	<ul style="list-style-type: none"> <li>Reusable water bottles and coffee cups have been provided to WCC staff to reduce/minimise the amount of single use plastics that are used within the Council. 1,000 reusable water bottles and 1,000 coffee cups have been distributed to staff since April 2018, so 2,000 reusable containers in total.</li> <li>The Campaign within a wider clean and green campaign including #DontBeldle as below.</li> </ul>
We will expand #DontBeldle, setting the ambition for 1,000 businesses to sign up and play their part in reducing their own and their customers' emissions.	On track	<ul style="list-style-type: none"> <li>Pledges of support to the campaign have been made by 14,000 people, which is also supported by 14 businesses. So far, over 100 Air Marshals, volunteers, and Westminster City Council employees have attended over 25 anti-idling action days across the city, engaging over 20,000 people.</li> <li>#DontBeldle has won national awards as a communications and behaviour change campaign.</li> <li>Westminster's DontBeldle campaign phase 2 has targeted businesses with large fleets in order to encourage them to implement driver efficiency training. National Express and Deliveroo are two major fleet operators who have signed up to work with the council on this project. Westminster has also met with the Department for Transport to discuss changes to national legislation to make it easier for local authorities to tackle unnecessary engine idling</li> </ul>
<b>City that offers excellent local services</b>		
By the end of 2019 we will license buskers and street entertainers to make sure that residents and visitors get the best experience, and that new performers have a chance to shine.	On track	<ul style="list-style-type: none"> <li>Timelines had to be shifted because of the General Election and the decision-making process has now started. Licensing Committee meets tomorrow to decide whether to consult on proposals so we should have a more meaningful update after that.</li> </ul>
<b>City that celebrates its communities</b>		
More than 3,000 people from all over Westminster celebrated the second #MyWestminster Day at Paddington Recreation Ground on 1 July, cementing it as a major annual event to celebrate the city's neighbourhoods.	Achieved	<ul style="list-style-type: none"> <li>5,000 people attended the third MyWestminster Day on Sunday 30 June 2019. The aim of the event was to help residents feel part of their community, meet people from different backgrounds and feel proud to live in Westminster – 98% of attendees said the event made them feel positive about their community, 62% met someone new and 96% said they feel proud of where they live</li> <li>We were joined by 50 exhibitors from the community and voluntary sector offering free community-based activities including those representing MyWestminster Funded projects</li> <li>Families and residents enjoyed free family activities, food tasters from across the world, sport, live music, entertainment, dancing and arts and crafts</li> <li>Local performers provided live music from steel band to jazz and community choir to gospel and community organisations hosted a dance tent</li> <li>The event was sustainable with no single-use plastic</li> </ul>

City for all Pledge	Delivery Status	Progress update
We will continue the roll out of the #MyWestminster Fund, making up to £10,000 available to grassroots organisations across the city to help make a difference in their neighbourhoods.	Achieved	<ul style="list-style-type: none"> <li>The #MyWestminster Fund has now granted funding to 106 local organisations. The fourth and final round, took place between September and November 2019.</li> <li>Over £600,000 in funding has been awarded over the four rounds of the Fund</li> </ul>
We will work with our neighbourhoods and businesses to make sure our valued EU residents remain welcome and the local economy continues to thrive as the UK prepares to leave the European Union.	On track	<ul style="list-style-type: none"> <li>The EU citizen’s advice hotline run by the CAB has been extended till May 2020. The website has attracted 4025 individual visits and 779 advice appointments/assessments have taken place. The majority of service users report an improved capacity to manage future problems, increased knowledge and confidence regarding their rights and responsibilities and feeling better about their future.</li> </ul>

## APPENDIX 2 - Detailed Responses to Previous Audit and Performance Committee Questions

### Responses to the previous Committees questions below are covered in detail in this section:

1. Details on rates of immunisation amongst 0-5-year olds and how this links in with developmental checks.
2. briefing on the pre-birth to five years pathway work being done by Public Health and Children’s Services.
3. Information for the number of children receiving their 2 to 2.5-year development review.
4. Committee Members to receive more detail on profiling of pollution in Westminster (transport/buildings).
5. Details to be provided comparing the Sir Simon Milton UTC results with the results of other UTCs nationally.
6. Committee Members to receive more detail about the risk of abuse to staff in public-facing roles.
7. Details on how Children’s Services are managing schools in response to school budgets and deficits.
8. Update on Garside.

### 1. Rates of immunisation amongst 0-5 year olds and how this links in with developmental checks.

This briefing response first deals with the initial part of the question (sections 1-3 provides details of 0-5 immunisation programmes for Westminster), and section 4 responds to how this links with developmental checks.

#### Childhood immunisations 0-5yr olds

The routine immunisation schedule for children aged under 5 protects against 14 diseases.

The vaccines are administered in General Practice, usually by a practice nurse, at 6 different points in time before the child is aged 5.

Vaccination	Prevents	Age Given	Where
DTaP/IPV/Hib/HepB	Diphtheria, Tetanus, Whooping cough, Polio, Haemophilus Influenzae (bacteria), Hepatitis B	8, 12, 16 weeks 1 yr (Hib) 3 yrs 4 months (DTaP/IPV)	GP practice
PCV	Streptococcus Pneumonia	8, 16 weeks, 1 yr	GP practice
Men B	Meningococcal B	8, 16 weeks 1 yr	GP practice
Rotavirus	Rotavirus gastroenteritis	8, 12 weeks	GP practice
Men C	Meningococcal C	1 yr	GP practice
MMR	Measles Mumps Rubella	1 yr, 3 yrs 4months	GP practice
Influenza LAIV (Fluenz)	Flu	2, 3yrs	GP practice

#### Roles and Responsibilities

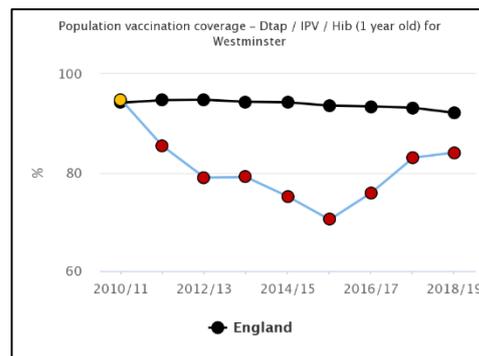
NHS England have overall responsibility for the commissioning and the co-ordination of the national childhood immunisation programme. CCGs have a role in quality improvement including the delivery of primary medical care services delivered by GP practices. Local Authorities are the leaders of the local public health system and have a role in independent scrutiny, challenge and quality assurance of the arrangements of NHS England and immunisations providers.

## Immunisation rates 2018/19 and trends overview

### 1. DTaP / IPV / Hib /HepB

By age one children should have received 3 doses of the DTaP / IPV / Hib / Hep B vaccine to protect against diphtheria, tetanus, whooping cough, polio, haemophilus influenzae and hepatitis B. In Westminster **84.1%** of children have completed their schedule at 1 year (London 87.4% / England 92.1%). Uptake fell between 2010 and 2015 but has been recovering from a low of 70.4% since then. In Westminster, **63.9%** have received their pre-school booster of DTaP/IPV by the age of 5 years (London 73.9% / England 84.8%)

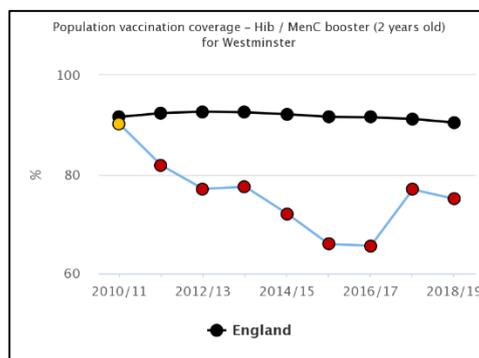
**Position:** 5<sup>th</sup> lowest in England



### 2. HiB / Men C booster

Children are scheduled to receive the HiB / Men C vaccine at one year old. By age 2 **75%** of Westminster children have been vaccinated (London 83% / England 90.4%). At age 5 this has increased to **79.5%** (London 88.1% / England 92.4%). Uptake fell from 90.2% in 2010 to a low of 65.6% in 2016 but has been recovering since then.

**Performance position:** Lowest in England



### 3. PCV

By 1 year **84.8%** of children have received the primary PCV vaccine (London 88.2% / England 92.8%). By the age of 2 **73.7%** have completed the second dose (London 82.5% / England 90.2%).

### 4. Men B

By 1 year **84.4%** of children have received the primary Men B vaccine (London 86.9% / England 92%). By the age of 2 **68.7%** have completed the second dose (London 79.5% / England 87.8%).

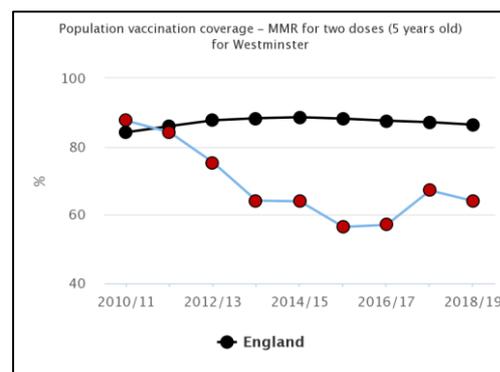
### 5. Rotavirus

By the age of 1 year **79.4%** of Westminster children have received the rotavirus vaccine (London 85.1% / England 89.7%).

### 6. MMR

To protect against measles, mumps and rubella the MMR vaccine is offered at 1 year and at 3 years and 4 months. In Westminster **75.7%** of children receive their first dose of MMR by the age of 2 (London 83% / England 90.3%). To achieve immunity 2 doses are necessary. By age 5 **64.1%** of children in Westminster have had 2 doses of MMR (London 76.3% / England 86.4%). In 2010 MMR2 uptake in Westminster was higher than the England average at 87.6%. It fell to a low of 56.5% in 2015. At 64.1% the MMR2 uptake rate is currently more than one fifth lower than 2010.

**Performance position:** Lowest in England



### 7. Flu

Children aged 2 and 3 years are offered a flu vaccine nasal spray at the GP practice every Autumn. In 2018-19 **24.6%** of 2 year olds (London 31.8% / England 43.8%) and **24.7%** of 3 year olds (London 33% / England 45.9%) received the flu vaccine. This is the lowest in the North West London STP area.

### **Links with Developmental checks**

There are currently no formal links with developmental checks undertaken by Health Visitors and an immunisation offer at the same point in time (note NHS England commissions immunisation programmes and WCC Public Health commissions Health Visitors) although there is a contractual obligation for Health Visitors to discuss immunisation and signpost parents to vaccination services.

Public Health is reviewing this and are working with Commissioning colleagues as part of the Health Visitor contract review to optimise the opportunities that the developmental checks present in promoting immunisations in future including a Key Performance Indicator to this effect.

As part of the Local Immunisations Implementation Board established in November 2019 there is the potential to explore the possibilities of Health Visitors deliver immunisation directly in the future.

This would require NHS England to consent and modify current contractual pathways and Westminster City Council would also need to consent to be a pilot site for testing a novel method of delivering immunisation outside of existing pathways. Given Health Visiting services do not deliver immunisations currently there would be additional requirements that would need to be put in place including clinical governance and training/retraining for Health Visitors to deliver immunisation.

## 2. Pre-Birth to Five Pathway Redesign

This is an update on the redesign of Children’s Services pre-birth to five service pathways and outlines the proposed commissioning impacts. The redesign is being driven by a desire to improve integration across the partnership responsible for delivering the pathway and to help re-shape the delivery of the Healthy Child Programme, Early Help, Midwifery and health partners with a key focus on improving outcomes linked to early years development, school readiness and speech, language and communication.

This note describes the emerging themes and integration opportunities from the design workshops with front-line practitioners, which have been considered and refined by the project board and the Early Years Transformation Academy (EYTA) team.

### Context

Local authority expenditure on early intervention services for pre-birth to five is in excess of £6m per annum in Westminster. This includes the delivery of children’s centre services, commissioned support via our VCS and Health Visiting - including the delivery of the mandated Healthy Child Programme reviews. Together with services commissioned by our partners in health (i.e. midwifery, speech and language therapy and GP services), our nurseries and childcare provision and a vibrant network of community-based provision, these services ensure that babies, young children and families receive access to universal services and that those in need are identified early and provided with the support they need to thrive.

The diagram below demonstrates the interdependent pre-birth to five service landscape that the Bi-Borough currently operates in, detailed with the 2019/20 expenditure.



Our current Health Visiting contract with Central London Community Healthcare NHS Trust (CLCH) is the single largest commissioned local authority service within the early years system, costing Westminster City Council £3.3m per annum. The contract is due to expire in April 2020. Key stakeholders have agreed that before recommissioning the service, there is a need to develop a wider partnership blueprint for the pathway.

The project is being delivered through two complementary work strands:

- **A strategic group of managers are participating in the national EYTA led by the Early Intervention Foundation (EiF).** The objective of the Academy is to bring system leaders together to build a shared vision of the pre-birth to five pathway, by developing: a local evidence base; an outcomes framework; a coherent strategy owned by the partnership.
- **40 front-line staff from across the pre-birth to five pathway are working with the Design Council on detailed future models of delivery, based on user insights.** Practitioners have identified opportunities to improve integration in the delivery of the Health Child Programme, with a particular focus on school readiness, speech and language and supporting our most vulnerable communities via the targeted offer.

We are currently reaching the end of Phase 1, during which the participants in the Design Council programme have identified a number of opportunities for how the pathway could be better supporting our local community. These ideas are currently in the process of being reviewed and refined by the EYTA team and the project board. Phase 2 will involve the development of these ideas into separate workstreams that will prototype new models of delivery in advance of finalising longer-term service specifications.

All ideas were informed by and developed through extensive community engagement.

### Emerging Ideas and Workstreams

The following workstreams have been identified as opportunities to explore further:

#### Antenatal to 8 weeks pathway

- Redesigning the pathway to create a new lead professional model that spreads out contacts between midwifery and HV and improves handover

#### Group based model of support

- Mainstreaming group-based activity for the Universal HCP pathway and introducing consistency of families invited to groups to facilitate peer support
- Explore how some of the capacity released from elsewhere in the redesign of the pathway could be used to introduce more group-based contacts for parents at family hubs during this period
- Increasing integration of HV and early years workforces to improve reach and transparency of roles for families

#### Development Reviews

- Implement digital ASQs (Ages and Stages Questionnaire) and use them as a triage tool to offer different assessment and support approached based on identified levels of need
- Replace 1:1 clinic led assessments with development assessments in a group-based setting to create a more natural environment for children and families
- Introduce integrated reviews with Early Years settings for the 2.5-year development review

#### Targeted offer

- Develop a shared vulnerability assessment with maternity services that allows us to identify additional needs at the earliest opportunity
- Create a single evidence-based model for delivering targeted support to vulnerable families across Health Visiting and Early Help. Triage access to support via Family Hubs to improve coordination

#### Targeted offer for SEND

- Introduce a specialist CWD team within the Health Visiting service to integrate support across the system
- Introduce SLC community support group sessions prior to, or instead of, referral to a therapist

### Speech and language

- Develop a 'digital hub' that can be used by all stakeholders including parents, carers and professionals
- Improve the training offer for professionals including creating Speech Ambassador roles for each setting
- Launch a Bi-Borough campaign around speech, language and communication

### Digital

- Develop tools for digital sharing of information to help identify and support vulnerable families
- Extend the NWL Mum & Baby app to create a digital tool that supports families beyond birth to access support and track their child's development
- Expand the range of ways we interact with families beyond traditional 1:1 clinic-based appointments

## **Opportunities to Release Savings**

As part of the budget setting process, each directorate is being asked to identify proposals which will deliver savings. The pre-birth to five redesign has been put forward as one of the key projects. There is a significant opportunity to deliver approximately £890,000 of financial savings (over three financial years) in Westminster, if early intervention services across Children's Services are considered holistically alongside those delivered by Public Health and the wider partnership, and if the following proposals are considered:

- How to redesign the Early Help and Health Visiting service alongside the offer from Midwifery and wider partners to reduce the cost of delivery models for delivering the mandated Healthy Child Programme for families with low need. This will include, for example, prototyping opportunities for delivery of elements of the Programme via groups and via our wider work force.
- How to strengthen our targeted work with parents in greater need through our collective workforce – focusing on ensuring that best practice from across our family support work is embedded across our delivery models.
- How a new pre-birth to five pathway and model will impact on our wider commissioned services, internal structures and delivery models.

## **Impact on Commissioning**

The ambition for this project is to significantly redesign and reshape our delivery models based on a partnership approach. Working closely with our health visiting provider (CLCH) continues to be critical both in terms of gathering insight but also beginning to prototype new ways of working. Staff and managers have engaged positively with the transformation journey thus far and this will be critical to maintain momentum with this work.

As described earlier in this report, the current contract ends in April 2020. It is expected that whilst some opportunities to deliver services differently will have been sufficiently explored for implementation for April 2020, the full blueprint for our longer-term offer will not be developed until summer 2020.

Given this, we are in the process of requesting approval to proceed with a direct award to CLCH for a period of two years to deliver the Health Visiting service including a variation to the current specification where necessary to improve performance. The contract will include clear early break clauses to ensure ability to align with the implementation of the pre-birth to five transformed system. This will ensure stability in the partnership during the period of redesign.

In the longer term, there is an increasing awareness of the limitations of the health market. Across London, contracts are increasingly being awarded to incumbent local providers as a result of limited alternative bids. In this operating environment, there may also be an ongoing case to consider direct awards to enable greater focus on collective improvement journeys rather than costly procurement exercises.

### 3. Health Visiting - the number of children receiving their 2 to 2.5 year development review.

The latest figures for Q2 are 71.7% (383/534), the previously reported activity of 65.1% related to quarter 1 activity.

The national target for the Health Visiting service is for 75% of children to receive the 2-2 ½ year developmental review. Locally we have a minimum target of 70% and an aspirational target of 80%. In the quarter 2 committee report the ideal target was incorrectly represented as 80%, instead of 75%.

In 2018/19 nationally 78% of children received these reviews and 68.6% regionally.

Public Health has produced a bespoke Early Years Needs Assessment to support the development of evidence-based programmes and a pre-birth to five strategy. The current Health Visiting contract ends in March 2020. Public Health is taking a partnership approach to exploring alternative ways to delivering elements of the Healthy Child Programme to consider and identify opportunities to ensure it is aligned into the wider pre-birth to five years pathway. We will be looking at ways to utilise the wider workforce and technology in delivering the Healthy Child Programme and how we can better target our resource to provide more intensive and evidence-based support to our most vulnerable families and communities

### 4. Carbon Emissions Profiling in Westminster

The below provides carbon emissions data for Westminster, derived from the UK local and regional carbon dioxide emissions produced by the Dept for Business, Energy and Industrial Strategy. The most recent data is from 2017 as the stats are produced two years in arrears. They clearly show the prominent role that businesses in Westminster will have in reducing carbon emissions.

Source	CO2 emission (kilo-tonnes per year)	%
Industrial and commercial buildings	1,355.0	69
Domestic Buildings	310.5	16
Transport	290.9	15
<b>Total</b>	<b>1,936.2</b>	<b>100</b>

#### Key achievements

The council has already implemented a range of actions to reduce carbon emissions to date:

- a reduction in the council's energy consumption and associated carbon emissions (excluding schools) by more than 40% from 2014/15 – 2017/18
- investing in energy improvements across the council's housing portfolio, including £1.3 million in 124 solar power systems
- supplying low carbon heat to over 3,500 local households, three schools and over 50 commercial customers via the Pimlico District Heating Unit (PDHU)
- refurbishing City Hall at 64 Victoria Street to 'Excellent' standard under the BREEAM sustainable building assessment methodology
- Improving conditions in Private Rented Sector houses through the work of Environmental Health Officers and the Housing Standards Taskforce.

In development

Further activities to cut carbon emissions from buildings are in development as part of the council's Greener City Action Plan, the emerging carbon reduction strategy and Climate Emergency response:

- Procuring consultants to advise on science-based targets for WCC buildings and operations to support delivery of Climate Emergency targets
- Identifying opportunities to cut emissions from large council sites and WCC housing stock, seeking support from Mayor of London's support programmes
- Delivering bespoke support and advice to fuel poor households in Westminster via the Warmer Homes Advice Service, in partnership with Groundwork London and RBKC
- Working with a Pan-London consortium to develop a whole-house improvement model for home owner-occupiers as part of Government-funded pilot
- Increasing carbon standards for new buildings in Westminster through new City Plan policies - and using planning obligations (Section 106 funding) to deliver carbon saving projects in existing buildings

#### **5. Details to be provided comparing the Sir Simon Milton UTC results with the results of other UTCs nationally.**

- Sir Simon Milton UTC performs above the average for UTCs in GCSE but below average in A level results.
- There is no published data for 2019 relating to the A Level results of other UTCs.
- There are currently 48 UTCs across the country and there is a proposal to open one in Derby.

#### **6. Details to be provided of how Children's Services are managing the finance and restructure of schools in response to school budgets and deficits.**

All maintained schools provide quarterly returns to the Authority for financial monitoring and reporting purposes, and schools with deficit recovery plans are required to provide this information on a monthly basis. Schools with falling rolls of more than 5% were able to apply for an allocation from the falling rolls fund. The Schools' Forum finalised allocations in June 2019.

Officers continue to support and promote the development of joint arrangements between schools and are engaging with the relevant Dioceses in relation to Voluntary Aided Church schools. We are working with governing bodies and the Diocese to find effective and long-term solutions and we are providing financial training to school governing bodies. We are targeting schools that face the biggest pressures and we are promoting and facilitating partnerships between schools as a step towards structuring solutions.

#### **7. Update on Garside Nursing Home**

In response to concerns raised under a whistleblowing complaint about the safety of residents at Garside Nursing Home, Council staff working with partner agencies have undertaken a number of actions to support residents and families. Actions taken have included:

- The multi-agency partnership has worked closely with the Care Quality Commission who inspected the home in October and November 2019 and published a report in the 2nd January finding the home inadequate.
- From the 23rd October a Step-in team of Nurses and Carers has provided additional support and oversight at the home. These arrangements are continuing and are being actively monitored by the multi-agency steering group.
- A programme of meetings have taken place with residents, families and carers to provide updates and enable engagement with the Step-in team throughout this process.
- The police investigation into concerns continues, working closely with the multi-agency partnership.

