

Audit, Pensions and Standards Committee

Agenda

Wednesday 6 December 2017

7.00 pm

COMMITTEE ROOM 1 - HAMMERSMITH TOWN HALL

MEMBERSHIP

Administration	Opposition
Councillor Iain Cassidy (Chair) Councillor Vivienne Lukey Councillor PJ Murphy Councillor Guy Vincent Councillor David Morton	Councillor Michael Adam Councillor Nicholas Botterill Councillor Mark Loveday Councillor Donald Johnson

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Date Issued: 28 November 2017

Audit, Pensions and Standards Committee Agenda

6 December 2017

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1. MINUTES OF THE PREVIOUS MEETING		1 - 14
	To approve the minutes of the previous meeting and note the outstanding actions on the action tracker (Appendix 1).	
2. APOLOGIES FOR ABSENCE		
3. DECLARATIONS OF INTEREST		
	More information on declarations of interest can be found on the next page.	
4. H&F COUNCIL'S EMERGENCY RESPONSE TO MAJOR INCIDENTS IN JUNE AND SEPTEMBER 2017		15 - 64
	In 2017 there have been two major incidents in and around Hammersmith & Fulham that required the authority to implement its emergency planning procedures - the fire at Grenfell Tower in North Kensington in June and an explosion on a tube train in Parsons Green tube station in September.	
	This report reviews the H&F response at both strategic and operational levels, identifies action taken to date to improve the Council's readiness, and makes recommendations for further improvements.	
5. UPDATE ON THE FIRE SAFETY PLUS PROGRAMME AND HOUSING COMPLIANCE		65 - 76
	This report provides an update on actions taken since the last meeting in September on the Council's Fire Safety Plus programme and health and safety compliance in residential properties.	
6. CORPORATE HEALTH AND SAFETY UPDATE - APRIL TO OCTOBER 2017		77 - 89
	A six-monthly update on corporate Health & Safety was requested by the Committee in September 2017. This report has been brought ahead of the original timetable of February 2018 as part of work to assure members following the Grenfell and Parsons Green major incidents.	
7. TREASURY MID-YEAR REVIEW 2017-18		90 - 99
	This report updates on the delivery of the 2017/18 Treasury Management Strategy approved by Council on 22 February 2017 - and the Annual Treasury Strategy 2017-18 Mid-Year Review.	

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| 8. | RISK MANAGEMENT UPDATE | 100 - 126 |
| | The report provides an update on risk management within the authority and includes the Corporate Risk Register for consideration. | |
| 9. | CORPORATE ANTI-FRAUD SERVICE - HALF YEAR UPDATE REPORT - 1 APRIL 2017 TO 30 SEPTEMBER 2017 | 127 - 142 |
| | This report provides an account of fraud related activity undertaken by the Corporate Anti-Fraud Service from 1 April 2017 to 30 September 2017. | |
| 10. | INTERNAL AUDIT QUARTERLY REPORT FOR THE PERIOD 1 JULY - 30 SEPTEMBER 2017 | 143 - 150 |
| | This report summarises internal audit activity during the period 1 July to 30 September 2017. | |
| 11. | FINAL AUDIT REPORT - ADULT SOCIAL CARE CONTRACT MANAGEMENT - CARERS HUB 2016-17 | 151 - 168 |
| | This report details the findings of an audit of the management of the Carers' Hub contract with Carers Network. | |
| 12. | ANNUAL GOVERNANCE STATEMENT ACTION PLAN AND OUTSTANDING RECOMMENDATIONS FOR EXTERNAL AUDIT | 169 - 178 |
| | This report summarises progress on implementing recommendations arising from the 'External Audit Report 2016/17' and the Annual Governance Statement. | |
| 13. | DATES OF FUTURE MEETINGS | |
| | The next meeting will be on 14 March 2018. | |

More information on declarations of interest

If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.

At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.

Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.

Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.