The council is working closely in partnership with the CCG to review current commissioning arrangements that include Garside. In parallel the council is reviewing its possible actions as commissioner of care.

## 8. Committee Members to receive more detail about the risk of abuse to staff in public-facing roles.

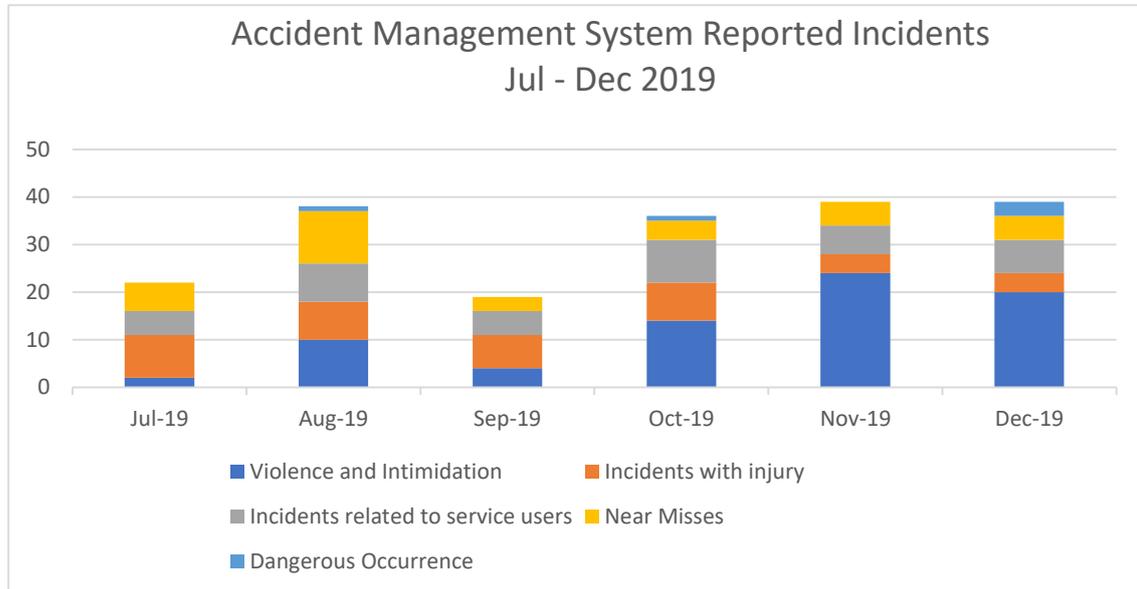
Westminster City Council fully understands its responsibility as an employer and provider of services and strives to provide a safe and healthy workplace and working environment for all its employees and such other persons as may be affected by its activities. Westminster City Council is committed to achieving a positive and effective health and safety culture throughout the organisation. The size and complexity of the Council's diverse activities present many and varied health and safety risks, which does include the risk of violence towards our staff.

We are in the process of introducing a revised Corporate Health and Safety Policy, to better align WCC's health and safety management system with the HSE's HSG 65 (Managing for Safety) and new ISO 45001:2018 standard (Occupational Health & Safety Management Systems). This policy has been consulted on with both Trade Unions and staff and will be signed off by the Chief Executive shortly.

It is our intention to effectively reduce and where possible eliminate the risk of abuse and injury to any person that may result from our activities. We ensure the safety of those that work for the organisation, through comprehensive Health and Safety policies and procedures.

This includes having systematic risk assessment management systems to ensure that the significant risks inherent in the services delivered by the Council are identified and then eliminated, reduced or adequately controlled. We provide adequate finance and resources to achieve our health and safety aims and objectives and to implement our health and safety management system. We also ensure that all staff within the organisation receive appropriate information, instruction, training and supervision to enable them to undertake their duties in a safe manner. Every directorate is covered by a Health and Safety Committee. The Committee regularly reviews incidents, to identify training needs, ensure remedial action is taken to prevent recurrence and develop best practice on health and safety matters

We have introduced a new recording system with staff to allow more accurate recording of incidents. There were 193 recorded accidents and incidents since July 2019, of which 74 of those were violence and intimidation.



Areas of higher risk are staff working within libraries, on street enforcement staff and other front-line services, who historically are more at risk of violence. As a result, these areas are a focus for the Health and Safety Committee, introducing additional controls measures to protect staff, such as refreshed training, increased monitoring, violence and aggression risk assessments, and strengthening relations with local and community police.

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## City of Westminster

<b>Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	5 February 2020
<b>Classification:</b>	General Release
<b>Title:</b>	Treasury Management Strategy Mid-Year Review 2019-20
<b>Wards Affected:</b>	All
<b>Policy Context:</b>	To manage the Council's finances prudently and efficiently
<b>Cabinet Member</b>	Cabinet Member for Finance, Property and Corporate Services
<b>Financial Summary:</b>	This report forms part of the monitoring of the treasury function as recommended in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice. It reviews the implementation of the strategy to date and allows for any changes to be made depending on market conditions.
<b>Report of:</b>	Gerald Almeroth  Executive Director for Finance and Resources

## 1. EXECUTIVE SUMMARY

1.1. The purpose of this report is to:

- update Members on the delivery of the 2019/20 Treasury Management Strategy approved by Council on 6<sup>th</sup> March 2019; and
- approve the recommendations in paragraph 2.1.

1.2. Treasury management comprises:

- managing the City Council's borrowing to ensure funding of the Council's future capital programme is at optimal cost;
- investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security of capital and liquidity.

1.3. This report complies with CIPFA's Code of Practice on Treasury Management, and covers the following:

- a six-monthly review of the Council's investment portfolio for 2019/20 to include the treasury position as at 30 September 2019;
- a review of the Council's borrowing strategy for 2019/20;
- a review of compliance with Treasury and Prudential Limits for the first six months of 2019/20;
- an economic update for the first part of the 2019/20 financial year.

1.4. The Council has complied with all elements of the Treasury Management Strategy Statement (TMSS) apart from one instance, which arose because of an exceptional banking receipt which was received too late in the day to be moved from the bank until the following day.

- £11.008m on 29<sup>th</sup> April 2019

## 2. RECOMMENDATIONS

3. The Committee is asked to note the annual treasury strategy mid year review 2019/20, noting the cases of non-compliance.

### TREASURY POSITION AS AT 30 SEPTEMBER 2019

3.1. As at 30 September 2019, net cash invested was £675m, an increase of £169m on the position at 31 March 2019 as shown below:

	30 September 2019 (£m)	31 March 2019 (£m)
Total Borrowing	(221.2)	(223.2)
Total Cash Invested	895.9	729.0
Net Cash Invested	674.7	505.8

3.2. The significant increase of £169m reflects the forecast pattern of the Council's cashflows and largely relates to the timing of grants, council tax and business rates received.

### Investments

3.3. The Council's Annual Investment Strategy which forms part of the annual Treasury Management Strategy Statement (TMSS) for 2019-20 was approved by the Council on 6 March 2019. The Council's policy objective is the prudent investment of balances to achieve optimum returns on investments, subject to maintaining adequate security of capital and a level of liquidity appropriate to the Council's projected need for funds over time.

3.4. The table below provides a breakdown of investments, together with comparisons for the previous financial year end.

	Investment Balance 30 September 2019 (£m)	Investment Balance 31 March 2019 (£m)	Movement
<b>Money Market Funds</b>	89	60	29
<b>Notice Accounts</b>	90	90	0
<b>Term Deposits</b>	508	465	43
<b>Tradeable Securities</b>	209	115	94
<b>Total:</b>	<b>896</b>	<b>729</b>	<b>167</b>

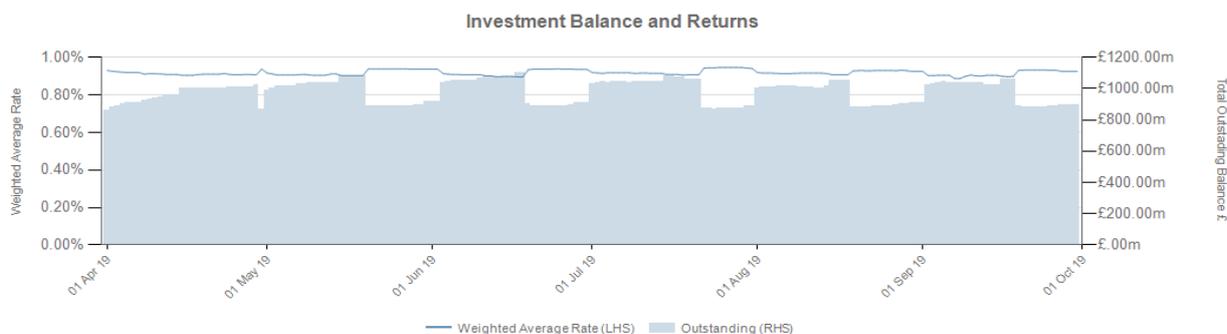
3.5. Liquid balances are managed through Money Market Funds providing same day liquidity. Cash has been invested in alternative and less liquid instruments, particularly term deposits and tradable securities. The average level of funds available for investment in the first six months of 2019-20 was £978m.

3.6. The shaded area in the chart below shows the daily investment balance from 1 April 2019 to 30 September 2019. The line shows the weighted average return of the investment portfolio, which has remained stable during the first half of the 2019-20 financial year. The daily investment balance is shown by the grey shaded area. The daily investment balance rises and then falls each month and follows a monthly fluctuating cycle.

3.7. Daily investment balances have steadily increased from £729.0m at 1 April 2019 to £895.9m at 30 September 2019.

3.8. The Bank of England reduced the Base Rate in August 2016 to 0.25%. However, since the latter half of 2017, rates have steadily improved. This is due to the November 2017 and August 2018 Bank of England base rate increases to the current level of 0.75%.

3.9. Whilst surplus cash for investment has increased, cash has been invested with higher interest rate paying counterparties. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.



3.10. The table below shows the forecast investment income to be achieved in the year: budget versus actual and the variance. The Council’s budgeted investment return for 2019/20 is £9.810m, and performance for the year is expected to be £1.286 above budget. The total portfolio weighted average performance for the first half of 2019/20 to 30 September 2019 was 0.94%

	Budget £000	Actual £000	Variance £000
<b>Investment Income</b>	9,810	11,096	1,286

3.11. Appendix 1 provides a full list of the Council’s limits and exposures as at 30 September 2019.

### Borrowing

3.12. At £221m, the Council’s borrowing was well within the Prudential Indicator for external borrowing, namely, that borrowing should not exceed the estimated capital financing requirement (CFR) for 2019/20 of £893m.

3.13. Therefore the Council is effectively “under borrowed” by £672m because it has used its own internal funding resources to fund the gap between the borrowing level and the CFR.

3.14. The table below shows the details around the Council’s external borrowing as at 30 September 2019, split between the General Fund and HRA.

Total Borrowing	30 September 2019 (£m)	31 March 2019 (£m)
HRA	196.0	196.0
General Fund	25.2	27.2
<b>Total Borrowing</b>	<b>221.2</b>	<b>223.2</b>

3.15. An analysis of the existing loans is shown below:

Borrowing Type	Loan Balance 30 September 2019 (£m)	Loan Balance 31 March 2019 (£m)	Movement
PWLB	151.0	151.0	0.0
LOBO	70.0	70.0	0.0
Mortgage Annuity	0.2	0.2	0.0
Greater London Authority	0.0	2.0	2.0
<b>Total:</b>	<b>221.2</b>	<b>223.2</b>	<b>2.0</b>

3.16. No new borrowing was taken in the first half of 2019/20. The general fund external borrowing reduced by £2.03m. This is due to the repayment of principal of two annuity loans and a £2m advance loan repayment from the Greater London Authority.

3.17. On 9 October 2019 HM Treasury and PWLB announced an increase in the margin over gilt yields by 1% for new borrowing from the PWLB, thus taking the total cost of a PWLB loan to gilt yield plus 2% (or 1.8% as the Council qualifies for the certainty rate). There was no prior warning that this would happen and it now means that every local authority has to fundamentally reassess how to finance their external borrowing needs and the financial viability of capital projects in their capital programme due to this unexpected increase in the cost of borrowing. Representations are going to be made to HM Treasury to suggest that areas of capital expenditure that the Government are keen to see move forward, e.g., housing, should not be subject to this increase in borrowing.

### Forward Borrowing

3.18. As anticipated in the 2019/20 TMSS, the Council has undertaken no new borrowing for this financial year due to the high level of cash holdings. Officers are monitoring market conditions and reviewing the need to borrow at current low rates if a requirement is identified for either the General Fund or Housing Revenue Account (HRA).

3.19. Due to the overall financial position and the underlying need to borrow for capital purposes, it is prudent for the Council to lock in affordability by placing some forward borrowing for the amounts it can be relatively certain it will need, whilst maintaining some forward flexibility as projects may or may not proceed within the expected timeframes.

3.20. During 2019/20, the Council has arranged forward borrowing loans totalling £400m. These loans have enabled the Council to agree competitive rates in advance of need which eliminates the “cost of carry”, that is the difference between loan interest cost and the rate of return on cash investments. An analysis of the deals arranged is shown below;

Counterparty	Amount (£m)	Start Date	Maturity Date	Rate (%)	Profile
Phoenix Group	37.5	15 March 2022	15 March 2062	2.706	Annuity
Barings LLC	150.0	15 August 2022	15 August 2052	1.970	Maturity
Phoenix Group	12.5	15 March 2023	15 March 2063	2.751	Annuity
Rothsay Life Plc	200.0	08 May 2023	08 May 2069	2.887	Equal Installment of Principal
<b>Weighted average interest rate</b>				<b>2.579</b>	

#### 4. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

4.1. During the financial year to 30 September 2019, the Council operated within the Treasury Limits and Prudential Indicators set out in the TMSS approved by Council on 6 March 2019 as set out below.

PI Ref		2019/20 Indicator	2019/20 Forecast	Indicator Met?
1	Capital expenditure	£423m	£383m	Met
2	Capital Financing Requirement (CFR)	£908m	£893m	Met
3	Net debt vs CFR	£687m underborrowing	£672m underborrowing	Met
4	Ratio of financing costs to revenue stream	GF (1.86)% HRA 28.68%	GF (3.59)% HRA 28.68%	Met
5a	Authorised limit for external debt	£908m	£893m	Met
5b	Operational debt boundary	£273m	£252m	Met
6	Working Capital Balance	£0m	£0m	Met
7a	Upper limit for variable interest rate borrowing	£0m	£0m	Met
7b	Upper limit for fixed interest rate borrowing	£908m	£893m	Met
7c	Limit on surplus funds invested for more than 364 days (i.e. non specified investments)	£450m	£25m	Met
8	Maturity structure of borrowing	Upper limit under 12 months: 40% Forecast: 0% Lower limit 10 years and above: 35% Forecast: 75%	Upper limit under 12 months: 40% Forecast: 0% Lower limit 10 years and above: 35% Forecast: 67%	Met

#### Capital expenditure and borrowing limits

4.2. The capital expenditure forecast to 31 March 2020 totalled £383m for the General Fund and the HRA against a forecast for the whole year of £423m. This relates to a number of large development projects and related acquisitions. The forecast for development projects are contingent on progress by developers which is anticipated will improve over the remainder of the year. Acquisitions are reactive and depend on properties becoming available on the market and as such the forecast can be volatile but will continue to be monitored by officers.

4.3. External borrowing was well within the Capital Financing Requirement, Authorised Borrowing Limit and the Operational Boundary as shown in the table above:

- The Authorised Limit is a level for which the external borrowing cannot be exceeded without reporting back to Full Council. It therefore provides sufficient headroom such that in the event that the planned capital programme required new borrowing to be raised over the medium term, if interest rates were deemed favourable and a thorough risk analysis determined, the cost of carry was

appropriate, this borrowing could be raised ahead of when the spend took place.

- The Operational Boundary is set at a lower level and should take account of the most likely level of external borrowing. Operationally, in accordance with CIPFA best practice for Treasury Risk Management, a liability benchmark is used to determine the point at which any new external borrowing should take place.

4.4. The purpose of the maturity structure of borrowing indicator is to highlight any potential refinancing risk that the Council may be facing if, in any one particular period there was a disproportionate level of loans maturing. The table below shows that the maturity structure of the Council's borrowing as at 30 September 2019 was within the limits set and does not highlight any significant issues.

Actual Maturity at 30 September 2019	Duration	Upper Limit	Lower Limit
0	Under 12 Months	40	0
9	12 Months and within 24 Months	35	0
9	24 Months and within 5 Years	35	0
15	5 Years and within 10 Years	50	0
67	10 Years and Above	100	35

4.5. The Council is not subject to any adverse movement in interest rates in its current loans portfolio as it only holds fixed interest borrowing.

4.6. The average rate on the fixed interest borrowing is 4.24% with an average redemption period of 19 years. This reflects the historical legacy of borrowing taken out some years ago which is now higher than PWLB interest rates for comparable loans if they were taken out now. Officers have considered loan re-financing but premiums for premature redemption are prohibitively expensive making this option poor value for money.

4.7. The Council's borrowing portfolio contains £70m of Lender Option Borrower Option loans (LOBOs). These are long-term loans of up to 60 years, which are subject to periodic rate re-pricing. The rates are comparable with loans for similar durations provided by the PWLB. There is some refinancing risk associated with these loans because of the lender option to increase interest rates. Some banks are offering premature repayment or loan conversion for LOBOs to fixed term loans and officers will remain alert to such opportunities as they arise.

### Investment limits

4.8. Investment in non-specified investments at £25m is well within the limit of £450m for such investments. This reflects the fact that 97% of the Council's investments have a life of less than 12 months. The highest level of non-specified investments during the year was £25m.

4.9. Whilst the short duration is within approved limits, there is scope within the Investment Strategy to extend the duration of investments for up to five years. Using longer duration investments and marginally lower credit ratings is likely to increase the yield the Council earns from its investments.

## **5. THE ECONOMY AND INTEREST RATES**

- 5.1. This first half year has been a time of upheaval and uncertainty on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on or 31 October 2019, with or without a deal. There was no majority of MPs for any one option to move forward on enabling Brexit to be implemented.
- 5.2. A certain outcome of the General Election on 12 December 2019 has led to the likelihood of a UK exit from the EU on 31 January 2020. In such circumstances, any interest rate forecasts are subject to material change as the situation evolves. At present, if the UK does leave with a suitable deal struck with the EU, then it is possible that UK growth could recover quickly.
- 5.3. The MPC could then need to address the issue of whether to raise Bank Rate when there is very little slack left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation.
- 5.4. On the other hand, if there is a significant level of disruption to the economy, then growth could falter and the MPC would be likely to cut Bank Rate in order to support growth. However, with Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost by way of tax cuts and / or expenditure on infrastructure projects, to boost the economy.
- 5.5. However, infrastructure projects generally take a long time to plan and to start up, and so to feed through into impacting the economy; tax cuts would be much quicker in impacting the level of consumption in the economy.
- 5.6. The first half of 2019/20 has seen UK economic growth fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August 2019, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. This mirrored investor confidence around the world which is now expecting a significant downturn or possibly even a recession in some developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019, so far, and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit.
- 5.7. As for inflation itself, CPI has been hovering around the Bank of England's target of 2% during 2019, (CPI for November 2019 is 1.5%), and is likely to shift only a little upwards over the rest of 2019/20. It does not therefore pose any immediate concern to the MPC at the current time.
- 5.8. With the General Election outcome known, monetary policy could tighten. Conversely, a weak international backdrop could provide further support for low yielding government gilts.

## **6. BACKGROUND**

- 6.1. The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. These are contained within this report.

## **7. FINANCIAL IMPLICATIONS**

7.1. Financial implications contained in the body of this report.

## **8. LEGAL IMPLICATIONS**

8.1. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This report assists the Council in fulfilling its statutory obligation under the Local Government Act 2003 to monitor its borrowing and investment activities.

8.2. Legal implications were verified by Michael Carson, Principal Solicitor Employment, Criminal and Commercial Litigation.

## **9. BACKGROUND PAPERS**

### **Full Council Report**

Treasury Management – Annual Strategy for 2019/20, including Prudential Indicators and Statutory Borrowing Determinations – 6 March 2019.

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

**Mathew Dawson, Strategic Finance Manager**

**Tel: 020 7641 1075**

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

Limits and exposures as at 30<sup>th</sup> September 2019

## Appendix 1

Category	Limit per Counterparty (£m)	Duration Limit	Counterparty Name	Current Exposure (£m)
UK Government (Gilts/ T-Bills/ Repos)	Unlimited	Unlimited	Treasury Bills	189.4
UK Local Authorities	£100m per local authority; £500m in aggregate	3 years	Blackpool Borough Council	18.0
			Cambridgeshire County Council	20.0
			Doncaster Borough Council	15.0
			Isle of Wight Council	10.0
			Leeds City Council	10.0
			London Borough of Barnet	20.0
			London Borough of Croydon	30.0
			London Borough of Enfield	20.0
			London Borough of Hackney	15.0
			London Borough of Southwark	10.0
			Plymouth City Council	20.0
			Redcar & Cleveland Borough Council	30.0
			Rotherham Council	15.0
			South Ayrshire Council	10.0
Money Market Funds	£70m per fund. £300m in aggregate.	Three day notice	Aberdeen Sterling Liquidity Fund	1.0
			Deutsche Managed Sterling Fund	1.0
			Federated Sterling Liquidity Fund	28.8
			JP Morgan Sterling Liquidity Fund	57.0
			Morgan Stanley Sterling Liquidity Fund	1.0
UK Banks (AA-/Aa3/ AA-)	£75m	5 years	HSBC	49.2
UK Banks (A-/A3/A)	£50m	3 years	Goldman Sachs International	45.0
			Lloyds Bank	30.0
			Santander UK Plc	50.0
			Standard Chartered Bank	50.0
Non-UK Banks (AA-/ Aa2/ AA-)	£50m	5 years	Svenska Handelsbanken	40.5
			Toronto Dominion Bank	20.0
Non-UK Banks (A/A2/ A)	£35m	3 years	Australia & New Zealand Banking Group	20.0
			Commonwealth Bank of Australia	35.0
			Helaba	35.0
<b>TOTAL</b>				<b>895.9</b>



## Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	5 February 2020
<b>Classification:</b>	General Release
<b>Title:</b>	Internal Audit Progress Report (November to January 2019/20)
<b>Wards Affected:</b>	All
<b>Key Decision:</b>	No
<b>Financial Summary:</b>	There are no financial implications arising from this report
<b>Report of:</b>	Director for Audit, Fraud, Risk Management & Insurance
<b>Report author:</b>	Moira Mackie, Head of Internal Audit Contact Details: <a href="mailto:Moira.Mackie@rbkc.gov.uk">Moira.Mackie@rbkc.gov.uk</a> Tel: 07800 513 192

### 1. Executive Summary

- 1.1 The work carried out by the Council's Internal Audit Service in the reporting period found that, in the areas audited, internal control systems were generally effective with five positive assurance reviews (substantial or satisfactory) being issued in the period.
- 1.2 The follow up reviews for three audits completed in the period confirmed that the implementation of recommendations has been effective in two cases with all recommendations fully implemented at the time of review. Further follow up will be undertaken on one audit where some recommendations have not yet been fully addressed.
- 1.3 The Appendices to this report provide the following information:
  - **Appendix 1** Audit reports finalised in the year to date, showing the assurance opinion and RAG status;
  - **Appendix 2** - Additional information on the audited areas.

## **2. Recommendation**

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

## **3. Reasons for Decision**

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

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

The Council's internal audit service is managed by the Shared Services Director for Audit, Fraud, Risk and Insurance. Audits are undertaken by the in-house audit team or by the external contractor to the service, in accordance with the Internal Audit Charter. Key issues identified from audit work are reported each month to the Council's Deputy Section 151 Officer. The Audit & Performance Committee are provided with updates at each meeting on all assurance audits issued in the period.

## **5. Internal Audit Opinion**

- 5.1 As the provider of the internal audit service to Westminster City Council, the Shared Services Director for Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.
- 5.2 The results of the audit reviews undertaken in the reporting period concluded that generally systems operating throughout the Council are satisfactory, with five positive assurance (substantial or satisfactory) reviews being issued in the period.

## 6. Audit Outcomes (November 2019 to January 2020)

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

Audit	Assurance	RAG
Fin & Res – Housing Benefit	Substantial	Green
Fin & Res – NNDR	Substantial	Green
CMC – Street Works Permits	Satisfactory	Green
CMC – S278 Income	Satisfactory	Green
ASC – Placements Brokerage	Satisfactory	Green

Further information on these audits is contained in Appendix 2.

## 6.2 Implementation of Audit Recommendations

Three follow-up reviews were completed in the period (August to October 2019) which confirmed that in two cases, 100% of the recommendations made have been implemented. Further follow up is required in respect of the Freedom of Information Requests (FOI)/ Subject Access Requests (SARs) as only 33% of the recommendations have been fully implemented:

Audit	No of Recs Made			No of Recs Implemented			No of Recs in Progress			No of Recs not yet actioned		
IT – Asset Management	3			3			0			0		
FOI and SARs	6			2			3			1		
St Mary's Bryanston Square Primary School	9			9			0			0		
<b>Total</b>	<b>18</b>			<b>14</b>			<b>3</b>			<b>1</b>		
Priority of recommendations	H	M	L	H	M	L	H	M	L	H	M	L
	2	10	6	0	8	6	1	2	0	1	0	0

Follow up work is undertaken when the majority of the recommendations made are expected to have been implemented as indicated in an agreed management

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

**7. Financial Implications**

There are no financial implications from this report.

**8. Legal Implications**

There are no legal implications from this report.

**8. Staffing Implications**

There are no staffing implications from this report.

**9. Consultation**

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

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

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**BACKGROUND PAPERS:**

**Internal Audit Reports**

**2019/20**

**Internal Audits Completed Year to Date**

Audits Completed Year to Date - 2019/20

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Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Finance & Resources	BT Agilisys – Contract Monitoring (2018/19 cfwd)	Green	SATISFACTORY	1	4	0	September 2019
Finance & Resources	Payment Card Industry (PCI DSS) Compliance	n/a	ADVISORY	0	2	0	November 2019
Finance & Resources	Procurement of Estate Services (2018/19 cfwd)	n/a	ADVISORY	0	1	0	November 2019
Finance & Resources	Housing Benefit	Green	SUBSTANTIAL	0	0	1	February 2020
Finance & Resources	NNDR	Green	SUBSTANTIAL	0	0	0	February 2020
City Management & Communities	Cemeteries – Contract Monitoring (2018/19 cfwd)	Amber	LIMITED	4	7	2	September 2019
City Management & Communities	Certified Enforcement Agents – Contract Monitoring (2018/19 cfwd)	Green	SATISFACTORY	0	4	6	September 2019
City Management & Communities	Registrar Service – Income	Green	SUBSTANTIAL	0	2	2	September 2019
City Management & Communities	Street Works Permits	Green	SATISFACTORY	0	6	1	February 2020
City Management & Communities	S278 Income	Green	SATISFACTORY	0	6	1	February 2020
Growth, Planning & Housing	Housing – Compliance Data	Amber	LIMITED	2	5	5	September 2019

## Audits Completed Year to Date - 2019/20

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Growth, Planning & Housing	Capital Programme – Programme Assurance (phase 1)	<i>n/a</i>	<i>ADVISORY</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	September 2019
Policy, Performance & Communications	Strategic Objectives (2018/19 cfwd)	<i>Green</i>	<i>SATISFACTORY</i>	0	3	0	November 2019
Children's & Adult's Services	Bi-borough Framework Procurement – Mini-bus Service	<i>Green</i>	<i>SUBSTANTIAL</i>	0	0	0	November 2019
Adult Social Care	Placements Brokerage	<i>Green</i>	<i>SATISFACTORY</i>	1	5	1	February 2020

**Additional Information on Assurance Audits (Main report – Paragraph 6.1)****Finance & Resources:****1. Housing Benefit (substantial assurance)**

This review covered the following aspects of the Housing Benefit system:

- Fraud Management - Sufficient action is taken to prevent and detect benefit fraud and potentially fraudulent cases are referred to the Single Fraud Investigation Service (SFIS) for investigation. SFIS is a partnership between DWP Fraud Investigation Service, HMRC and local authorities;
- System Reconciliations - Regular reconciliation is undertaken between the main accounting system and the Housing Benefit system. Any discrepancies are investigated and addressed;
- Performance Management – Financial information is completely, accurately, validly, produced in a timely manner and secured to allow for effective monitoring and decision making in line with management and legislative requirements.

The key findings from this audit are summarised below:

- Where potentially fraudulent Housing Benefit claims are identified, the case is referred to the Single Fraud Investigation Service (SFIS). Procedures are in place detailing this referral process and are available for all relevant officers to access. Training on fraud detection is also provided to all relevant staff with the most recent training provided in June 2019;
- From April to October 2019, 30 cases have been referred to the SFIS for investigation. For a random sample of five cases, we confirmed that only valid cases had been referred to the SFIS for investigation;
- SFIS liaison meetings take place between officers from the Council, Capita and DWP four times a year to discuss the status of housing benefit cases referred;
- Appropriate reconciliations are undertaken between the SAP system (private tenants) Orchard (Council tenants) and Academy (HB system). Procedures are in place detailing the process for undertaking these reconciliations which were up-to-date and available to all relevant officers;
- Payments made are reconciled with the bank account and variance investigated;
- Weekly and monthly performance reports are provided to the Council. Performance targets are set by the Council and are stated in the contract for the HB service. A process is in place for reviewing performance issues and identifying appropriate actions. Sample testing confirmed performance reporting was provided as required and, in all cases reviewed, performance targets were met;
- Benefits Steering Group meetings are held monthly to discuss performance and any issues.

One low priority recommendation was made with regards to the timing for running the reports which form part of the reconciliation process which would reduce the number of timing difference discrepancies. This has been tested and the change has been accepted by the service and implemented by the service in January 2020.

## 2. National Non-Domestic Rates (NNDR) (substantial assurance)

This review covered the following aspects of the NNDR:

- Debt Management – all overdue accounts are promptly and accurately identified and recovery actions are taken in a timely, fair and cost-effective manner;
- Write-Offs – Debts are only written-off where further recovery actions are considered to be uneconomical or where amounts are deemed to be irrecoverable;
- Performance Management and Reporting – Financial information is completely, accurately, validly produced in a timely manner to allow for effective monitoring and decision making as part of the setting, levy, collection and recovery of NNDR in line with management and legislative requirements.

The key findings from this audit are summarised below:

- Procedures are in place and available to relevant staff for the debt recovery and write-off process;
- Testing confirmed that action to recover debt was in line with the procedures;
- Where a debt is not recoverable it is written off. Write-offs are submitted on a monthly basis to the Council for authorisation. Write-offs above £10k require authorisation from the Council's Assistant Director of Revenues and Benefits. Testing confirmed that write-offs were processed in line with procedures and write-off authority;
- Write-offs were applied to customer accounts in a timely manner;
- Collection data is provided to the Council on a monthly basis and is used to monitor the performance of the contractor.

No recommendations were made as a result of this audit.

### City Management & Communities:

## 3. Street Works Permits (satisfactory assurance)

The New Roads and Street Works Act 1991 (NRSWA,) provides a legislative framework to be followed to reduce the impact of all works on the highway. This was supplemented by additional tools and measures that could be employed as an alternative to notices in the Traffic Management Act 2004 (TMA).

Since January 2010 (and updated in 2015), the Council, in partnership with all other London councils and Transport for London (TfL), have operated, a London Permit Scheme (LoPS), which granted authorities greater powers to ensure consistency and facilitate better co-ordination of roadworks. The main aim of the Permit Scheme (LoPS) is to minimise disruption through the introduction of a common set of procedures to control activities and in doing so giving Highway Authorities a more effective means of managing activities on its network.

In summary the key components of the LoPS include:

- Proactive management of street works through the granting of a permit;
- Introduction of permit fees;
- Ability to attach certain conditions to works, for example, by specifying the day or time when work can be done to avoid rush hour traffic;
- Notice periods that must be given by utility companies and their contractors undertaking major works lasting 10 days or more (or where a road closure is required);

- Controls and variations to working conditions particularly in relation to extension of time and completion dates; and
- Introduction of penalties for failing to comply with the requirements of the scheme through the issue of Fixed Penalty Notices.

A benefit of the scheme is it allows the Council to require work to be carried out at specific times and to apply conditions as to how this work is to be carried out. Because the scheme covers its costs the Council now has more oversight which is funded by those causing the potential disruption to the highway rather than the taxpayer.

Six medium and one low priority recommendations were made to address the following control weaknesses:

- Written procedures which reflect the current working practices were not available to staff;
- The system used for recording street works permits (CONFIRM) required updating for areas within the Government Security Zone where additional permit approval is required from the Metropolitan Police;
- Draft invoices are raised on a monthly basis for utility companies that have incurred defect charges in the month. The audit identified some areas where the issuing and payment of invoices, including the provision of supporting documentation, required improvement;
- At the start of each year the Council and organisations agree the sample size for works that will be inspected and the cost to be invoiced for each inspection. This is confirmed by email to the relevant utility provider. Testing identified that not all cases had evidence that agreement emails had been issued, although inspections had been undertaken for these works;
- Audit testing identified that there was limited evidence to show whether any invoices had been issued and that payments had been received for inspections undertaken in 2018/19;
- Prior to April 2018, as part of the monitoring of overrun payments due, the service developed a spreadsheet, to record the charge for each overrun by utilities, the final agreed amount due and the invoice date. Audit reviewed the last available spreadsheets for the years 2016/17 and 2017/18 and no evidence could be provided to demonstrate that items recorded as “to be discussed” had been appropriately reviewed and payments had been received;
- Performance of the different utility companies is in accordance with LoPS. However, no improvement notifications had been sent out during 2018/19 although testing identified two companies where these should have been issued;

The recommendations have been accepted, with some already implemented and the remainder due to be implemented by September 2020.

#### **4. S278 Income (satisfactory assurance)**

When a developer obtains planning permission for a development it is often a requirement that the developer undertakes certain improvements to the existing highway to mitigate the impact of the development on the public road network. There are also highway/public realm schemes where there is no pre-existing planning permission with the majority of standalone s278 Agreements relating to highway schemes rather than highway works linked to a development. The mechanism used to permit the developer to design and construct works on the highway is Section 278 of the Highways Act 1980. Before any works are carried out the developer must enter into an agreement with the Highway Authority i.e. the Council.

A key element included in a typical Section 278 Agreement will be details of the full costs of the works to be paid by the developer as well as the Council's administrative, legal, design checks and inspection costs and details of commuted sums for the future maintenance of the improvement works.

Six medium and one low priority recommendations were made to address the following weaknesses:

- Written procedures which reflect the current working practices were not available to staff;
- The documentation to support six (60%) of the sample reviewed by audit was not provided. Therefore, assurance on the accuracy and validity of the documents to support S278 Agreements, could not be provided in these cases;
- No central list of Section 278 Agreements could be provided;
- From the sample reviewed, where projects were funded by both Section 278 and Section 106 agreements the amounts due were not separated which could make income forecasting more difficult and could hinder the identification of income due each year;
- Records such as Certificates of Substantial / Final Completion were held by individual project managers rather than in a specific central location that could be accessed by all project managers;
- Limited reconciliation records were available for the projects reviewed by Audit which meant refunds due to a developer could not be verified.

All of the recommendations have been accepted and are due to be implemented by June 2020.

### **Adult Social Care:**

#### **5. Placements Brokerage (satisfactory assurance)**

The Placements Brokerage Team falls under the Commissioning department within the bi-borough Adult Social Care Directorate. Whether somebody is eligible for help with care and support is decided by national criteria set out in the Care Act 2014. If somebody (or their family) feels they may need some support to manage day-to-day tasks, the local authority is responsible for talking through these situations and offering suggestions to make things easier. Individuals can ask the Council for an assessment directly, may be referred by someone they know, or by a professional who is already involved in their care, such as a GP, community nurse, or mental health nurse. If the individual is being referred by someone else, that person should have discussed and agreed this in advance.

The Council's assessment process helps to identify if care and support is needed, and whether the applicant is eligible for Council funding towards the cost of that care and support. The Brokerage Team is responsible for finding, negotiating and securing residential and nursing placements for residents of Westminster City Council and the Royal Borough of Kensington and Chelsea. This involves placing residents with eligible needs into either block or spot provision. The team acts as a broker, identifying placements and negotiating value. This was historically focussed on Older People, but following disaggregation from the Tri Borough, this now covers all residential placements.

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

- Although a draft brokerage protocol had been prepared, detailing the brokerage process, housekeeping, and links with other Adult Social Care Departments, this protocol had not been implemented and it was no longer reflective of the current brokerage process;
- Not all requests for a new placement had evidence that these had been signed off by the Social Work Team Manager before being sent to the Brokerage Team;
- Approval by the budget holder for fees negotiated by the Brokerage Team was not evidenced within the Case Management System (Mosaic) in some cases examined;
- Panel approval for placements could not be evidenced within Mosaic in some cases examined;
- Recording of case notes within Mosaic was not consistent which made it difficult to follow the audit trail for the placements;
- For all placements, a Service User Agreement should be signed by the intended user (or their legal representative) and the provider. Evidence of the signed Agreements could not be provided in a number of cases examined as part of the audit.

All of the recommendations have been accepted by management and are due to be implemented before the end of the financial year.



City of Westminster

# Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	5 February 2020
<b>Classification:</b>	For General Release
<b>Title:</b>	Internal Audit Plan 2020/21
<b>Wards Affected:</b>	All
<b>Key Decision:</b>	No
<b>Financial Summary:</b>	There are no financial implications arising from this report
<b>Report of:</b>	Director for Audit, Fraud, Risk Management & Insurance
<b>Report author:</b>	Moira Mackie, Head of Internal Audit; email: <a href="mailto:moira.mackie@rbkc.gov.uk">moira.mackie@rbkc.gov.uk</a> Tel: 07800 513 192

## 1. Executive Summary

- 1.1 The Internal Audit Plan has been reviewed to reflect the changes in the Council's structure and to ensure that our audit work addresses key risks during a period of change and general financial constraints. The Audit Plan will include sufficient audit coverage to enable us to provide an overall opinion on the Council's control framework and is sufficiently flexible to allow for additional reviews to be added in areas where support and/or advice may be required.
- 1.2 The draft Audit Plan for 2020/21 is contained in Appendix 1 to this report.

## 2. Recommendation

That the Committee review the draft internal audit plan for 2020/21 as set out in Appendix 1 and consider:

- Does the plan cover the organisation's key risks as they are recognised by the Members of the Audit & Performance Committee?

- Does the plan reflect the areas that the Members of the Audit & Performance Committee believe should be covered as priority?
- Are the Members of the Audit & Performance Committee satisfied that sufficient assurances are being received to monitor the organisation's risk profile effectively, including any emerging issues / key risks not included in our annual plan?

### 3. Background, including Policy Context

3.1 The Council's internal audit service is managed by the Shared Services Director for Audit, Fraud, Risk and Insurance. Audits are undertaken by the in-house audit team or by the external contractor to the service, in accordance with the Internal Audit Charter. Internal Audit is required to provide the S151 Officer, the Executive Leadership Team and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. This opinion is predominantly based on the outcomes from the audit work undertaken each year. The Audit & Performance Committee are provided with updates at each meeting on all limited and no assurance audits issued in the period.

A description of each level of assurance is shown below:

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.

3.2 The draft Internal Audit Plan for 2020/21 is attached as Appendix 1 to this report. It should be noted that this Plan is an early draft, intended to identify key areas of risk for audit focus, and will be subject to some amendment before the final Plan is published in March 2020. In addition, it is recognised that changes in priorities

arise during the course of a year and the Audit Plan will be reviewed on a regular basis to reflect these changes. Changes to the Plan will be reported to the Committee during the year as they arise.

- 3.3 The Internal Audit Plan, once finalised, will include sufficient audit coverage to enable an overall annual opinion to be reached on the Council's control framework as well as including a contingency allowance for additional reviews in areas where support and/or advice may be required, as agreed with the Council's Section 151 Officer.
- 3.4 The Audit & Performance Committee Members are reminded that internal audit is only one source of assurance and through the delivery of our plan, we will not, and do not, seek to cover all risks and processes at the Council. We will however, seek to work closely with other assurance providers, such as External Audit, to ensure that duplication is minimised and a suitable breadth of assurance obtained.

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

**Moira Mackie on 07800 513 192 Email: [moira.mackie@rbkc.gov.uk](mailto:moira.mackie@rbkc.gov.uk)**

#### **BACKGROUND PAPERS**

Internal Audit Planning Files

Business Plans and Strategic Risk Registers

Westminster City Council  
Draft Internal Audit Plan  
2020/21  
VI - JANUARY 2020



City of Westminster

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**1. Introduction**

- 1.1 The draft Internal Audit Plan identifies the key areas within the Council where we expect to utilise our resources during 2020/21. The content of the draft Plan is informed by the Council’s key priorities, significant emerging and current risks as identified in the Council’s Risk Registers (see final page of this report) as well as changes made to Council systems, structures and service delivery. Areas of high risk have been identified and included in the Plan as well as cyclical and thematic reviews in areas of lower financial risk (e.g. schools).
- 1.2 The draft Plan will be discussed with Senior Managers at the Council and individual audits identified for completion during the year. The Plan is flexible to allow for change where areas of higher priority are identified whilst ensuring that sufficient internal audit coverage is provided to enable the Director for Internal Audit, Fraud, Risk and Insurance to provide the Council with an opinion at the end of the year on the adequacy of the Council’s internal control, risk management and governance arrangements.
- In addition, areas of fraud risk have been identified and evaluated by the Corporate Anti-Fraud Service and this information will be used to inform and focus the scope of some of the planned audits as well as identifying areas where pro-active exercises and data analytics can provide additional assurance that fraud risks are effectively managed (see Section 3 of this report).

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**Audit Resources**

- 2.1 The table below shows an **estimate** of the audit resources required to fulfil the Council’s Audit Plan for the 2020/21 financial year (with 2019/20 figures for comparison purposes). In areas where services are provided on a shared basis with other councils, the number of days assigned to the audit is shared across the Councils.

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

<b>Audit Coverage</b>	<b>Westminster Council Estimated Planned Audit Days</b>	
	<b>2020/21</b>	<b>2019/20</b>
Adult Social Care & Public Health*	145	130
Children's Services*(including Schools)	145	130
Finance & Resources (including IT and Procurement)*	380	470
People Services	60	80
Legal Services	30	30
Policy, Performance and Communications	30	30
Growth, Planning Housing	180	180
City Management & Communities	180	180
Contingency/ Management	305	195
<b>Audit Days</b>	<b>1,425</b>	<b>1,425</b>

\*These areas include Shared Services audits. The days for shared service audits are apportioned across the councils.

**3. Corporate Anti-Fraud Service**

3.1 The work undertaken by the Corporate Anti-Fraud Service (CAFS) complements the work of Internal Audit and provides additional assurance to the Council that fraud risks are being managed effectively. Reactive and proactive work is planned during 2020/21 by CAFS in the following areas:



**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

3.2 The table below shows the different areas of CAFS activity planned during 2020/21 together with an **estimate** of the resources planned against each activity:

<b>Anticipated reactive referrals (days)</b>	
Tenancy fraud	550
Right to Buy	40
Housing fraud	70
Corporate investigations	120
Parking	80
<b>Proactive activity (days)</b>	
Service reviews (fraudits)	50
Proactive operations	50
Parking inspections	100
<b>Data analytics (days)</b>	
Data matching	50
<b>Total days allocated</b>	<b>1,110</b>

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

The draft Audit Plan for each of the Council’s Departments is shown below. Where possible, the auditable area **will be aligned** with risk(s) identified from reviewing the Council’s Risk Registers (see final page of this report).