London Borough of Hammersmith & Fulham

Audit, Pensions and Standards Committee

Minutes



Wednesday 20 September 2017

PRESENT

Committee members: Councillors Iain Cassidy (Chair), PJ Murphy, Guy Vincent, David Morton, Michael Adam, Mark Loveday and Donald Johnson

Guests: Jennifer Townsend (KPMG), Karen Wyatt (Executive Headteacher, St. Thomas of Canterbury), and Joanne Breslin (Head of School, St. Thomas of Canterbury)

Officers: Kim Dero (Chief Executive), David Hughes (Director for Audit, Risk, Fraud and Insurance), Mike Sloniowski (Risk Manager), Hitesh Jolapara (Strategic Finance Director), Emily Hill (Head of Corporate Finance), Chris Harris (Chief Accountant), Peter Worth (Director of Pensions and Treasury), Nick Austin (Director for Environmental Health), Jane Martin (Director for Property Services), Jo Rowlands (Lead Director for Regeneration, Planning, and Housing), Michael Hainge (Commercial Director), Mike Boyle (Director for Commissioning, Adult Social Care), Lisa Redfern (Director for Adult Social Care), Dave McNamara (Director of Finance and Resources, Children's Services), and David Abbott (Scrutiny Manager)

1. MINUTES OF THE PREVIOUS MEETING

Kim Dero (Chief Executive) noted that an update on Housing Health and Safety Checks actions from the previous meeting was attached as Appendix 1 to the minutes. She added that the Senior Leadership Team was also in attendance to answer any questions the Committee had on the risk register or any other items.

Councillor Guy Vincent asked for updates on the six actions from the minutes of the previous meeting.

- Action 1 (page 1) – Councillor PJ Murphy had repeatedly requested information on the proportion of absenteeism caused by stress within the organisation. Nick Austin (Director for Environmental Health) said a response would be circulated.
- Action 2 (page 6) – Councillor Michael Adam had asked how much money had been recovered from business rates relief for vacant properties fraud. David Hughes (Director for Audit, Risk, Fraud and Insurance) said a response would be circulated.
- Action 3 (page 8) – St. Thomas of Canterbury final audit report to be deferred to the September meeting and the Headteacher and Chair of Governors to be invited. This action had been completed.

- Action(s) 4 (page 9) – Councillor Loveday had asked a number of technical questions about the Service Charges 2016-17 final audit report. David Hughes said a response would be circulated.
- Action 5 (page 11) – Councillor Mark Loveday had asked for the risk registers to be reviewed and updated. Mike Sloniowski (Risk Manager) said officers had completed a thorough review of the corporate and departmental risk registers and there was an agenda item dedicated to this later in the meeting.
- Action 6 (page 12) – This action was for the Chief Executive to look again at risk management and take a more strategic view of the issues. Kim Dero said the risk registers had been reviewed and updated and she had asked the Senior Leadership Team to attend the meeting to answer the Committee’s questions.

ACTION(S) 1: Nick Austin, David Hughes

Councillor Mark Loveday asked why the update on Health and Safety Checks at Appendix 1 of the minutes hadn’t included an update on legionella and asbestos checks despite previous reports of backlogs. Jane Martin (Director for Property Services) said the water / legionella checks were now up to date. Gradient, the Council’s consultant, had reviewed asbestos management compliance, and with the recently employed asbestos manager, were working to deliver the improvement action plan by March 2018. The Committee requested a more substantive report on progress with the health and safety checks for the December meeting.

ACTION 2: Jane Martin

Councillor Guy Vincent asked if there was a timetable for the implementation of the borough’s new £20m fire safety strategy – ‘Fire Safety Plus’. Kim Dero said officers were currently costing the proposed capital works, from sprinklers in tower blocks to remedial works in low-rises. Appointments for electrical PAT testing and inspections of whitegoods and fire doors had been booked to visit properties where residents had requested them. The Council’s aim with the programme was to go beyond the minimum standards for fire safety to ensure resident’s safety. A report on the final costings would go to Full Council for approval shortly.