**Adult Social Care (ASC) & Public Health (PH):**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Service Change	Following consultation with the service on key areas of change, specific focused review(s) will be identified (advisory and/or Assurance).		High	
Information Management, IT & Continuity of Systems	Areas identified for consideration include: <ul style="list-style-type: none"> <li>• Review of compliance with data protection and GDPR requirements on the use of and control over sensitive data</li> <li>• IT application review (Mosaic);</li> <li>• Service continuity arrangements (IT and/or non-IT)</li> </ul>	1 to 3	High	
Social Care	Potential reviews of: <ul style="list-style-type: none"> <li>• Budgetary control including use of financial management system;</li> <li>• Control improvements identified following external reviews;</li> <li>• Monitoring of placements;</li> <li>• Safeguarding.</li> </ul>	1 to 4	High	
Procurement	Review a sample of procurements and provide audit assurance on compliance with expected controls within the procurement process and compliance with the Procurement Code.	3	High	
Contract Management	Review a sample of care provider contracts to ensure that appropriate contract management arrangements are in place.	2	High	
Cyclical Compliance and/or establishment reviews	To consider a programme of reviews covering areas such as: <ul style="list-style-type: none"> <li>• Risk management – identification and management of key risks;</li> <li>• Ethical governance including conflict of interest reporting, receipt of gifts &amp; hospitality;</li> <li>• Management of expenses;</li> <li>• Use of Procurement Cards.</li> </ul>	1 to 4	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Children’s Services:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Service Change	Following consultation with the service on key areas of change, specific focused review(s) will be identified (advisory and/or Assurance).		High	
Information Management, IT & Continuity of Systems	Areas identified for consideration include: <ul style="list-style-type: none"> <li>• Review of compliance with data protection and GDPR requirements on the use of and control over sensitive data</li> <li>• IT application review (Mosaic);</li> <li>• Service continuity arrangements (IT and/or non-IT)</li> </ul>	1 to 3	High	
Family Services, Safeguarding Social Work	Potential reviews to consider: <ul style="list-style-type: none"> <li>• Budgetary control including use of financial management system;</li> <li>• Monitoring of placements;</li> <li>• Assurance on Supporting People claims;</li> <li>• Safeguarding;</li> <li>• Fostering and Adoption;</li> <li>• ECH Plans</li> </ul>	1 to 4	High	
Procurement	Review a sample of procurements and provide audit assurance on compliance with expected controls within the procurement process and compliance with the Procurement Code.	3	High	
Contract Management	Review a sample of provider contracts to ensure that appropriate contract management arrangements are in place.	2	High	
Cyclical Compliance and/or establishment reviews	To consider a programme of reviews covering areas such as: <ul style="list-style-type: none"> <li>• Risk management – identification and management of key risks;</li> <li>• Ethical governance including conflict of interest reporting, receipt of gifts &amp; hospitality;</li> <li>• Management of expenses;</li> <li>• Use of Procurement Cards.</li> </ul>	1 to 4	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Schools:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk
Targeted Reviews: <ul style="list-style-type: none"> <li>• To be agreed with Schools Finance</li> </ul>	All schools previously receiving limited assurance or those identified with issues from Ofsted reviews or a projected budget deficit. Schools to be included not yet confirmed.	1 to 4	Medium	
Thematic Reviews:	Undertake thematic reviews across the school population to review compliance. Potential areas to include: <ul style="list-style-type: none"> <li>• Health &amp; Safety Compliance;</li> <li>• Recruitment;</li> <li>• IR35 Compliance;</li> <li>• GDPR &amp; IT Security</li> <li>• Recharging SEN (now managed by Schools).</li> </ul>	1 to 4	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Finance & Resources:**

**Finance Related Audits:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Financial Management	Reviews to consider: <ul style="list-style-type: none"> <li>• Investment Strategy, Pension Investments and Treasury Management;</li> <li>• Commercial ventures (governance).</li> </ul>	2 to 3	High	
Financial management system	To include: <ul style="list-style-type: none"> <li>• Assurances provided by the IBC on the adequacy of security and controls within the HR, Payroll and Finance systems;</li> <li>• Effectiveness of controls and compliance with these controls across all Council services in respect of budgetary control, accounts payable, accounts receivable, income management, debt management etc (a programme of cyclical reviews will be developed for consideration by the S151 Officer). (See also audits identified in People Services Section).</li> </ul>	1 to 4	High	
Revenues & Benefits	Cyclical programme of audits as agreed with the Director of Finance & Resources. To supplement not duplicate work undertaken by external audit covering: <ul style="list-style-type: none"> <li>• Council Tax;</li> <li>• Housing Benefit;</li> <li>• NNDR.</li> </ul>	3	Medium	
Cyclical Compliance and/ or establishment reviews	To consider a programme of reviews covering areas such as: <ul style="list-style-type: none"> <li>• Risk management – identification and management of key risks;</li> <li>• Ethical governance including conflict of interest reporting, receipt of gifts &amp; hospitality.</li> </ul>	2 to 4	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Property Related Audits:**

<b>Type of Review:</b>	<b>Potential Audit Coverage:</b>	<b>Quarter</b>	<b>Priority</b>	<b>Risk Ref</b>
Service Change	Property Services moved from GPH to Finance and Resources in 2018/19 and the Facilities Management responsibilities transferred back to the Council. Areas for audit consideration include: <ul style="list-style-type: none"> <li>• Corporate Landlord Model (Project);</li> <li>• Provision of property services to voluntary and community sector (project);</li> <li>• Review of property management systems information (project);</li> <li>• Health and Safety compliance.</li> </ul>		High	
Procurement	Review a sample of procurements and provide audit assurance on compliance with expected controls within the procurement process and compliance with the Procurement Code.	3	High	
Contract Management	Review contract management arrangements in place for a sample of contracts which will include the management of the operational property portfolio.	2	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**ICT Related Audits:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Information Management & Continuity of Systems	Areas that may be reviewed: <ul style="list-style-type: none"> <li>• IT Governance - Risk management, investment appraisal, culture and training;</li> <li>• IT Resilience and service continuity;</li> <li>• Access Management;</li> <li>• Data Analytics – Data Governance and Data Quality.</li> </ul>	1 to 4	High	

**Procurement Related Audits:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Procurement - Governance	Arrangements in place for the appropriate governance and management of procurement. This would be focused on the work undertaken within the Procurement Team (compliance with procedures and governance arrangements for a sample of individual procurements will be reviewed across the Departments).	2	High	
Programme/ Project Management/ New Systems	Placeholder. Any programme or project involvement will be identified as required.	TBC	TBC	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

## People Services

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Payroll	To include: <ul style="list-style-type: none"> <li>Assurances provided by the IBC on the adequacy of security and controls within the HR and Payroll systems;</li> <li>Effectiveness of controls and compliance with these controls across all Council services in respect of payroll and HR systems.</li> </ul>	1 to 4	High	
Learning & Development Tools	Review of new system, controls and compliance.	1 to 2	High	
Cyclical Compliance and/ or establishment reviews	To consider a programme of reviews covering areas such as: <ul style="list-style-type: none"> <li>Pension Administration;</li> <li>Apprenticeships;</li> <li>Sickness &amp; absence management;</li> <li>Starters and leavers process compliance;</li> <li>Induction process</li> <li>Ethical governance including conflict of interest reporting, receipt of gifts &amp; hospitality.</li> </ul>	1 to 4		

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## Legal Services:

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Cyclical Compliance	Audits could include: <ul style="list-style-type: none"> <li>Provision of external legal services;</li> <li>Charging for services</li> </ul>	2	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Policy, Performance & Communications:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Governance	Review the processes for ensuring that the Council's governance arrangements are robust and are reviewed and reported on at the appropriate level and frequency. May include areas such as delegated authority and decision making with any review likely to cut across several service areas.	3	High	
Risk Management	Review of the processes in place for the effective identification and reporting of risks and how these risks are being managed – sample review of departmental risk management processes.	4	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Growth, Planning & Housing:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Service Change	Following consultation with the service on key areas of change and/or major projects, specific focused review(s) will be identified (advisory and/or Assurance).		High	
Information Management, IT & Continuity of Systems	Areas identified for consideration include: <ul style="list-style-type: none"> <li>• Review of compliance with data protection and GDPR requirements on the use of and control over sensitive data</li> <li>• IT application review;</li> <li>• Service continuity arrangements (IT and/or non-IT)</li> </ul>	1 to 3	High	
Housing Management	Audits could include: <ul style="list-style-type: none"> <li>• Major Works, lessee and service charges;</li> <li>• Housing rent management;</li> <li>• Tenant Management Organisations;</li> <li>• Repairs Service;</li> <li>• Health &amp; Safety Compliance;</li> <li>• Information systems (see above).</li> </ul>	1 to 3	High	
Procurement	Review a sample of procurements and provide audit assurance on compliance with expected controls within the procurement process and compliance with the Procurement Code.	3	High	
Contract Management	Review a sample of contracts to ensure that appropriate contract management arrangements are in place.	2	High	
Cyclical Compliance and/ or establishment reviews	To consider a programme of reviews covering areas such as: <ul style="list-style-type: none"> <li>• Capital Programme;</li> <li>• Budgetary Control;</li> <li>• Income management;</li> <li>• Planning &amp; Building Control;</li> <li>• Homelessness;</li> <li>• Housing allocations;</li> <li>• WAES</li> <li>• Risk management – identification and management of key risks;</li> <li>• Ethical governance including conflict of interest reporting, receipt of gifts &amp; hospitality.</li> </ul>	1 to 4	Medium	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**City Management & Communities:**

Type of Review:	Potential Audit Coverage:	Quarter	Priority	Risk Ref
Service Change	Following consultation with the service on key areas of change, specific focused review(s) will be identified (advisory and/or Assurance).		High	
Information Management, IT & Continuity of Systems	Areas identified for consideration include: <ul style="list-style-type: none"> <li>• Review of compliance with data protection and GDPR requirements on the use of and control over sensitive data</li> <li>• IT application review;</li> <li>• Service continuity arrangements (IT and/or non-IT)</li> </ul>	1 to 3	High	
Procurement	Review a sample of procurements and provide audit assurance on compliance with expected controls within the procurement process and compliance with the Procurement Code.	3	High	
Contract Management	Review a sample of contracts to ensure that appropriate contract management arrangements are in place.	2	High	
Cyclical Compliance and/ or establishment reviews	To consider a programme of reviews covering areas such as: <ul style="list-style-type: none"> <li>• Health &amp; Safety;</li> <li>• Capital Programme/ Major Schemes;</li> <li>• Budgetary Control;</li> <li>• Parking Services;</li> <li>• Income management;</li> <li>• Regulatory Services;</li> <li>• Establishment – Controls &amp; Compliance (eg mortuary, coroners, libraries etc);</li> <li>• Risk management – identification and management of key risks;</li> <li>• Ethical governance including conflict of interest reporting, receipt of gifts &amp; hospitality.</li> </ul>	1 to 4	High	

**Draft Audit Plan**  
(reviewed by Audit & Performance Committee – 5 February 2020)

**Risks identified from the Council’s Risk Registers**

**NB: Risks to be reviewed against latest operational and strategic risk registers prior to Audit Plan being finalised.**

The risks identified from the Council’s Risk Registers are summarised below and linked to the associated City or All (CFA) Priorities. Where possible, identified risks will be shown against audits in the plan.

Risk Ref	Risk Description and Link to City for All Priority
1.	<b>Financial (CFA 2, 3 and 5):</b> <ul style="list-style-type: none"> <li>pressures resulting from increase in demand for services, reduced funding or predicted income, slowdown in the economy and inflationary pressures.</li> </ul>
2.	<b>Information Management and Continuity of Systems (CFA1):</b> <ul style="list-style-type: none"> <li>Management of information in compliance with the requirements of GDPR and minimising the risk of loss of information or inappropriate disclosure;</li> <li>Weaknesses in Information Governance structures could result in data breaches or accidental loss of key information;</li> <li>Loss of systems due to either systems failure or cyber- attack;</li> <li>Strong security hygiene policies and user awareness;</li> <li>IT Health Checks and compliance.</li> </ul>
3.	<b>Procurement and Management of Suppliers (CFA 2 and 3):</b> <ul style="list-style-type: none"> <li>Compliance with Standing Orders, the Procurement Code and regulatory framework for procurement to minimise the risk of provider challenge;</li> <li>Weak supplier resilience which could result in supplier bankruptcy or other service failure;</li> <li>Effective management of contracts to ensure deliverables are received and value for money achieved.</li> </ul>
4.	<b>Impact of change (CFA 1, 2, 3, and 5):</b> <ul style="list-style-type: none"> <li>Failure in service continuity/ safeguarding arrangements arising from changes in service arrangements;</li> <li>Embedding new ways of working;</li> <li>Brexit and how it will affect the Council and local economy.</li> </ul>
5.	<b>General (CFA 1, 2, 3, 4 and 5):</b> <ul style="list-style-type: none"> <li>Maintaining appropriate and effective governance and high ethical standards by all staff and Council Members;</li> <li>Ensure compliance with statutory requirements and provide a safe environment for staff, residents and visitors;</li> <li>Effectiveness of partnership arrangements.</li> </ul>

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**City for All (CFA) priorities:**

- CFA1 City of Opportunities;
- CFA2 Excellent Local Services;
- CFA3 Caring and Fairer City;
- CFA4 Healthier and Greener City;
- CFA5 City that Celebrates its Communities.

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City of Westminster

## Audit and Performance Committee Report

<b>Meeting or Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	5 <sup>th</sup> February 2020
<b>Classification:</b>	General Release
<b>Report of:</b>	Gerald Almeroth, Executive Director, Finance and Resources
<b>Title:</b>	Integrated Business Centre (IBC) Update
<b>Report Author and Contact Details:</b>	David Hodgkinson Director - Corporate Finance and Property <a href="mailto:dhodgkinson@westminster.gov.uk">dhodgkinson@westminster.gov.uk</a>

### Executive Summary

On the 1st December 2019, the Integrated Business Centre (IBC) reached a one-year milestone. The system was successfully implemented in December 2018 with minimal issues reported at Go Live. The IBC solution was a replacement for the BT Managed Services and is delivered in partnership with Hampshire County Council (HCC) through the Shared Services.

The stabilisation period then followed the initial four weeks of go live. The stabilisation period was managed by its own governance structure which provided regular service review and communications as set out below during the embedding of the new system. This also included three-monthly gate reviews to review performance against three key areas of focus or set stabilisation metrics to determine if Westminster City Council (WCC) can move to Business as Usual (BAU).

On the 19th December at the IBC performance board meeting, the council's performance against the stabilisation metrics was discussed with regards to compliance with the Shared Services standard operating model.

Based on the council's overall performance with regards to the key criteria to exit stabilisation, WCC has demonstrated the organisational adoption of the IBC standard operating model.

It was agreed by the partnership board on the 19<sup>th</sup> December that WCC exit stabilisation and enter BAU governance in Q4 2019/20. However, it was acknowledged by the partnership that a phased approach will be followed for Finance and Recruitment.

Our staff satisfaction levels have steadily increased during the stabilisation period. 82% of our staff were highly satisfied and 87% satisfied with the service they received in August 2019, which far exceed the partnership wide goal of 70% highly satisfied and 80% satisfied. Coupled with the reduction in contact volumes, this demonstrates customers are increasingly adapting to the system and view the Shared Services model positively.

## 1. Background

- 1.1 On the 1st December 2019, the Integrated Business Centre (IBC) reached a one-year milestone. The system was successfully implemented in December 2018 with minimal issues reported at Go Live. The IBC solution was a replacement for the BT Managed Services and is delivered in partnership with Hampshire County Council (HCC) through the Shared Services.
- 1.2 Hypercare, a four-week period of intensive support immediately followed the deployment. This ensured that issues were resolved quickly through daily board calls, peer to peer calls between programme functional leads, surgery sessions, regular communications and support from the 100+ IBC floorwalkers.
- 1.3 The hypercare surgery sessions were terminated earlier than planned (after the 10th December) due to a lack of issues raised at the earlier sessions. Floorwalkers also fed back on daily calls that there were no longer issues being reported to them. This meant the project ran successfully through the go-live to the extent that issues arising were considerably less than had been thought likely.
- 1.4 The stabilisation period then followed the initial four weeks of go live. The stabilisation period was managed by its own governance structure which provided regular service review and communications as set out below during the embedding of the new system. This also included three-monthly gate reviews to review performance against three key areas of focus or set stabilisation metrics to determine if WCC can move to BAU.
  - Weekly partnership board meetings
  - Weekly Stabilisation and Performance Monitoring calls with all functional leads
  - Weekly meetings between the Hampshire Partnership Manager and the WCC Business deployment lead to discuss ongoing communications required to the business
  - All staff communications to the business for key messages – weekly throughout January, fortnightly during February and ad hoc in March
  - Provision of budget manager and requisitioner focus training sessions
  - Organisational structure sessions for line managers led by Westminster HR
- 1.5 Due to the success of these activities most of these measures were no longer needed after April 2019. These were replaced by weekly peer to peer calls held between the WCC and HCC team to discuss outstanding issues from the stabilisation process and prioritise any change requests that require immediate implementation. Monthly performance group meetings between the senior leads of WCC and HCC now replace the weekly partnership board meetings to review performance data, progress on three-month review recommendations, and high impact business issues from the stabilisation trackers.

1.6 The key areas of focus for the council team were as follows:

- Increase HR self-serve transactions to 80%. HR self-serve transactions include transactions like booking leave, reporting sickness, amending pay and creating posts.
- Decrease overall contact volumes proportionally comparable to existing partners. This will be measured by alignment to the planned forecast. Staff and suppliers can contact the IBC by phone, via webchat or by raising an enquiry form.
- Increase compliance to finance processes such as service order approvals, goods receipting and a maximum of 20% returned invoices from the IBC. Staff and suppliers need to follow the procurement process as set out in the operating model.

## **2. Stabilisation and Transition to Business as Usual**

- 2.1 The stabilisation period was initially planned to run from the 1st January 2019 to the 31st March 2019 with the view of going to BAU stage on the 1st April. However, the date of the transition to BAU was always planned to be flexible and dependent on partners being satisfied that all new processes had embedded across the organisation. The partnership acknowledged that the onboarding had been a success, and also recognised that improvements in the key areas of focus was required before the partnership could be deemed stable enough to move to BAU. It was agreed at the board in March 2019, by all parties, that an extended period of monitoring was required.
- 2.2 At the nine-month gateway review in September 2019, it was acknowledged by the partnership that progress had been made in closing stabilisation issues. The council's performance had been strong in all areas and the partnership agreed that there was a need to ensure that the improvement in Finance was sustained and that focus on buyer and supplier compliance to align performance to that of an established partner was continued.
- 2.3 Aside from Finance, Recruitment was also identified as an area of focus in the embedding of the model. To support both areas, additional weekly improvement calls were established for Finance and Recruitment from September onwards, focusing on an agreed improvement plan and compliance to the Shared Service model.
- 2.4 The partnership agreed at the September board to extend the stabilisation period and review the Council's performance on the December performance board meeting during the 12-month gateway review.

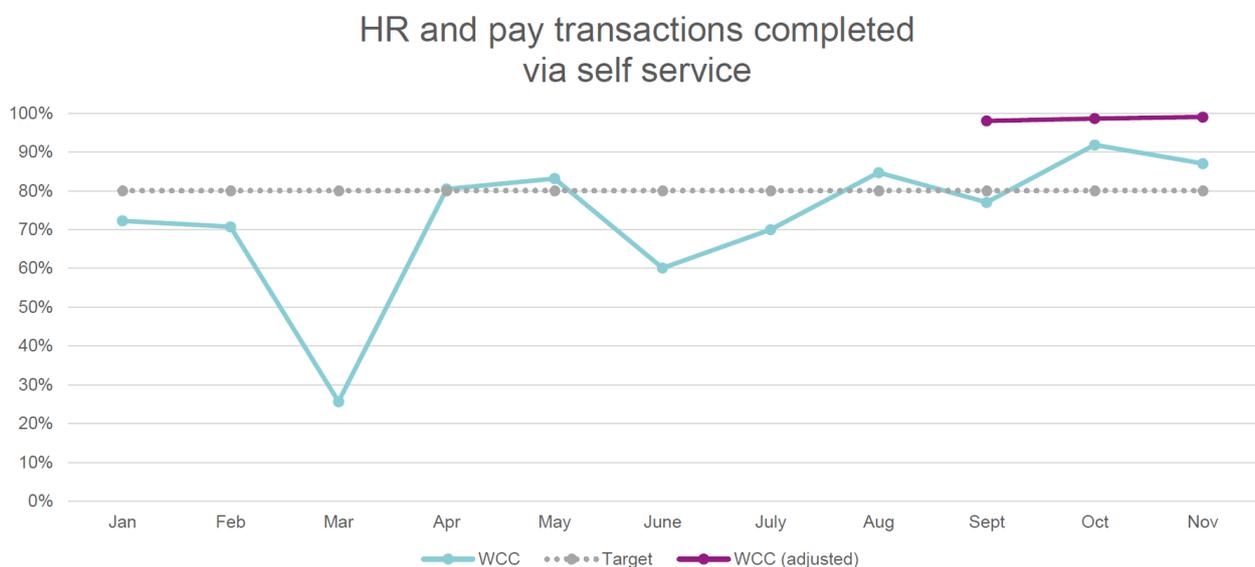
## **3. 12-Month Gateway Review**

- 3.1 On the 19th December at the IBC performance board meeting, the council's performance against the stabilisation metrics was discussed with regards to compliance with the Shared Services standard operating model.

- 3.2 At the meeting it was reported that the Council had met all stabilisation metrics in the previous three months.
- 3.3 The weekly improvement calls for both Finance and Recruitment which took place from September onwards had a positive impact and there has been positive progress which were reflected in the performance data.

#### 4. HR Self-Service

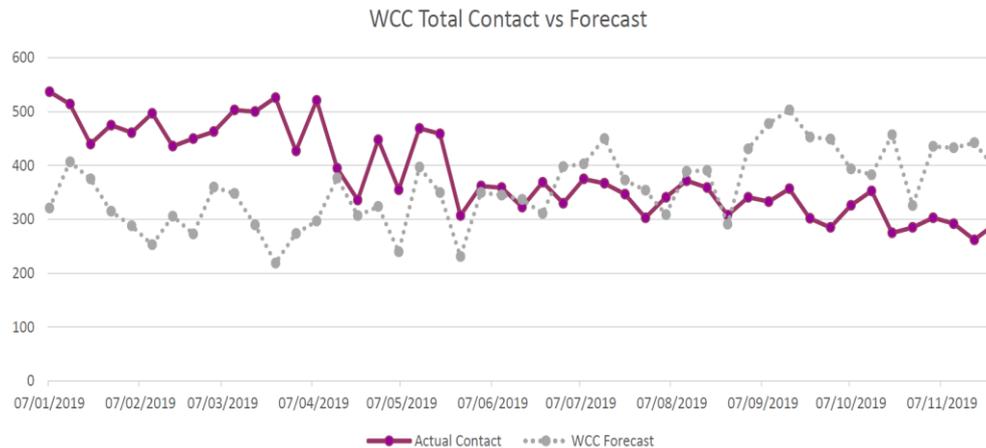
- 4.1 The IBC enables staff and managers to self-serve HR tasks, for example booking or approving annual leave, recording sickness, amending personal/employee details and managing teams.
- 4.2 Performance on HR self-service has been strong, and the 80% target has been met since April 2019. It was acknowledged by HCC that where the target has not been met that this could be attributed to events that could not be processed through self-service (e.g. childcare voucher processing, pay reward, election transaction pay adjustments). Therefore, HCC have created an adjusted metric to exclude any actions that cannot be completed via self-service. The council’s performance for HR self-service has been consistently above 95% in the last 3 months on this adjusted metric.
- 4.3 The graph below shows HR and pay transactions completed via self-service against target from January to November 2019. The pronounced dip in March was due to the onboarding of new colleagues from City West Homes in April, which required manual input of HR data.



- 4.4 In November, performance reached the highest at 99%, excluding transactions that could not be processed using self-service such as childcare processing, election transactions pay adjustment.

## 5. Contact Volumes

5.1 The IBC can be contacted by phone, via webchat or by raising an enquiry form. The volume of customer contact has continued to decrease, and since the beginning of June has either met or been below the planned forecast almost every week. This demonstrates a positive cultural shift in WCC in adopting the self-serve model, which has been a result of the communication and engagement efforts within the organisation. See below contact volume for January-November 2019.



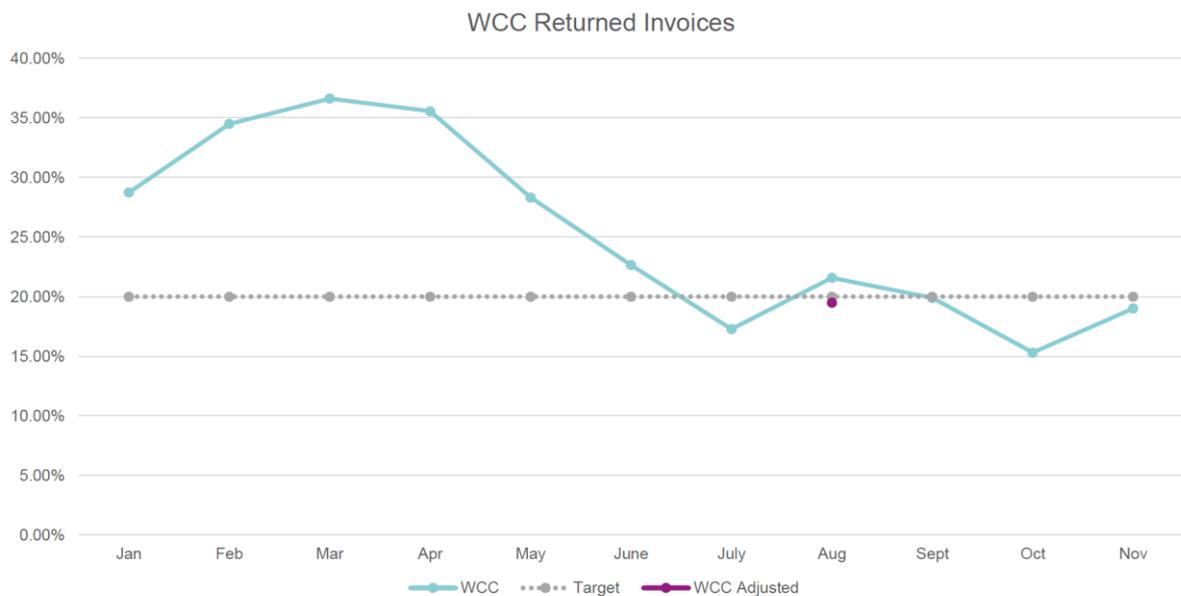
5.2 Although targets have been met in reducing contact volume, continued efforts are still being made in shifting the contact channel to enquiry forms and webchat. The most used contact channel by staff and suppliers was telephone, followed by enquiry forms and webchat. The contact channel mix figures from December 2018 to November 2019 are;

Month	Contact Channel		
	Call	Enquiry Form	Webchat
Dec-18	48%	49%	3%
Jan-19	43%	55%	2%
Feb-19	41%	66%	3%
Mar-19	41%	55%	4%
Apr-19	44%	51%	5%
May-19	49%	54%	7%
Jun-19	59%	36%	5%
Jul-19	60%	35%	5%
Aug - 19	57%	38%	5%
Sept-19	59%	34%	5%
Oct - 19	61%	36%	5%
Nov - 19	63%	33%	4%

- 5.3 The recent increase in telephone contact were driven by direct dial requests for WCC departments and IT access issues that were related to the WCC local IT environment which the IBC cannot help with.
- 5.4 The general queries were signposted to the IBC by the WCC general enquiries team. An FAQ document has now been produced to provide the WCC general enquiries team with guidance on the scope of the IBC, and how to effectively triage enquiries. Further engagement with the WCC general enquiries team and a knowledge sharing session is being planned.
- 5.5 A meeting with the IBC IT and WCC IT is also scheduled this month to look at the IT issues in detail.

**6. Finance - Returned invoices**

- 6.1 There have been improvements to the performance metrics in the past 3 months which shows WCC meeting the 20% target.
- 6.2 The table below shows the figures on returned invoices from January to November 2019. The adjusted figure for August, reflected the Council’s performance when the IBC removed those invoices that were returned in error or due to other processing reasons. This indicates that Finance have met performance metrics since July 2019.



**7. Recruitment**

- 7.1 As part of the recruitment improvement actions to embed the Shared Services Recruitment model, time to hire and customer satisfaction in recruitment has been monitored as part of the monthly performance groups.
- 7.2 There has been good progress in reducing the post offer time to hire since August which reduced to only 17 days in November.

- 7.3 The time to hire pre-offer increased by 5 days in November. This is heavily reliant on managers initiating processes, such as job adverts, shortlisting and creating conditional offers. Whilst this increased to 38 days in November, analysis of the data showed that 2 recruitment campaigns for multiple roles where significant delays with Hiring Managers submitting conditional offers and extending advert closing dates distorted this metric.
- 7.4 There is ongoing manager training and engagement sessions which are delivered jointly by WCC and HCC. It is envisioned that the council will deliver the training independently in the long term.
- 7.5 Customer satisfaction has increased in November to an average of 7/10. The manager training and engagement will be continued to ensure that this is sustained.
- 7.6 See data on recruitment from December 2019 to November 2019.



## 8. IBC Response Rate and Customer Satisfaction Levels

- 8.1 99% of the cases are responded to by the IBC support team within five working days. Between 96 and 98% of the cases are resolved within ten working days.
- 8.2 Our staff satisfaction levels have steadily increased during the stabilisation period. 82% of our staff were highly satisfied and 87% satisfied with the service they received in August 2019, which far exceed the partnership wide goal of 70% highly satisfied and 80% satisfied. Coupled with the reduction in contact volumes, this demonstrates customers are increasingly adapting to the system and view the Shared Services model positively.

## 9. Forecasting and Budget Monitoring

- 9.1 As part of the IBC self-service model, forecast planners across the organisation were expected to input forecasts from June 2019 onwards in the IBC.

- 9.2 Training for budget holders was held between January and March 2019. Further training for the Finance team took place in May 2019 so that they were ready to support their budget holders.
- 9.3 There are 336 forecast planners identified across WCC. There has been a steady increase of the number of forecast planners doing their forecasting using the IBC since June 2019. However, there was a dip in October and November.

Month	No. of Forecast Planners who input Forecast in IBC	% Total Number of Forecast Planners
June	61	18.15%
July	94	27.98%
August	122	36.31%
September	139	41.37%
October	134	39.88%
November	95	28.27%

- 9.4 Engagement sessions with forecast planners are planned in January onwards to further encourage and support managers to use the system. A dedicated project team has been set up to train forecast planners on how to use system and more importantly on how to input accurate forecasts. Additional easy to understand guidance and online videos on forecast planning for managers are also currently being developed.

## 10. HR and Finance Reporting

- 10.1 On the 27th November, the IBC launched the enhancements to the manager HR portal reports and the new central HR report. This included new consolidated reports for managers and a new report for HR colleagues holding personnel, pay and absence data. The new central HR report addresses the key concerns highlighted to HCC by reducing the reliance on multiple data extracts, increasing the data fields available from SAP and enabling multiple selection of organisational units.
- 10.2 The IBC held a user engagement session to allow HR staff to trial the reports and review the associated web guidance. Positive feedback was received from the session.
- 10.3 The central HR report has already been run over 124 times by HR. This suggests that users are engaging well with the new report, and the session has provided colleagues with the knowledge to effectively self-serve HR information.
- 10.4 In terms of the enhanced manager reports, data shows that the manager reports have been run over 330 times by over 100 managers, and the staff sickness overview report has been run the most frequently.
- 10.5 There is also ongoing work on Finance reporting between HCC and WCC to further improve the current Finance reports in the IBC which will be ready before April 2019.

## 11. Next steps – Business As Usual

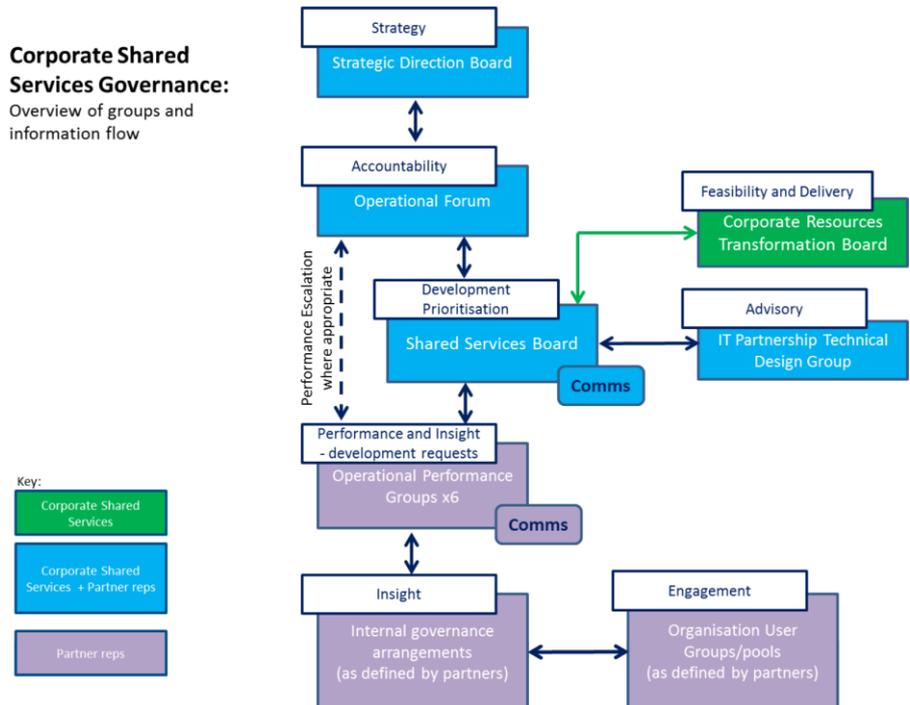
11.1 Based on the council's overall performance with regards to the key criteria to exit stabilisation, WCC has demonstrated the organisational adoption of the IBC standard operating model.

11.2 It was agreed by the partnership board on the 19<sup>th</sup> December that WCC exit stabilisation and enter BAU governance in Q4 2019/20. However, it was acknowledged by the partnership that a phased approach will be followed for Finance and Recruitment.

11.3 The table below outlines the differences between Stabilisation Governance and BAU Governance, which would be implemented immediately for HR and from Q1 2020/21 for Finance and Recruitment.

Action	Stabilisation Governance	BAU Governance
Payment Terms	Immediate	30 days from scan of a Valid Invoice
Peer to Peer Calls	Weekly	N/A
Stabilisation Tracker	Ongoing	N/A
Performance Group Meetings	Monthly	N/A
Stabilisation Calls	Bi-Weekly	N/A
Communication Meetings	Monthly	Quarterly
Datasets	Weekly and Monthly	Quarterly
Functional User Groups	N/A	6 weekly
Operational Performance Group	N/A	Quarterly (04/20,07/20,10/20)
Shared Services Board	N/A	Quarterly
Operational Forum	N/A	Bi-Annual

11.4 See governance structure for BAU below which will be followed



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**City of Westminster**

## **Audit and Performance Committee**

**Committee date:** February 2020

**Report Of:** Neil Wightman, Director of Housing

**Portfolio:** Cabinet Member for Housing Services

**Report Author and Contact Details:** Andrea Luker  
[aluker@westminster.gov.uk](mailto:aluker@westminster.gov.uk)

### **General Update**

- 1.1 It's nine months since responsibility for housing service delivery transferred to Westminster Council. A full suite of performance information is provided at Appendix A, giving an overview of current service standards and the progress that has been made in delivering improvements. All figures are as at the end of December 2019 (P9). This report draws attention to key areas of performance and provides a narrative to the data in Appendix A. Targets were set by the council's client team prior to the housing service returning in-house. All targets require an improvement on previous performance levels and were benchmarked against published performance for high performing London boroughs.
- 1.2 Highlights within the portfolio include improvements in contact centre and repairs service performance, and changes to the housing local offer rolled from October 2019. The housing contact centre has performed well, with 75% of calls answered within 30 seconds, against the corporate target for contact centres of 70%. The Westminster on Wheels initiative, providing a mobile surgery service has also been a success, demonstrating the Council's commitment to providing residents with local, face to face services. Over 1600 residents have visited the bus to the end of December and 94% were very happy or happy with the bus being on the estate.
- 1.3 The Director of Housing is overseeing delivery of a service improvement programme, designed to support staff to improve performance to a benchmarked upper quartile and provide the opportunity for residents to influence housing services. The programme will also integrate the housing management service into the council and provide staff with the tools and infrastructure needed to provide high quality services.

## **2 Customer services - Contact Centre**

- 2.1 Since integration the contact centre performance has been positive, with call handling performance remaining within target. Year to date performance to the end of December 2019:
  - 162,851 total calls received 75% of calls were answered within 30 seconds (target of 70%)
  - 72% of calls were resolved on first contact (target of 60%)
  - 84% of residents were satisfied with call handling - measured through a post-call survey immediately after call handling (target 80%)
  - 35,614 email enquiries received

- 2,258 enquiries were received on digital channels, 31% via My Westminster Housing, 36% via Home Swapper and 33% via Twitter.

## **2.2 Third quarter performance**

The third quarter and start of the winter period delivered circa 75,000 customer enquiries into the contact centre. This increased volume is the seasonal norm, with many repair requests being weather related. Contacts included over 61,000 calls and 12,000 emails. Despite an increase in volumes of over 26% on the previous quarter, the contact centre delivered its best performance for this time of year with 92% of calls answered and 68% within 30 seconds for the third quarter.

## **2.3 Satisfaction**

A total of 4,169 Customer Satisfaction Surveys have been completed year to date and overall

- 84% of residents are satisfied with the services delivered by the Contact Centre an increase in satisfaction of 2% compared to Q2
- 72% of residents believed their query to be resolved and both engagement and
- empathy levels remain above 85%.

## **2.4 Complaints and Member Enquires**

- 662 complaints have been received this year
- 90% completed within the 10-day target
- Only 7% of complaints have escalated from stage 1 to stage 2
- 820 members' enquiries have been received year to date with 94% responded to in target.

**2.5** A speech analytics project, analysing 30,000 calls was undertaken in September and the results have helped us understand the drivers of customer contact, reasons for service failure and tracking residents' emotions as they interact with the service. As a result of the insight provided in the speech analytics report additional training has been planned for the contact centre teams, this training has been scheduled until the end of March 2020. Training in January has focused on repairs improvements with both classroom-based training and coaching to embed the changes to the repairs processes and embed new ways of working.

**2.6** Scoping the Housing CRM solution has begun which will include the introduction of a knowledgebase to support the quality of advice given to residents across the customer service teams.

## **3 Repairs, Voids and Health & Safety**

### **3.1 Performance**

The repairs service performed well over the Autumn, with the seasonal increase in responsive repairs not impacting on year to date performance. The service is improving with incremental improvements across the KPIs:

- Year to date 85% of repairs were completed on the first visit (Dec - 89%)
- Year to date satisfaction with the repairs service is at 83% (Dec – 85%)
- Statutory services relating to electrical testing, gas safety checks and water tank monitoring all continue to perform very well.

### **3.2 Improving the repairs service**

Improving the service is a key priority for the Director of Housing, with particular focus on keeping appointments, quality of work and timeliness of the repair. Work across the housing team and with contractors is underway to make the necessary improvements over the course of the year, including:

- Improving the accuracy and quality of orders raised to reduce abortive calls and the need for call backs through:
  - Contact centre staff training
  - Enhancements to Locator Plus (order diagnostic tool)
  - Automatic warnings to staff to avoid raising duplicate jobs
- Staff with access to up to date information on repairs status through:
  - Providing area office staff with access to MSi - the main repair contractor's database for live access to job status'.
- Better management of repairs appointments service through:
  - Greater availability of slots
  - Quicker appointment booking & rebooking

### **3.3 Leaks and plumbing**

A significant proportion of all repair calls are plumbing related. The management of leaks has improved in the last year through establishing a dedicated team and introducing a planned preventative maintenance programme. Work has now started to handle plumbing related calls differently at the point of first response. This is at an early stage and a further report will be provided with the next update.

### **3.4 Voids**

A void services improvement team established to work as a collaborative group to drive improvement across the service is taking effect. The time taken to repair and re-let void properties has reduced from 57 days for the year 18/19 to 45 days for 19/20. The target of 28 days average time to repair and re-let properties was met in November and December.

### **3.5 Satisfaction**

New tenant satisfaction with the letting process dipped in April so a courtesy call was introduced, to all new tenants within a week of tenancy commencement. This has allowed any issues to be remedied early in the tenancy and reinforces the commitment to listen to customers. New tenant satisfaction year to date is 86% and measured 95% in December.

### **3.6 Major works**

Programme delivery is progressing with approximately £35m of major works investment on site and a further £4m due to commence in the forthcoming weeks. Schemes were held back during Purdah following budget changes.

## **4 Neighbourhood services**

### **4.1 Local offer**

The new Housing Services offer was launched in October 2019 designed to increase the visibility of the service locally and to rebuild trust with residents. The offer includes

- Estate Walkabouts taking place across various estates in the borough as a published programme for 19/20.
- Estate Action Plans – 29 pilot plans have been completed and will be tracked with residents on a monthly basis and available on the website
- We now have 14 housing surgeries providing residents with more access to housing staff
- Over 1,600 residents visited *Westminster on Wheels* with 94% saying that they were happy that the service was on their estate, and nearly 3/4 of issues resolved on the bus.
- We launched in January our new mobile working solution for estate staff allowing them to report communal repairs more efficiently whilst out of the office through a mobile app integrated with the housing management database.
- We are piloting a new minor communal repairs service which will develop a new approach to proactively addressing minor repairs on estates.

## **4.2 Resident engagement**

- Over 50 residents joined staff on 12 estates to plan thousands of bulbs for the Spring.
- Three resident groups are setting up community gardening projects with our support.
- We established four new resident associations this year and
- In January held a celebratory lunch for the Chairs of all the resident associations hosted by the Lord Mayor
- A new hall for residents of Tollgate Gardens was handed over in December and a Launch is being planned for April. A party for over 90 residents on the Tollgate estate was held in the new hall as a thank you to residents for being patient whilst their estate was being redeveloped.
- Both Barrow Hill and Dryburgh Hall were refurbished in Q3 and are now much more attractive venues for residents to use.
- Churchill Gardens youth club has been refurbished with a new kitchen donated by United Living as part of their social value commitment.

## **4.3 Westminster Connected**

215 residents (both tenants and leaseholders) have signed up to be part of 'Westminster Connected', our new online engagement group. Lessees have already been engaged in consultation activities and the consulting with the wider group will begin early in the new year on areas that need to be improved.

## **5 Tenancy reviews**

- 5.1** Tenancy reviews continue, both to help ensure residents receive the support they need to sustain their tenancies, and to identify potential cases of tenancy fraud. As at the end of November, 446 tenancy reviews have been completed to the end of P9 against a target for the full year of 500.
- 5.2** Residents receiving these visits were selected from reports showing those who had not been in contact with the Housing Service for some time, and those appearing on local emergency plans as needing support.

## **6 Antisocial behaviour**

### **6.1 Improving satisfaction**

The ASB housing team have been working with other departments to improve customer satisfaction and to streamline the customer journey. The work in progress includes;

- Creating a defined list of ASB, housing services and Compliance categories based on common reports to the customer services team. This should improve the information and understanding in the call centre of common customer reports
- We have increased the functionality for online customer reporting making ASB reporting online easier. It will reduce the time taken to triage cases which will free up more time to deal with cases.

### **6.2 Noise**

The ASB housing team have been working closely with environmental health officers from the noise service and with the communications team to look at how both services can work jointly to respond to noise. Noise is the highest reported issue from customers, and it is important that they know how they can report noise, different types of noise and how they may be able to resolve their own noise issue with a neighbour. Actions in the campaign include;

- A noise workshop for ASB and housing management teams to gain knowledge on noise and environmental health
- Regular meetings between the noise service and the housing ASB team to discuss noise cases and how best to resolve them together and

- Updated information and videos on the difference between statutory noise and general living.
- A drop-in event is planned for April for residents, to gain information and speak to professionals.