Councillor Guy Vincent welcomed the strategy and investment in fire safety – he asked if there was a timeline for the implementation of such an ambitious programme. Jane Martin said fire safety check visits were by request - so far there had been 107 calls and 82 visits. The bulk of the investment would be spent on the installation of sprinklers in tower blocks.

Councillor Mark Loveday noted it was strange that the costs hadn’t yet been finalised but the Council had already announced they would be spending £20m on the programme. Councillor Donald Johnson then asked what was included in the programme. Kim Dero said officers had done initial costings but detailed work was ongoing. Jo Rowlands (Lead Director for Regeneration, Planning, and Housing) added that the £20m figure was based on estimated unit costs for sprinklers and other improvements in the borough’s highest tower blocks. The tower blocks would be upgraded in the first year of the programme and remedial works in low rises would be done in the second. A fully costed programme would be available within the next two months.

Councillor PJ Murphy noted that there had been 107 Fire Safety Plus enquiries from residents – he then asked how many units there were in the borough in total. Jo Rowlands said there were around 14,000 units in total. She added that information on Fire Safety Plus had only been sent to residents in tower blocks so far. Councillor Murphy asked for an updated engagement strategy to come to the next meeting.

ACTION 3: Jane Martin

Jo Rowlands informed the Committee that there was a new section of the website devoted to fire safety. Councillor Murphy thought people responded better to knocks on doors and advised that officers shouldn't just rely on websites to get the message out. Jo Rowlands noted that there had been a two-week walk through of blocks in August where fire safety was raised with residents. There was also a training programme for caretakers.

Councillor Michael Adam asked how the £20m investment in fire Safety Plus would be funded – was it new money or reallocations? Jo Rowlands said £10m would be taken from reserves and 10m would be taken from an existing programme that wasn't yet allocated.

Councillor Michael Adam noted that strategic communications had been discussed in relation to risk at the previous meeting and asked for an update. Mike Sloniowski said the Council had spoken to crisis management trainers and had put together lessons learned from Grenfell Tower and the recent Parsons Green terror incident. This work was being carried forward by the emergency planning team. Councillor Adam said it would be useful for the Committee to have more detail on that work because strategic communications was a priority issue – if an authority lost control of the public narrative no one would listen to anything else they said.

Kim Dero said a comprehensive report on lessons learned would be going to the Council's Policy and Accountability Committees. She added that there was also work ongoing to build up community resilience in the borough. An event had been held the previous evening with members of the community and local organisations to share learning and listen to their feedback. She also commended our communications team for their comprehensive approach to the Parsons Green terror incident – releasing clear statements and updates regularly throughout the day.

Councillor PJ Murphy asked that any lessons learned report had to consider the response of RBKC as well as H&F's response. There was valuable learning to be taken from what they did well, and where they failed. Kim Dero advised the Committee that officers couldn't bring that information to members due to the ongoing public enquiry and criminal investigation. Councillor Murphy noted that inquiries and investigations could take years and the plain facts of the response were already in the public domain. Councillor Mark Loveday added that he would be concerned if the Committee was not able to scrutinise the response to the Parsons Green incident. Kim Dero said there would be a full report on the Parsons Green incident that would not hold back on any detail.

RESOLVED

The minutes of the meeting held on 21 June 2017 were approved and signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Vivienne Lukey and Nicholas Botterill.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. STATEMENT OF ACCOUNTS 2016-17

Hitesh Jolapara (Strategic Finance Director) presented the report on the Council's Statement of Accounts, including the Pension Fund Accounts, for 2016/17 and the external auditor's (KPMG) draft opinion on the accounts. Hitesh Jolapara tabled an addendum which set out minor adjustments to the accounts which had been agreed with the auditor.

Jennifer Townsend (KPMG) informed the Committee that they intended to issue an unqualified audit opinion on the Authority's financial statements and the Pension Fund's financial statements, within the deadline of 30 September 2017.