### **6.3 Joint walkabouts**

We have taken part in a series of joint walkabouts to ASB hotspots with internal and external partners including CCTV engineers, housing service advisors, compliance officers, local police officers and building surveyors to visit ASB hotspots. This joint approach will help to better find solutions to prevent ASB and make the community feel safer.

## **7 Income Collection**

### **7.1 Rent collection**

- Rent collection at the end of December 2019 was 98.57% against a target of 98.5%. As a comparison to other comparable London Boroughs, rent collection is consistently within the top three for rent collection.
- At the end of December 2019 current tenancy rent arrears stood at 1.41% of the rent roll.
- This performance is achieved through helping tenants to sustain their tenancies and just 5 evictions have been carried out in 2019/2020 due to rent arrears. The income management team works in partnership with the Citizens Advice Bureau (CAB) to ensure tenants have access to money management advice, debt counselling and help with claiming benefits.
- A total of £174,788 was collected in former tenant income at the end of December 2019 against an annual target of £177,600. The service is on track to surpass the annual target.

### **7.2 Leasehold service charge collection**

- £991,000 (96.9%) of service charges has been collected against a challenging target of £1,160,000 (98%)
- Major works aged debt is also well on track to meet the annual target of £1.16m. The aged debt sums are lower than many comparable London Boroughs and are good reflection of the arrears recovery work undertaken by the team.
- The favourable payment terms offered Westminster City Council which are above and beyond the terms of the lease play a strong part in supporting residents with the ability to pay their major works service charge invoices.

### **7.3 Leasehold improvements**

- The billing process, particularly around timing, accuracy and frequency of bills has been improved. Redesigned actual service charge invoices were despatched at the end of September 2019 with invoices in simpler format.
- The estimated service charge demands for the period April 2020 to March 2021 will be served in March 2020 as a single annual estimated demand rather than two half yearly demands.
- The new mailing will include a 'your service charge explained' leaflet to explain the basis of the service charge and the associated methodology for the calculation of the heads of charge.
- The proposed changes and the new format will be tested by a focus group of leaseholders prior to implementation in March 2020.

### **7.4 Right to buy**

A new right to buy offer from January 2020 provides applicants with better pre-purchase advice. Tenants are offered an interview to discuss the implications of becoming a homeowner and to a detailed explanation of the basis of the service charge calculations

and any major works planned for the property. It also provides an opportunity to discuss the obligations under the terms of the lease for both the residents and the council. Topics such as subletting, insurance, short letting, alterations, permissions and help and assistance will be discussed at length to ensure prospective lessees are provided with as much information as possible before they complete the purchase of their property.

## Appendix A: Housing Performance, December 2019

\* Housemark benchmarking figures provided are at a National level and will be replaced with figures for Inner London in future reports

Contact centre		December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile*
Number of calls received		17,315	162,851	-		238,053	-
% of calls answered within 30 seconds		66%	75%	70%		63%	-
% of calls abandoned		9%	7%	8%		11%	7.2%
% of calls resolved on the first contact		76%	72%	60%		70% (Nov-Mar)	-
Resident satisfaction with call handling %		86%	84%	80%		81% (Jan-Mar)	93%
% of complaints responded to in target		93%	90%	97%		49%	95.4%
% of member enquiries responded to in target		98%	94%	100%		79%	-

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Repairs		December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile
Overall tenant satisfaction with repairs		85%	83%	84%		82%	96.3%
% of repairs completed on the first visit		89%	85%	85%		82%	96%

Tenant satisfaction with quality of repairs		82%	82%	85%		81%	-
% of repairs completed within target		92%	92%	90%		-	-
% of responsive repair appointments kept		93%	93%	95%		92%	99.3%

Voids		December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile
Routine voids keys in to re-let (calendar days)		22	45	28		57	21
New tenant satisfaction		95%	86%	90%		88%	-

Health and safety		December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile
% of properties with valid gas safety certificates		99.80%	-	100%		100%	100%
Water tank testing		98%	-	100%		100%	-
Electrical testing - communal		100%	-	100%		97%	-
Electrical testing - in flat		210	2,671	2,850		4,007	-
Number of open FRA actions		4,491	-	4,500		4,180	-

Number of FRA actions awaiting delivery	 1,390	-	1,000		1,163	-
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Major works / asset management	December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile
Lessee satisfaction with major works	 -	65%	65%		53%	-
Lessee satisfaction with major works consultation	 -	65%	65%		45%	-
Key schemes >£250k on site within 3 months of target (projection) (Q)	 44%	-	75%		57%	-
% of homes with access to gigabit broadband (Q)	 -	39%	50%		30%	-

Neighbourhoods	December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile
Resident satisfaction with ASB case handling	 75%	63%	74%		74%	89.1%
Unlawfully occupied properties recovered	 0	19	25		14	-
Number of tenancy checks carried out (includes flexible tenancy reviews and regeneration visits)	 20	466	500		516	-

Income collection	December	Year to date	Target	Trend	Year end 18/19	Housemark upper quartile
Rent collected as a proportion of rent owed	 98.57%	-	98.50%		98.74%	98.26%
Rent arrears as a % of rent roll	1.41%	-	-		1.28%	1.9%
Former tenant arrears collection	 £30,190	£174,788	£177,600		£229,487	-
Lessee service charge collection	 96.90%	-	98%		97%	97.1%
Collection of aged lessee major works debt	 £72,000	£991,000	£1.16m		1.559m	-



Protective marking	<b>OFFICIAL</b>
FOIA Exemption	Yes
Suitable for publication scheme?	No
Title	AW Central West – Westminster Performance Review
Summary	Assessment of performance since BCU 'Go Live'
Purpose	Analysis of performance in key areas
Authors	AW Business Support (HQ)
Owner	PC 207489 AW
Date created	14/01/2020
Review date	N/A



# BCU Overview

## Original Model

### The new BCU model



# BCU Overview

## BCU Structural Changes

### Challenges

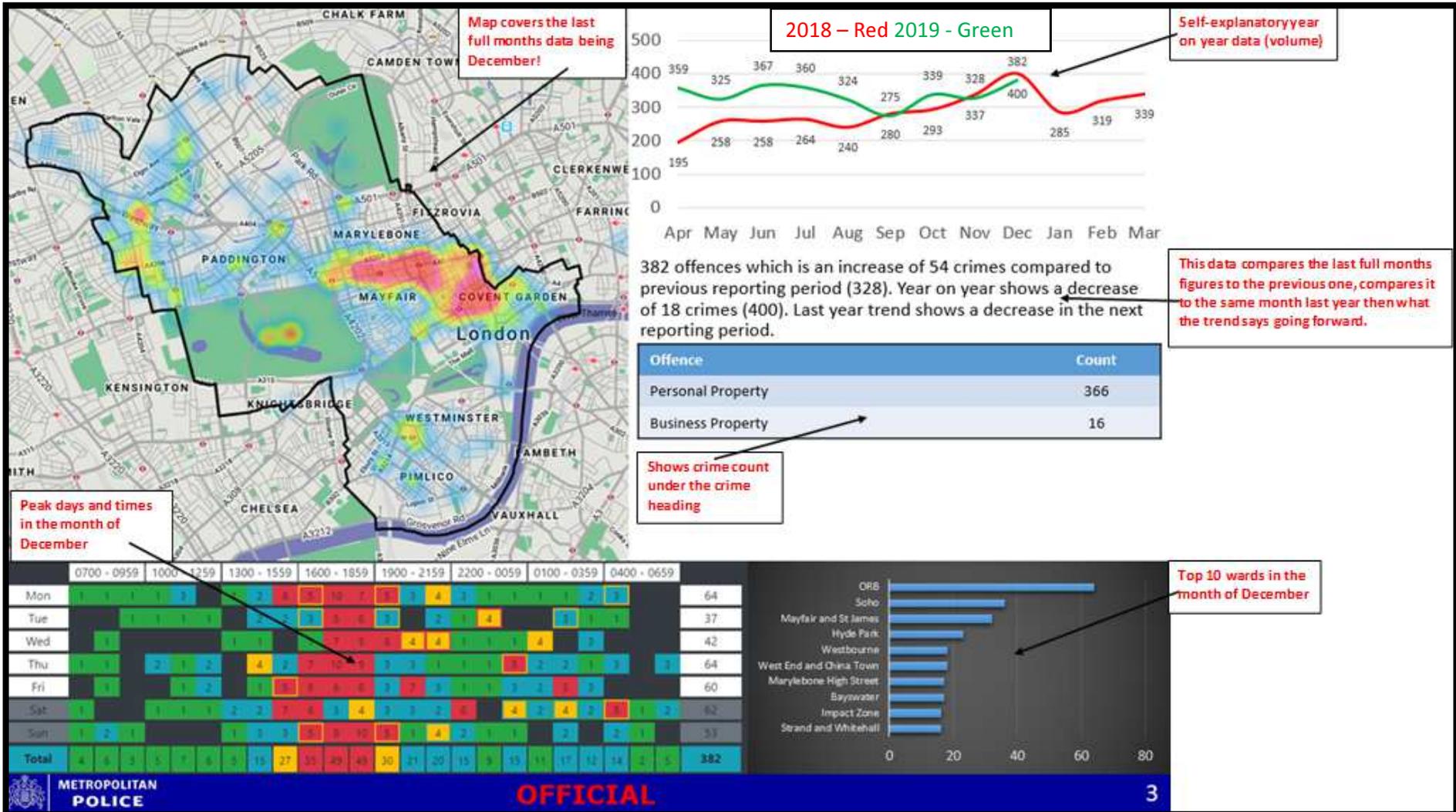
- Increases in robbery and knife crime
- Increased criminality linked to organised crime and homelessness
- Inexperienced investigators on response teams and volume of crime reported on line

### Structural Changes

- **Business Engagement Team** – 10 sergeants and 50 police constables moved from the Response Strand to form a Business Engagement Team for the West End. Currently under review and looking to increase officer numbers and move to a 24/7 shift pattern
- **Priority Crime Team** – Dedicated team of detectives and uniformed officers providing a reactive and pro-active response to robbery
- **Burglary Team** – Move from a model where detectives investigate serious and complex burglary and Response Officers investigate other burglaries to a dedicate burglary investigation team
- **Mi Investigation Support Team** – Response Officers struggling to cope with the volume of investigations being fed into the BCU from on-line and telephone crime reports. Investigative team created to manage the workload and reduce the stresses placed on front line policing
- **Neighbourhood Tasking Team** – Proactive team supporting Neighbourhood's Officers in Westminster. Include the Homelessness Team of 1-6
- **Violence Suppression Plan** – Not a structural change but ongoing work led centrally to bring officers into Westminster from non-BCU Commands to support proactivity to suppress violence and knife crime

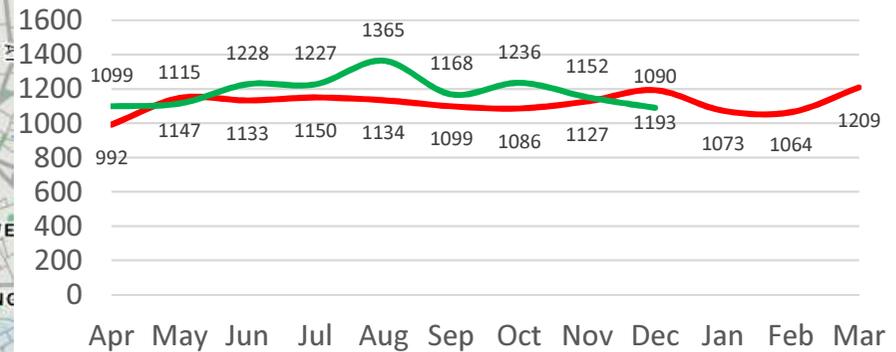
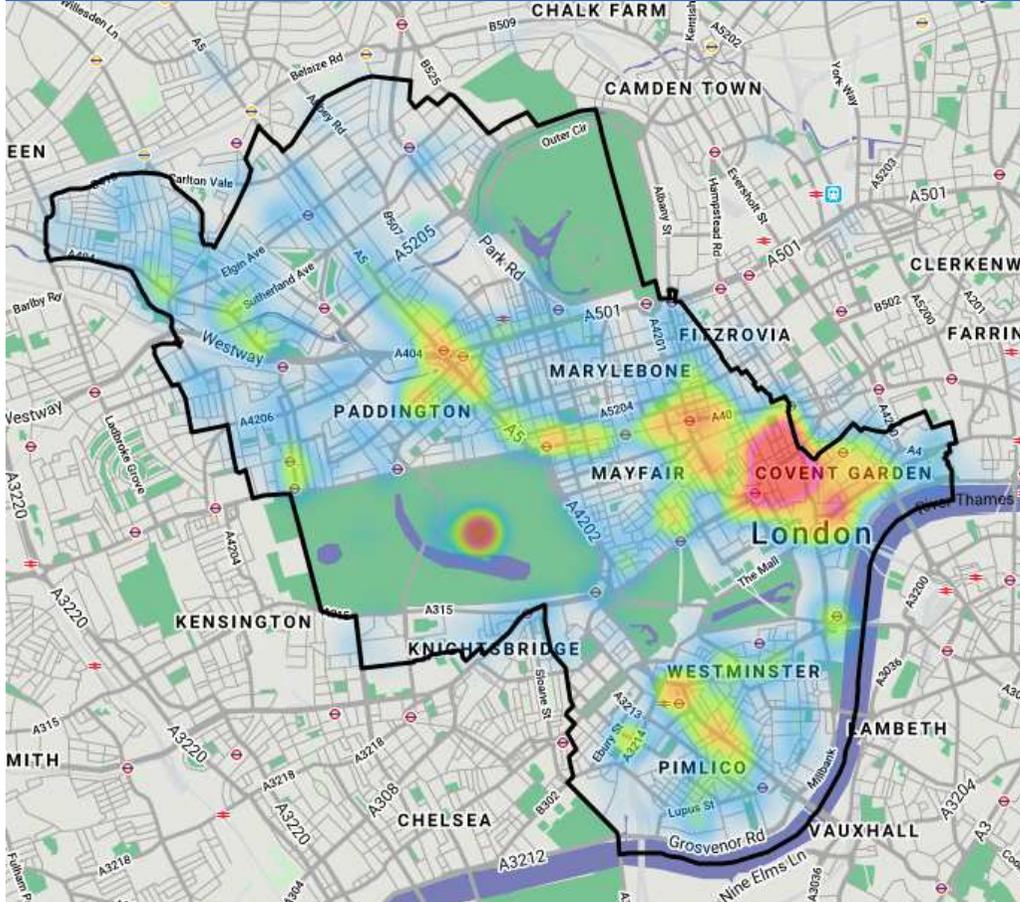
# \*Slide Explanation\*

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# Violence Against the Person

2018 – Red  
2019 - Green

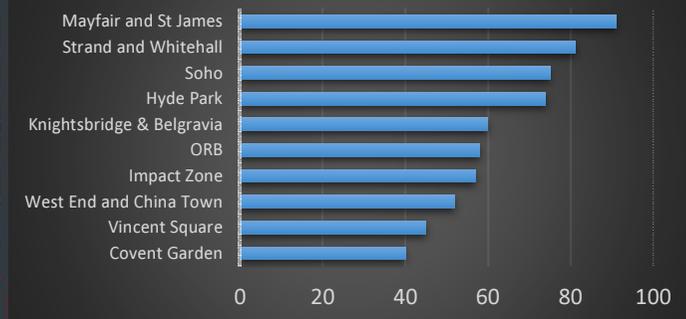


1090 offences which is a decrease of 62 crimes compared to previous reporting period (1152). Year on year shows a decrease of 103 crimes (1193). Last year trend shows a decrease in the next reporting period.

Offence	Count
Violence Against the Person - Common Assault	396
Violence Against the Person - Harassment	293
Violence Against the Person - Assault with Injury	243
Violence Against the Person - Serious Wounding	81
Violence Against the Person - Offensive Weapon	54

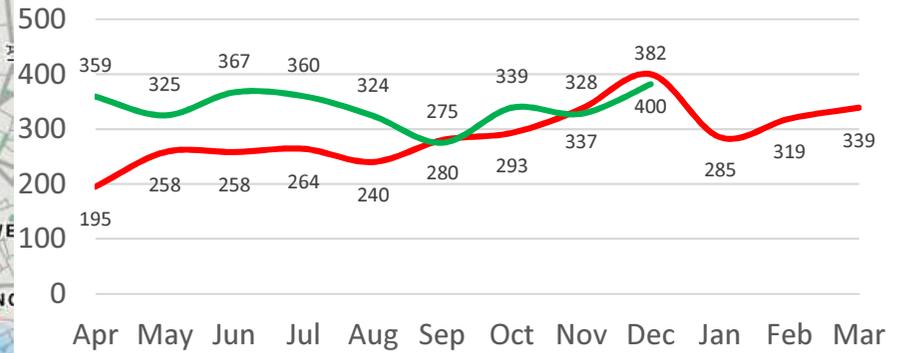
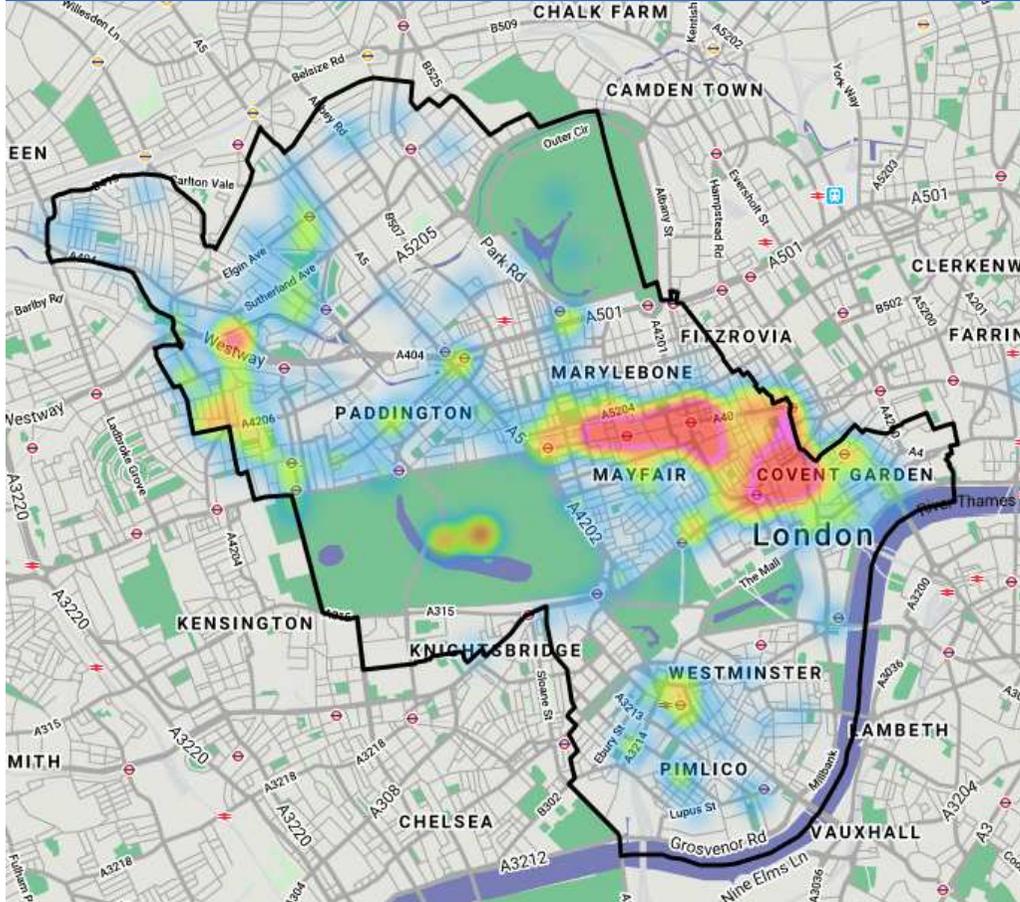
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Mon	4	2	10	3	4	11	1	7	10	6	15	6	5	6	10	10	6	1	4	2	2	1	126		
Tue	3	3	3	3	7	9	8	6	7	10	10	7	13	10	8	9	8	7	2	7	2	2	1	145	
Wed	2	6	3	1	2	3	13	5	9	7	8	9	8	9	3	7	6	6	8	1	4	5	2	2	129
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Fri	1	4	7	8	3	6	8	13	5	2	10	10	12	7	13	13	10	11	13	11	9	2	2	180	
Sat	1	2	2	5	1	4	4	9	6	15	14	11	10	8	10	12	7	23	19	13	15	8	2	3	204
Sun	3	1	4	5	7	7	6	13	9	12	12	15	7	11	8	4	4	12	7	6	6	4	1	3	167
<b>Total</b>	12	24	25	36	28	40	54	52	52	64	68	73	62	56	56	65	53	75	56	50	43	25	8	13	<b>1,090</b>



# Robbery

2018 – Red  
2019 - Green

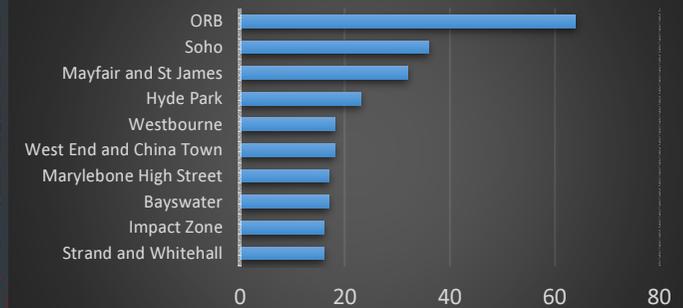


382 offences which is an increase of 54 crimes compared to previous reporting period (328). Year on year shows a decrease of 18 crimes (400). Last year trend shows a decrease in the next reporting period.

Offence	Count
Personal Property	366
Personal Property – knife or sharp used to injure (flag)	4
Personal Property – Knife or sharp intimated (flag)	44
Personal Property – Knife or sharp used as a threat or an attempt to injure (flag)	49
Business Property	16

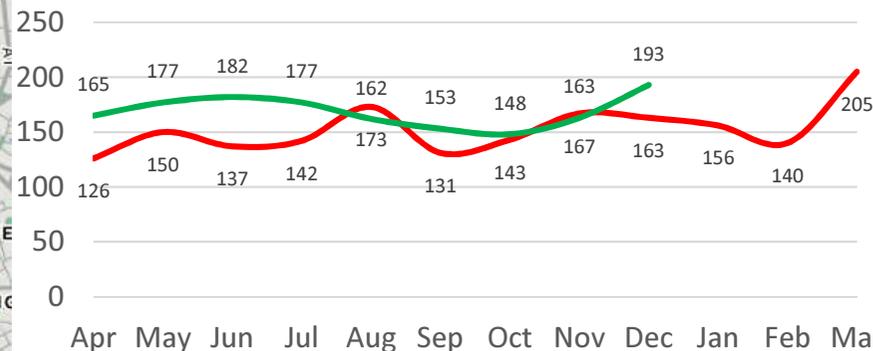
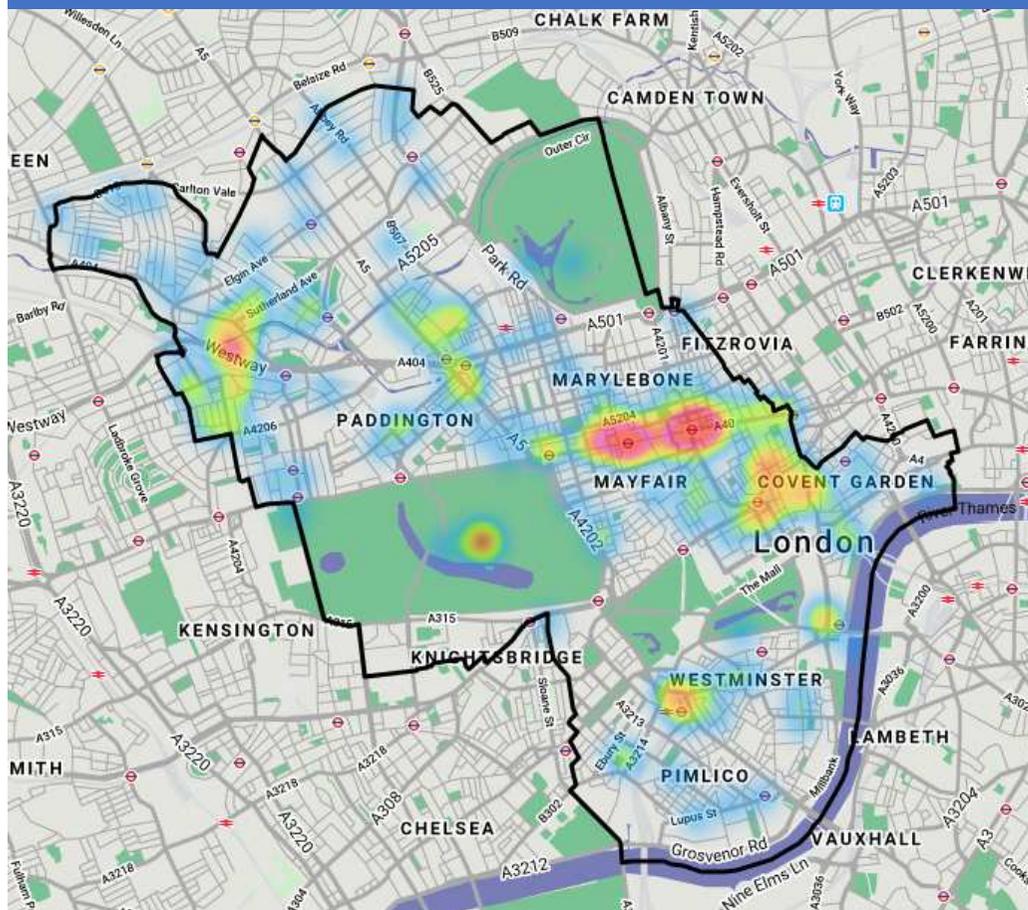
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Mon	1 1 1 1 3		1 2 8 5 10 7	5 3 4 3 1 1 1 2 3	64				
Tue		1 1 1 1	2 2 3 5 6 3	2 1 4	3 1 1	37			
Wed	1		1 1	1 7 5 8 4 4 1 1 1 4	3	42			
Thu	1 1	2 1 2	4 2 7 10 9 3 3 1 1 1 5 2 2 1 3	3	64				
Fri	1	1 2	1 5 8 6 8 3 7 3 1 1 3 2 5 3	60					
Sat	1	1 1 1 2 2 7 6 3 4 3 3 2 6	4 2 4 2 5 1 2	62					
Sun	1 2 1		1 3 3 5 8 10 5 1 4 2 1 1	2 2 1	53				
<b>Total</b>	<b>4 6 3 5 7 6 5 15 27 35 49 49 30 21 20 15 9 15 11 17 12 14 2 5</b>	<b>382</b>							



# Knife Crime

2018 – Red  
2019 - Green

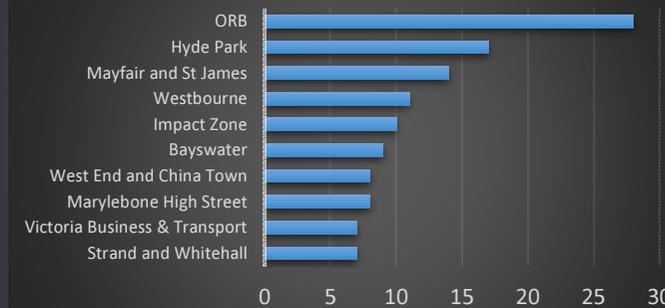


193 offences which is an increase of 30 crimes compared to previous reporting period (163). Year on year shows an increase of 30 crimes (163). Last year trend shows a decrease in the next reporting period.

Offence	Count
Robbery - Personal Property ( <i>Of total robbery - 366</i> )	97
Violence Against the Person - Offensive Weapon	37
Violence Against the Person - Harassment	21
Violence Against the Person - Serious Wounding ( <i>7 knife or sharp used to injure</i> )	10
Violence Against the Person - Common Assault	5

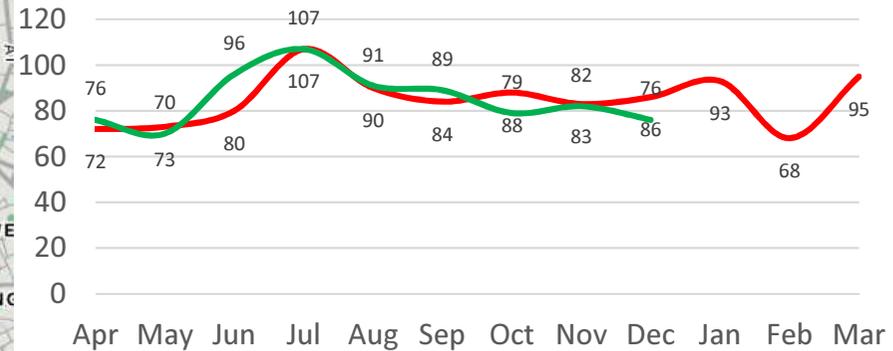
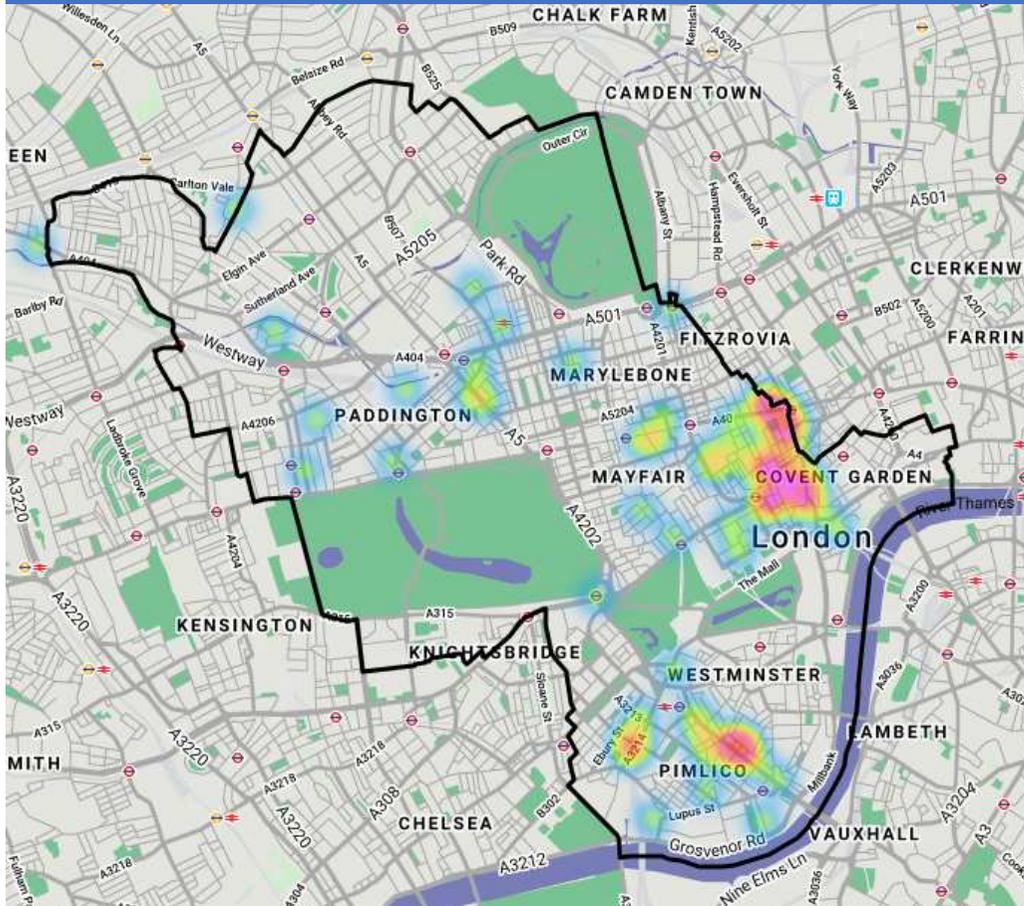
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Mon	1	1	1	2	1	9	3	3	5	1	1	5	1	1	35										
Tue			2	3	2	1	1	3	2	1	1	1	2		19										
Wed	1		1	3	1	4	2	3	3	2	1	1	2	1	25										
Thu	1		1	2	1	1	2	5	1	2	3	1	2	1	27										
Fri		2	1	1	5	3	3	2	1	3	4	2	2	1	1	33									
Sat	1	2	1	2	1	5	5	2	2	1	1	1	1	6	35										
Sun		1		1	3	1	4	1	2	3	1	1		1	19										
<b>Total</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>23</b>	<b>19</b>	<b>19</b>	<b>17</b>	<b>12</b>	<b>15</b>	<b>15</b>	<b>8</b>	<b>5</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>193</b>



# Sexual Offences

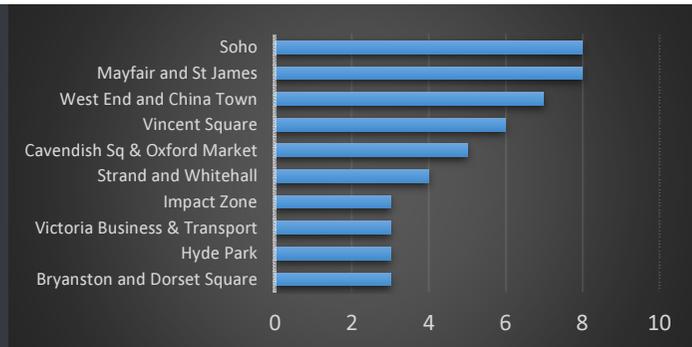
2018 – Red  
2019 - Green



76 offences which is a decrease of 6 crimes compared to previous reporting period (82). Year on year shows a decrease of 10 crimes (86). Last year trend shows an increase in the next reporting period.

Offence	Count
Sexual Offences - Other Sexual	56
Sexual Offences - Rape	20

	0700 - 0959	1000 - 1259	1300 - 1559	1600 - 1859	1900 - 2159	2200 - 0059	0100 - 0359	0400 - 0659	
Mon			1	2	1 1 1 1	2 3	1		13
Tue	1	2 1		2	1			1	8
Wed		1 1	1		1		1 1		6
Thu		1	1	1		1 1	2 2	2	12
Fri					2	1	3 1 2 2		11
Sat			1	2		1 4	2 2 1		13
Sun	1	1	1 1	1 1	1	1 4	2		13
<b>Total</b>	<b>1 3</b>	<b>1 3 4</b>	<b>2 1 1 7 3 2 4 1</b>	<b>7 3 2 4 1 7 11 7 7 7</b>	<b>1 2 1</b>	<b>76</b>			



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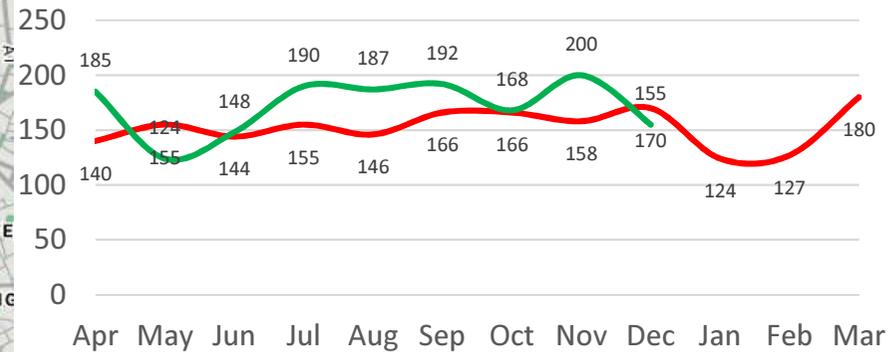
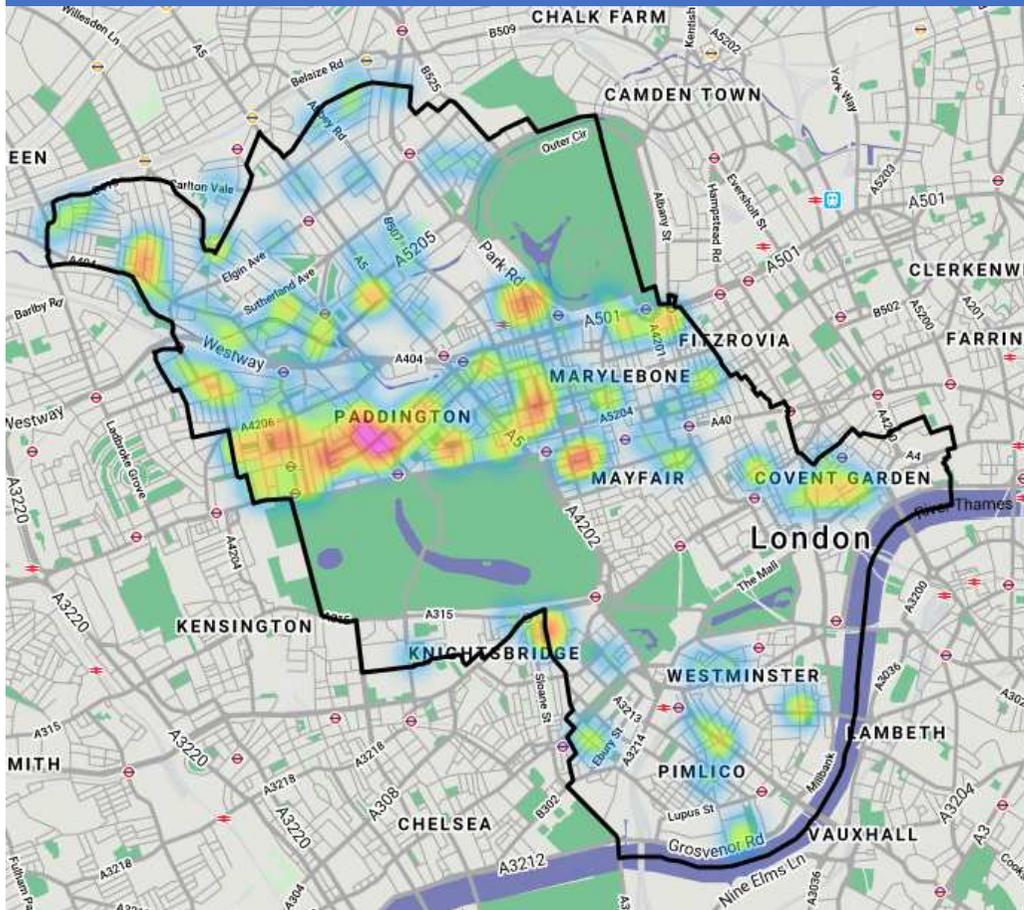


METROPOLITAN POLICE

OFFICIAL

# Residential Burglary

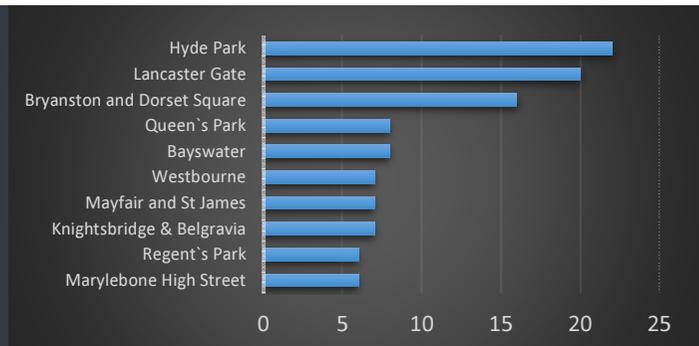
2018 – Red  
2019 - Green



155 offences which is a decrease of 45 crimes compared to previous reporting period (200). Year on year shows a decrease of 15 crimes (170). Last year trend shows a decrease in the next reporting period.

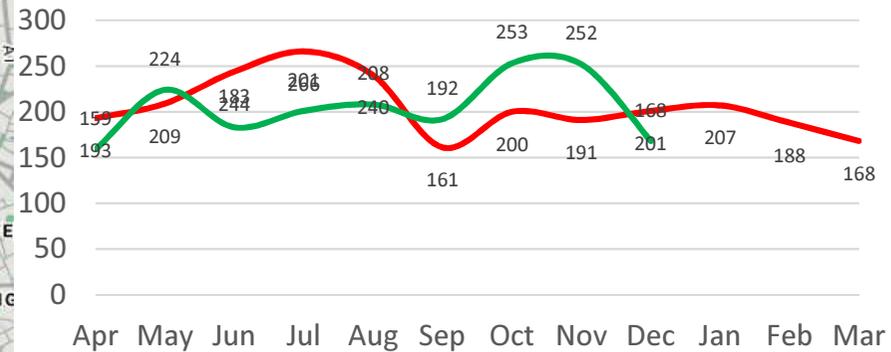
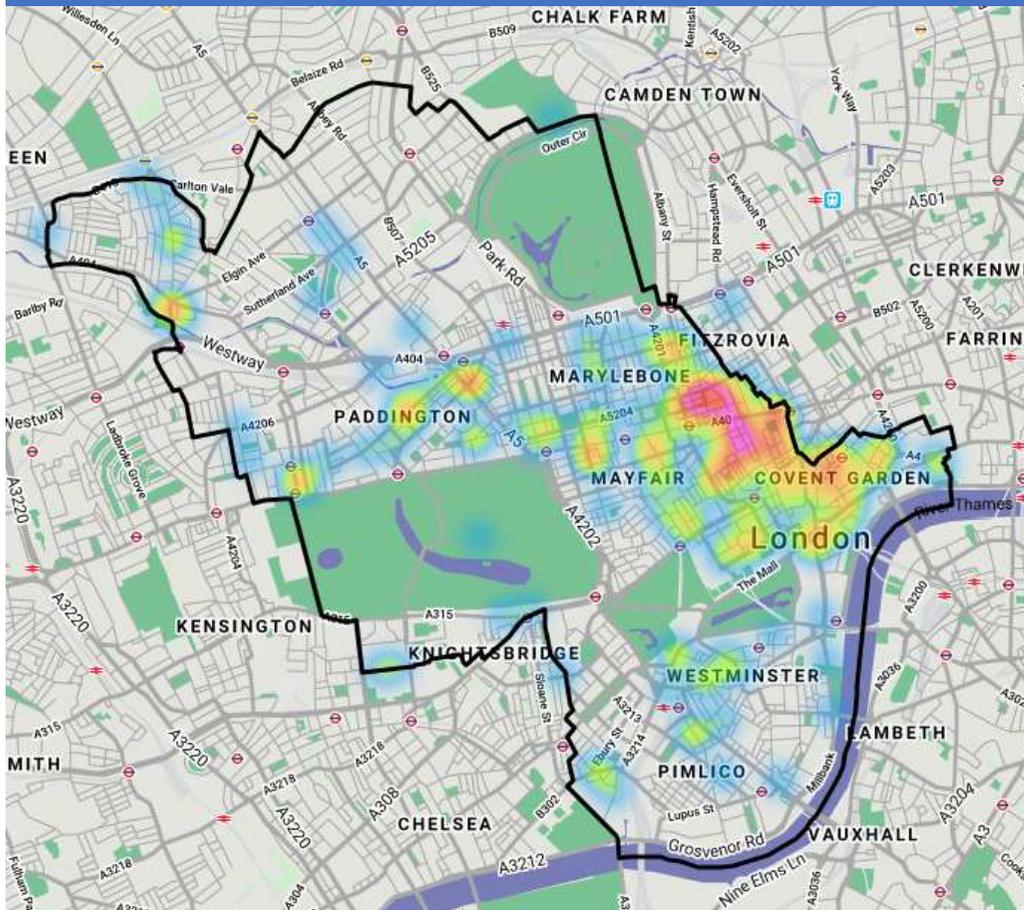
Page 229

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Tue	2	1	4	5	1	1	2	1	1	1	1	1	1	1	21									
Wed	1	1	2	1	1	2	2	3	2	2	1	1	1	1	18									
Thu	1	2	2	1	3	1	1	4	1	1	2	1	2	3	23									
Fri	1	1	2	1	1	1	1	3	3	2	1	1	1	1	20									
Sat	1	1	7	1	3	1	3	2	2	2	2	3	1	1	29									
Sun	1	2	1	1	3	1	2	2	2	2	1	2	2	1	19									
<b>Total</b>	<b>2</b>	<b>9</b>	<b>7</b>	<b>10</b>	<b>11</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>13</b>	<b>15</b>	<b>9</b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>155</b>



# Non Residential Burglary

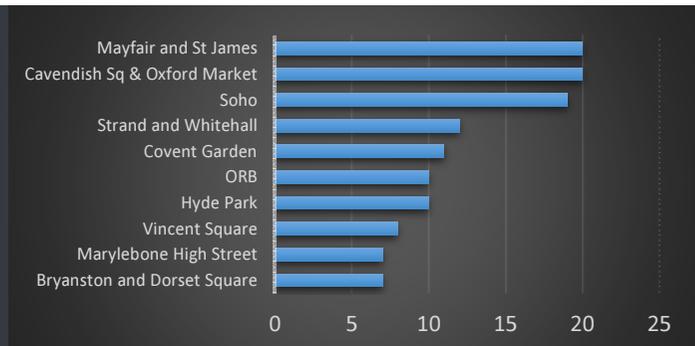
2018 – Red  
2019 - Green



168 offences which is a decrease of 84 crimes compared to previous reporting period (252). Year on year shows a decrease of 33 crimes (201). Last year trend shows an increase in the next reporting period.