Jennifer Townsend noted that they had identified the following five key risks – but after investigation no significant issues were found:

- Valuation of Property, Plant, and Equipment (PPE)
- Conditional Grant Income
- Managed Services
- Pension liability including assumptions and having regard to the potential for significant changes arising from the LGPS Triennial Valuation
- Valuation of Pension Fund Assets (Pension Fund)

Councillor Michael Adam expressed concerns about the reduction in reserves from £90m to £82m in just one year. Emily Hill (Head of Corporate Finance) responded that the money had been used for one-off and invest to save schemes, some of the significant ones being IT infrastructure costs, LED street lighting to save electricity costs, new pay and display parking machines, and Adult Social Care transformation programmes. These also funded one-off costs in relation to the managed services programme.

Councillor Michael Adam asked if officers had a projection of what further releases from reserves would be required over the next three to four years. He asked where officers saw the level of reserves stabilising. Hitesh Jolapara said that work was being undertaken as part of the medium term financial strategy process and information would be available in the Council's budget papers produced at the end of the year.

Councillor PJ Murphy noted that KPMG's report was positive but asked if there were things the Council should be sensitive to over the next year. Jennifer

Townsend said the 'value for money' consideration would become harder – and new risks were likely to emerge from any transition of managed services.

Councillor Guy Vincent noted the figure under Contingent Liabilities (page 58 of the report) of £10m and asked if it related to several smaller claims or one large claim. Hitesh Jolapara said it related to a single claim.

Councillor Guy Vincent noted that there were an increasing number of Business Rates write-offs (Page 74 of the report). He asked if this was a pattern or if, for example, one large business had won an appeal. Hitesh Jolapara said that there was no specific factor involved in this and write-offs could vary one year to the next.

Councillor Guy Vincent questioned why the Housing Revenue Account dwelling revaluation had moved. Emily Hill noted that the housing stock was revalued every year – the previous year had seen an upward revaluation but 2016-17 saw a downward revaluation. It was also noted that the valuation of the Council's Housing Stock was subject to a 'social housing factor' provided by the CLG

Councillor Donald Johnson asked if there was a risk around developers' contributions (Section 106 and CIL) with the cooling economic climate. Jo Rowlands said there wasn't any less of an appetite to develop projects but developers were being more cautious and taking longer to consider their options.

RESOLVED

1. To note the content of the auditor's 'Report to those Charged with Governance (ISA260)' (Appendix 2) stating that the accounts will receive an unqualified opinion, the Council has an adequate internal control environment and has made proper arrangements to secure economy, efficiency and effectiveness in the use of resources.
2. To note the auditor's findings, recommendations and the Council's response to those recommendations as set out in the Report to those Charged with Governance (ISA260).
3. To approve the management representation letter (Appendix 3 of the report).
4. To approve the Statement of Accounts for 2016/17, including the Pension Fund Accounts (Appendix 1 of the report).
5. To approve the Annual Governance Statement which is included in the Statement of Accounts.
6. To approve the Pension Fund Annual Report 2016/17 (Appendix 4 of the report).

5. INTERNAL AUDIT QUARTERLY REPORT

David Hughes (Director for Audit, Fraud, Risk and Insurance) presented the report that summarised internal audit activity during the period 1 April to 30 June 2017. The issues highlighted in the report were discussed under the relevant audit report items (6 to 9).

RESOLVED

That the Committee noted the contents of the report.

6. AUDIT REPORT - ST. THOMAS OF CANTERBURY PRIMARY SCHOOL 2016-17

Dave McNamara (Director of Finance and Resources, Children's Services) introduced the report – noting that the Headteacher at the time of the audit had been away for an extended period due to maternity leave and the school had been through a period of changes that had contributed to the issues found in the report. A new permanent Executive Headteacher, Karen Wyatt, was now in place and had attended the meeting with the Head of School, Joanne Breslin, to answer the Committee's questions.