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	0700 - 0959	1000 - 1259	1300 - 1559	1600 - 1859	1900 - 2159	2200 - 0059	0100 - 0359	0400 - 0659	
Mon	1 1 1 1		1 1 2	1 2 3	2 1 3	1	2 1	2	26
Tue		2 2 3 1	2 1	3 4 2	1 2	1 1 1 1 1		2	30
Wed	1 2 2 1		1		1 4 3 1	1 2	1		20
Thu	2 1 1 1			1 6 2 2 1		1 1	1 1 1		22
Fri		1 1	3 1	6 2 1	3	2	1 3		24
Sat		1 3 3	1 1 2 2 2 1 1			2 1 1 1 1 1			24
Sun	2	1 1	1	2 2 1	1	1	2 1 3	1 2 1	22
<b>Total</b>	<b>4 4 11 6 7 3 3 8 5 7 20 12 9 6 10 9 6 6 4 10 4 6 5 3</b>								<b>168</b>



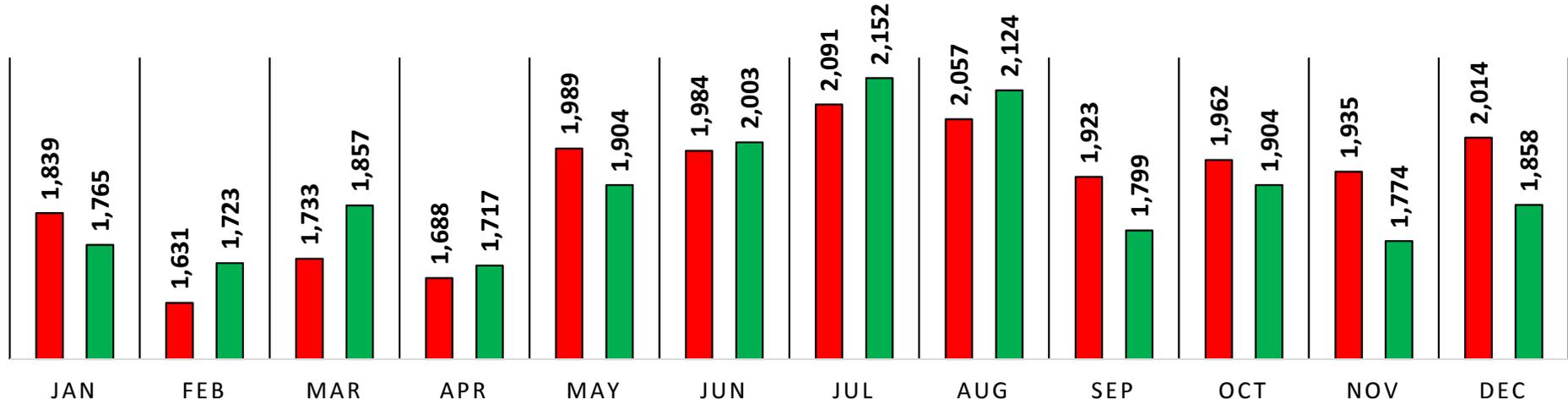
METROPOLITAN POLICE

OFFICIAL

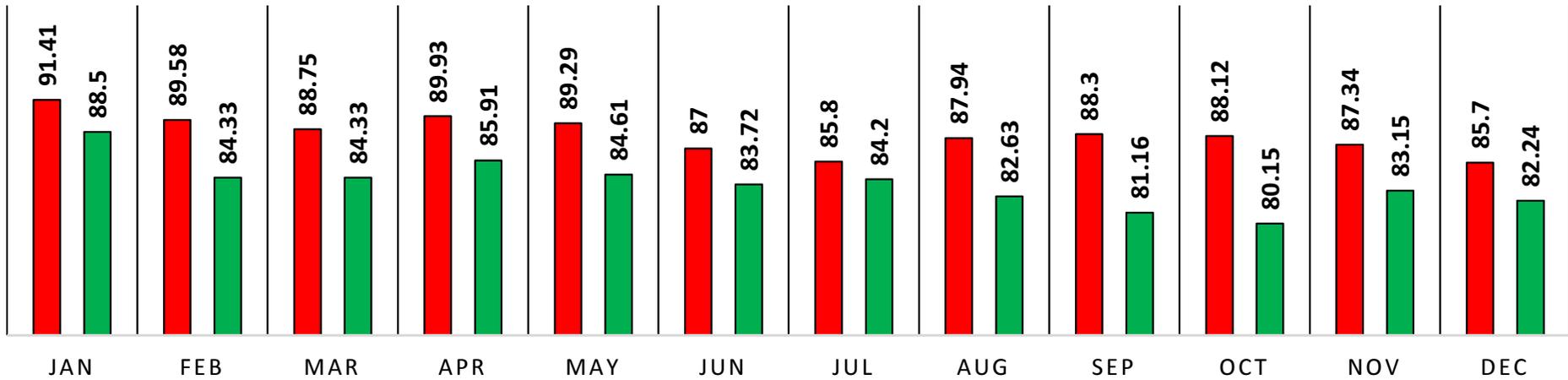
# '1' Grade data

2018 - Red  
2019 - Green

## Volume

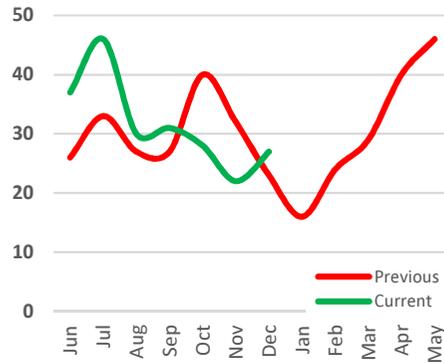


## Percentage

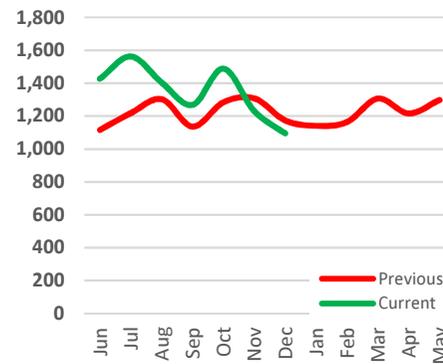


# Anti Social Behaviour

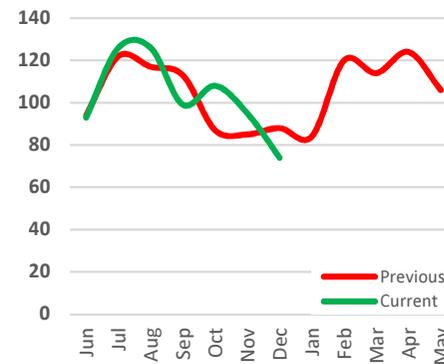
## Environmental



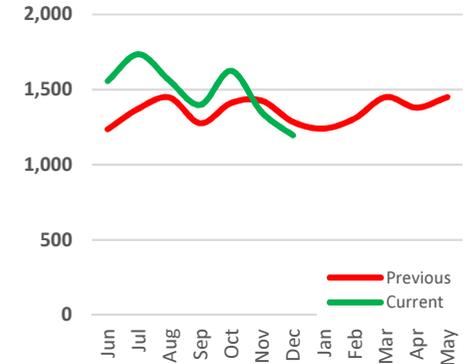
## Nuisance



## Personal



## Total



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Ward	Count
Lancaster Gate	5
Vincent Square	3
Strand and Whitehall	3
Westbourne	2
Covent Garden	2
Bayswater	1
Maida Vale	1
Oxford St Regent St and Bond St	1
Knightsbridge and Belgravia	1
Warwick	1

Ward	Count
Strand and Whitehall	123
Soho	66
Oxford St Regent St and Bond St	64
Church Street	60
Hyde Park	58
Covent Garden	57
Vincent Square	54
Mayfair and St James	52
Lancaster Gate	46
Bryanston and Dorset Square	41

Ward	Count
Warwick	12
Strand and Whitehall	5
Westbourne	5
Hyde Park	5
Church Street	4
Vincent Square	4
Queen's Park	4
Maida Vale	4
Mayfair and St James	3
Marylebone High Street	3

Ward	Count
Strand and Whitehall	131
Soho	68
Oxford St Regent St and Bond St	66
Hyde Park	64
Church Street	64
Vincent Square	61
Covent Garden	60
Mayfair and St James	55
Lancaster Gate	52
Warwick	51





City of Westminster

## Audit & Performance Committee Report

<b>Date:</b>	<b>5 February 2020</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Work Programme</b>
<b>Wards Affected:</b>	<b>N/A</b>
<b>Financial Summary:</b>	<b>No direct financial implications arising from this report</b>
<b>Report of:</b>	<b>Head of Committee and Governance Services</b>
<b>Report Author:</b>	<b>Artemis Kassi Senior Committee and Governance Officer</b>

### **1. Executive Summary**

- 1.1 The Committee is invited to review its work programme for the 2019/20 municipal year attached at **Appendix 1**, and to confirm the agenda items for its next meeting on 30<sup>th</sup> April 2020.
- 1.2 The Committee is asked to note the actions which arose from its meeting on 27<sup>th</sup> November 2019, as detailed in **Appendix 2**.

### **2. Recommendations**

It is recommended that the Committee:

- 2.1 agree the agenda items for its next meeting on 30<sup>th</sup> April 2020, as set out in Appendix 1 to the report;
- 2.2 note the actions which arose from the last meeting, as detailed in at Appendix 2 to the report; and
- 2.3 agree the content of its annual report.

### **3. Choosing items for the Work Programme**

- 3.1 The Work Programme for 2019/20 is attached at Appendix 1 to the report.

- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee (attached as **Appendix 3**) which may assist the Committee in identifying issues to be included in the Work Programme.
- 3.3 The Work Programme will be reviewed at each meeting of the Committee and items can be removed or added as necessary.
- 3.4 In addition, officers will begin identifying topics for inclusion in the Committee's future Work Programme for the municipal year 2020-2021. A long list of topics will be generated and circulated amongst the directorates for input. The Committee will have the opportunity to comment on the list once this topic selection campaign is complete.

#### **4. Task Groups**

- 4.1 There are no Task Groups operating at present.

#### **5. Audit and Performance Committee Annual Report**

- 5.1 The Committee will be producing its annual report in April 2020 and members are asked to consider the areas to be covered in it.

#### **6. Monitoring Actions**

- 6.1 The actions arising from each meeting are recorded in the Action Tracker attached as Appendix 2. Members are invited to review the work undertaken in response to those actions.

#### **7. Resources**

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

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

**Artemis Kassi, Senior Committee and Governance Officer**

**Tel: 078 1705 4991 or email: [akassi@westminster.gov.uk](mailto:akassi@westminster.gov.uk)**

#### **APPENDICES:**

Appendix 1 – Work Programme 2019/20

Appendix 2 – Committee Action Tracker

Appendix 3 – Terms of Reference

**BACKGROUND PAPERS:** None

# Work Programme 2019/20

## Audit and Performance Committee

**27 November 2019**

Agenda Item	Reasons & objective for item	Lead Officer
<b>Grant Thornton Annual Audit Letter 2018/19</b>	To consider Grant Thornton's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources.	Paul Jacklin Paul Dossett (Grant Thornton)
<b>Progress and Update on 2019-2020 Audit</b>	To consider an update on the 2019 - 2020 Audit and key information on accounting changes and emerging issues for local government	Paul Jacklin Paul Dossett (Grant Thornton)
<b>Finance and Performance Monitoring Report</b>	To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.	Gerald Almeroth (Finance) Dave Hodgkinson (Finance)
<b>Internal Audit Monitoring Report</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes Moira Mackie (Internal Audit)
<b>Corporate Complaints 2018/19</b>	To report on the volume and details of complaints received by the City Council 2018/19.	Sue Howell (Complaints)
<b>Mid-Year Counter Fraud Monitoring Report</b>	To oversee and monitor the success of the Counter Fraud Service.	Andy Hyatt (Anti-Fraud)

<b>Review of Anti-Fraud Policies</b>	To review and approve the following which are maintained by the Corporate Anti-fraud Service: <ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Fraud Response Plan</li> <li>• Anti-bribery Policy</li> <li>• Anti-money Laundering Policy (including procedures)</li> </ul>	Andy Hyatt (Anti-Fraud)
<b>Work Programme 2019/20</b>	The Committee is invited to review its work programme for the 2019/20 municipal year.	Artemis Kassi

### 5 February 2020

<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>Grant Thornton Certification of Claims and Returns Annual Report (Audit 2018/19)</b>	To report the findings from the certification of 2018/19 claims and the messages arising from the assessment of the Council's arrangements for preparing claims and returns and information on claims that were amended or qualified.	Paul Jacklin Paul Dossett (Grant Thornton) Martin Hinckley (Finance)
<b>Grant Thornton Annual Audit Plan 2019/20</b>	To set out the audit work that Grant Thornton proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2019/20.	Paul Jacklin Paul Dossett (Grant Thornton)
<b>Maintaining High Ethical Standards at the City Council</b>	To maintain an overview of the arrangements in place for maintaining high ethical standards throughout the Authority.	Tasnim Shawkat (Monitoring Officer)
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.  To monitor Quarter 2 performance results against the 2019/20 business plans.	Gerald Almeroth (Finance)  Mo Rahman/ Damian Highwood (Performance)

<b>Internal Audit Monitoring Report</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
<b>Internal Audit Plan 2020/21</b>	To review and comment on the draft audit plan for 2020/21	David Hughes (Internal Audit)
<b>Integrated Business Centre Update</b>	To receive an update on the arrangements with Hampshire County Council.	Dave Hodgkinson Rhoda Phillips (Finance)
<b>Westminster Housing Service</b>	To receive a report on performance from the Council's Housing Directorate.	Barbara Brownlee (Housing)
<b>Work Programme and Annual Report</b>	The Committee is invited to review its Work Programme, and to consider its draft Annual Report.	Artemis Kassi

### 30 April 2020

<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>Draft Annual Statement of Accounts and Outturn 2019/20</b>	To review the draft 2019-20 Annual Statement of Accounts and outturn.	Gerald Almeroth (Finance)
<b>Draft Audit Findings Report 2019/20</b>	To review the reports from the Council's external auditors on the key findings arising from their audit of the councils 2019-20 financial statements (Council and Pension Fund)	Paul Dossett Paul Jacklin (Grant Thornton)
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.  To monitor Quarter 3 performance results against the 2019/20 business plans	Gerald Almeroth (Finance)  Mo Rahman/ Damian Highwood (Performance)
<b>SEN Transport –</b>	To review progress and key performance	Annabel Saunders

<b>Progress and Performance</b>	indicators for the contracts for SEN Transport - including how the money was being spent and service delivery after 6 months of operation.	(Commissioning)
<b>Work Programme</b>	The Committee is invited to review its Work Programme.	Artemis Kassi

### Unallocated Work Programme Items

<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>The Metropolitan Police Service - Basic Command Unit (Westminster)</b>	To monitor the performance of KPIs for the Police Basic Command Unit for Westminster following implementation. To be presented at the Committee Meeting of 5 <sup>th</sup> February 2020	Sara Sutton (City Management & Communities)

## COMMITTEE ACTION TRACKER

## COMMITTEE ACTION TRACKER

ACTIONS: 27 November 2019

ACTION	OUTCOME	LEAD OFFICER
<b>FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING</b>		
1. Committee Members to receive information to reflect the breakdown of operational, development, investment and third-party impact expenditure, indicating the top five schemes of slippage and relevant risk-ratings for the schemes.	In progress	Gerald Almeroth - Executive Director of Finance & Resources
2. Committee Members to receive information for Public Health/Children's Services for the number of children receiving their 2 to 2.5 year development review.	Completed. Included in Q3 Performance Report at Appendix 2	Bernie Flaherty – Bi-Borough Executive Director for Adult Social Care and Health / Sarah Newman – Bi-Borough Executive Director of Children's Services
3. Committee Members to receive a briefing on the pre-birth to five years pathway work being done by Public Health and Children's Services.	Completed. Included in Q3 Performance Report at Appendix 2	Bernie Flaherty – Bi-Borough Executive Director for Adult Social Care and Health / Sarah Newman – Bi-Borough Executive Director of Children's Services
4. Details to be provided comparing the Sir Simon Milton UTC results with the results of other UTCs nationally.	Completed. Included in Q3 Performance Report at Appendix 2	Sarah Newman – Bi-Borough Executive Director of Children's Services
5. Committee Members to receive more detail on profiling of pollution in Westminster (transport/buildings).	Completed. Included in Q3 Performance Report at Appendix 2	Julia Corkey – Executive Director of Policy, Performance and Communications/Annelie Drabu
6. Committee Members to receive more detail about the risk of abuse to staff in public-facing roles.	Completed. Included in Q3 Performance Report at Appendix 2	Sara Sutton - Executive Director of City Management & Communities
7. Details to be provided on rates of immunisation amongst 0-5 year olds and how this links in with developmental checks.	Completed. Included in Q3 Performance Report at Appendix 2	Bernie Flaherty – Bi-Borough Executive Director for Adult Social Care and Health / Sarah Newman – Bi-

		Borough Executive Director of Children's Services
8. Details to be provided of how Children's Services are managing the finance and restructure of schools in response to school budgets and deficits.	Completed. Included in Q3 Performance Report at Appendix 2	Andrew Tagg, Director of Operations and Management, Children's Services
9. Update on Garside.	Completed. Included in Q3 Performance Report at Appendix 2	Bernie Flaherty – Bi-Borough Executive Director for Adult Social Care and Health
<b>MID-YEAR COUNTER FRAUD MONITORING REPORT</b>		
10. Committee Members to receive breakdown/more detail on fraud investigations (street/estates).	In progress	Andy Hyatt
11. Committee Members to receive more details on Fitzrovia Court.	In progress	David Hughes
<b>CORPORATE COMPLAINTS</b>		
12. Communications to ensure that the Complaints Policy is visible on the council website.	In progress	Sue Howell
<b>WORK PROGRAMME</b>		
A report on the performance of the Basic Command Unit for Westminster, including Key Performance Indicators, to be included in the Committee Work Programme prior to the next meeting on 5 February 2020.	Completed. A report on the performance of the Basic Command Unit is on the agenda for the meeting of 5 <sup>th</sup> February 2020	Sara Sutton - Executive Director of City Management & Communities

### ACTIONS: 19 September 2019

ACTION	OUTCOME	LEAD OFFICER
<b>FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING</b>		
1. Committee Members to receive the report on knife crime that was submitted to the City Management & Public Protection Policy & Scrutiny Committee on 10 September.	Circulated to Committee Members.	Sara Sutton - Executive Director of City Management & Communities
2. Committee Members to receive details of the policy on Social Value contracts requests.	Circulated to Committee Members.	Gerald Almeroth - Executive Director of Finance & Resources

3. A report on the performance of the Basic Command Unit for Westminster, including Key Performance Indicators, to be included in the Committee Work Programme for the next meeting on 27 November.	In progress. This has been added to the Work Programme.	Sara Sutton - Executive Director of City Management & Communities
4. Details to be provided of the reasons why performance of the Agilysys customer service contract was off-target in Quarter 1, together with an explanation of any issues remaining in Quarter 2.	In April 2019 a new Dynamics CRM system went live in the Agilysys contact centres as part of our plans to have a single view of the customer, meaning 'one customer – one record', and improving customer service. As with any new system, even with mitigation measures put in place, in the immediate period after go live, there was an impact on the in-hours service levels and wait times, as well as email handling. Additional resources were deployed along with further training to help overcome the short-term impact. Service levels and call handling were closely monitored throughout, and have now stabilised as the system has bedded in.	Julia Corkey, Executive Director of Policy, Performance & Communications
5. A deliverable target for tree planting in Westminster to be established; together with general infrastructure greening.	Details circulated to Committee Members.	Sara Sutton - Executive Director of City Management & Communities
6. Details to be provided of how Children's Services are managing the finance and restructure of schools in response to school budgets and deficits.	Details provided in Period 6 Monitoring Report, section 5.	Andrew Tagg, Director of Operations and Management, Children's Services
7. Analysis to be provided of the financial pressures on Adult Social Care and the implications for the City Council.	In progress.	Gerald Almeroth - Executive Director of Finance & Resources
8. Analysis to be provided of the underlying reasons for the increase in fixed-term exclusions; including a breakdown of the reasons for exclusion; schools; age groups; and any other characteristics available.	In progress.	Sarah Newman – Bi-Borough Executive Director of Children's Services

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## AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

### CONSTITUTION

Four Members of the Council, three Majority Party Members and one Minority Party Member, but shall not include a Cabinet Member.

### TERMS OF REFERENCE

#### Audit Activity

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

#### Regulatory Framework

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

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

#### Accounts

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

#### Performance Monitoring

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

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

#### Staffing

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

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