Councillor Guy Vincent asked the school's representatives if they had found the audit a useful process and if the issues found in the report now resolved. Joanne Breslin, Head of School, said they did find the audit useful and all recommendations in the report had now been implemented.

Councillor PJ Murphy thanked the school's representatives for attending. With reference to page 310 of the agenda, he asked for some background on the additional payments to the Headteacher. He also asked if the school was now obtaining the correct references for new starters. Joanne Breslin responded that the systems at the school were far more stringent now and they were making sure all background checks were being carried out on new staff. Councillor Murphy asked if a teacher had been hired today but didn't have a reference – would they be allowed to start? Karen Wyatt, Executive Headteacher, said they would only be allowed to start if they had an up to date DBS check and at least one reference. In answer to Councillor Murphy's questions about additional payments – Joanne Breslin said the payments were because the Headteacher had reached the top of their pay-scale but continued to get increments. The additional payments had been agreed with the school's governors.

Councillor Donald Johnson asked if the Governing Body acknowledged responsibility for the issues raised in the report. Karen Wyatt said they had, and a number of processes had been put in place in response to the audit. Joanne Breslin said there would be a skills audit of the governors and training offered where necessary.

Dave McNamara noted that officers would put together a summary of areas where there were consistent failings in schools.

Councillor PJ Murphy asked if there was sufficient challenge and robustness to the processes in the school and the governing body. Karen Wyatt said she had only been in the role for a couple of weeks but the audit did flag several systems issues that needed to be addressed. There were areas that the governing body still needed to work on. Councillor Murphy noted that it may be a cultural issue – systems exposed those weaknesses. Joanne Breslin added that the Chair of Governors had recently resigned and new Foundation Governors had been appointed so there was an opportunity for a newly invigorated governing body to take on these challenges.

Councillor Mark Loveday noted that having the Executive Headteacher and Head of School attend the Committee showed they were serious about the issues raised by the audit. He asked if there was anything they felt the Council could do to support the school – additional training for example. Karen Wyatt said they would benefit from more specific training for governors – particularly around financial controls and sign-off.

The Chair noted that he recently became a school governor and found that other governors were very negative about the audit process. Karen Wyatt said the report showed that auditors were asking the right questions – but said it was a common view amongst colleagues that auditors found it difficult to understand the school environment. David Hughes said that was helpful feedback and he would take it seriously – auditors needed to be pragmatic when doing their assessments. Councillor Donald Johnson suggested the Council asked its external auditor, KPMG, to do some skills sharing with local governors as part of their social responsibility contribution.

7. AUDIT REPORT - ADULT SOCIAL CARE CONTRACT MANAGEMENT - ELGIN CLOSE RESOURCE CENTRE

Mike Boyle (Director for Commissioning, Adult Social Care) and Lisa Redfern (Director for Adult Social Care) introduced the findings of the internal audit of the management of the Elgin Close Resource Centre contract with Notting Hill Housing Trust. Elgin Close Resource Centre was an H&F led contract that had been provided by Notting Hill Housing Trust since 2005. The centre provides personal care support, financial advice and support, practical and social support, catering, and respite care. Mike Boyle explained that this was an historic contract with little or no paperwork in place. Officers had been working to rectify this and a draft specification was now in place.

Councillor Michael Adam asked how a significant six figure sum could be paid out to provider each year without a contract. Mike Boyle replied that there had been a contract but over a period of time, with changes in software etc. it had been lost. A contract plan had been put in place though and would be on the Council's capitalEsourcing system. The provision was a vibrant, active service that was providing value for money – there just wasn't a robust audit trail in place.

Councillor Michael Adam asked on what basis were the provider changing the price of the contract year to year. Shouldn't that process have triggered contract checks? Michael Hainge (Commercial Director) said processes were in place but they weren't followed. The Council's procurement and contract management functions were currently devolved to departments – but that setup wasn't providing sufficient outcomes. There were plans to address that through a dedicated commercial function. Mike Boyle added that robust arrangements were now in place and officers would be reporting on all existing contracts to the Cabinet Member for Adult Social Care and Health in October.

Councillor Guy Vincent asked how many other contracts in Adult Social Care of a similar scale had these issues. Mike Boyle said there were now robust processes in place – all contracts were being looked at and reported to the Cabinet Member.

Councillor Vincent asked that officers shared detail of those contracts with the Committee.

ACTION 4: Mike Boyle

Councillor Vincent also noted that the implementation deadline for all seven of the recommendations in the report had passed. Mike Boyle explained that all of the recommendations were contingent on having a formal contract signed – a meeting to finalise the contract was scheduled next week. The Committee asked for an update once the contract was signed and all recommendations implemented.

ACTION 5: Mike Boyle

8. AUDIT REPORT - PROCUREMENT COMPLIANCE - COMMUNITY EQUIPMENT FRAMEWORK

Mike Boyle (Director for Commissioning, Adult Social Care) introduced the report and recommendations of the internal audit of procurement compliance related to the procurement of a framework agreement for community equipment for vulnerable adults. The equipment was ordered by professionals in Adult Social Care and Health on behalf of clients and supports enabling people to live in their own homes for longer. Mike Boyle reported that all recommendations had been accepted and had been implemented. The Committee noted the report.

9. AUDIT REPORT - AGRESSO PAYROLL REVIEW

Mark Grimley (Director for HR) introduced the report and recommendations of the review of the payroll service under the Managed Service contract with BT. The objective of the payroll audit was to provide a level of assurance to the participating councils that key payroll controls were operating effectively. He noted that the issues raised by the audit were familiar to members following the Managed Services Programme and said all issues were ongoing pending continuing discussions with BT. A strategic improvement board had been set up, leading to some service enhancements. The Committee noted the report.

10. AUDIT REPORT - PENSIONS ADMINISTRATION

Mark Grimley (Director for HR) introduced the report and recommendations of the audit of pensions administration. He noted that a new pension administration contract with Surrey County Council began in April 2015, and the live operational service started on 1 September 2015. The client function for the service was undertaken by officers within HR – a shared service between RBKC and LBHF. Mark Grimley noted that the issues raised were again around BT Managed Services, though there had been improvements over time.

Councillor PJ Murphy noted that he had contacted Surrey County Council about a pensions issue and they were very helpful and efficient.

11. ANNUAL CORPORATE HEALTH AND SAFETY REPORT 2016-17

Nick Austin (Lead Director for Environmental Services) presented the report that summarised the safety performance of the Council for the year April 2016 to March

2017 and the aims of the Corporate Health and Safety Team for the year ahead. He noted that during this period the Council was not subject to any Health and Safety Executive prosecutions, prohibition, or improvement notices – but was subject to 11 deficiency notices and three enforcement notices from the London Fire Brigade for housing deficiencies. 1500 working days were lost due to stress related absence, accounting for 14 percent of total lost days.

Nick Austin said the key areas of risk were in compliance areas – particularly housing – and to that end the Chief Executive had formed a strategic level compliance group with an operational group underneath.

Councillor Guy Vincent asked what actions were being taken in response to the worrying trend of increasing violence against staff. Nick Austin noted that the service had been working hard to improve reporting of incidents, including lower level incidents – which may explain the increase over last year's figures. Incidents were taken seriously though and specific safety committees had been set up for affected services to look at what actions should be taken.

The Chair noted that there was a member of public who had been barred from the Town Hall and even arrested on occasion but they kept being allowed in – security staff didn't seem to be aware of them. Nick Austin said he would look into this.

Councillor PJ Murphy asked to see what actions had been put in place in response to the stress related absence figures – and a trend analysis of the issue. He noted that previous requests for information on this topic had been ignored and questioned how seriously officers were taking it. Nick Austin apologised for the delay in responding to the action and said officers did take the Committee's concerns seriously.

ACTION 6: Nick Austin

Councillor Michael Adam asked what was the average number of sick days per employee. Mark Grimley said it was 6.8 days – higher than the national average but around the public sector average. He added that longer term issues / conditions tended to drive the figures. Councillor David Morton asked what the rate of staff turnover was. Mark Grimley said turnover was 12 percent, which was similar to other councils.

The Chair requested another report in 6 months that covered issues that had taken place since the annual report was finalised, such as Grenfell and Parsons Green.

ACTION 7: Nick Austin

RESOLVED

That the Committee reviewed and commented on the organisational health and safety performance.

12. RISK MANAGEMENT UPDATE

Mike Sloniowski (Risk Manager) introduced the report that updated the Committee on risk management within the Council, and presented the corporate and service risk registers for consideration.

Councillor Mark Loveday noted that the King Street Regeneration item on page 426 of the agenda said the entry was confidential because of commercial negotiations – but the entry in the exempt agenda doesn't mention commercial processes. Mike Sloniowski said that was a mistake and the item should have been placed on the open agenda.

ACTION 8: David Abbott

Mike Sloniowski noted that at the previous meeting the Committee had asked officers to review and refresh the risk registers. He assured members that there had been a thorough review led by the Chief Executive and the Senior Leadership Team and that work was presented in the appendices to the report.

Councillor Guy Vincent commented that it was good to see how seriously the Chief Executive was taking the issue of risk management and raising its profile within the organisation. Recent events have shown how important it could be. He asked why recruitment and retention had been added to the corporate risk register (page 475 of the agenda). Mark Grimley said the risk related to change management, the Moving On agenda, and uncertainty around pay in the public sector generally. Some key areas of the business had a relatively small talent pool – social work for example. This coupled with the turnover rate and the projected retirement schedule meant there was a significant amount of work to do to ensure the Council had the right staff for its ambitious change programme. Councillor Vincent asked what solutions officers had to those problems. Mark Grimley said workforce planning had already started, recruitment processes would be redesigned, and a new people strategy would be put in place – part of the 'best employers' scheme.

Councillor Donald Johnson asked what the current satisfaction level was amongst staff. Mark Grimley said he could provide the figure outside the meeting but the general themes were that staff were satisfied with their managers and teams – but dissatisfied with Managed Services, IT, and buildings.

Councillor PJ Murphy asked if officers had looked at the number of EU citizens employed by the Council and the potential impact of Brexit. There had already been a significant drop in recruitment within the NHS – was the Council expecting the same impact? Mark Grimley said he could share those figures with members outside the meeting – the Council was exposed in some key areas.

ACTION 9: Mark Grimley

Councillor Mark Loveday asked why there were no figures attached to the risk around the King Street regeneration project despite it being scored as a 'high risk'. Jo Rowlands said figures could be provided outside the meeting. Councillor Loveday asked for the maximum and likely exposure to the Council.

ACTION 10: Jo Rowlands / Maureen McDonald Khan

Councillor Mark Loveday noted that he couldn't identify the dissolution of the tri-borough arrangements as a risk on the corporate register. Kim Dero explained that it was in the register but was referred to as 'Moving On' – the Council's term for the project. She added that shared services would continue in a number of areas while others would become sovereign again. Councillor Loveday felt, despite the

differing terminology used, the risks of disaggregation had still not been clearly identified and asked that more detail be added. Councillor Loveday also asked that the risk register and extract dashboard have consistent numbering for easier cross-reference.

ACTION(S) 11: David Hughes

RESOLVED

That the Committee reviewed and considered the contents of the Corporate and Service Risk Registers.

13. DATE OF NEXT MEETING

The next meeting was scheduled for 6 December 2017.

14. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

That under Section 100A(4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

15. RISK MANAGEMENT UPDATE - EXEMPT ELEMENTS

The report was noted.

Meeting started: 7.00 pm
Meeting ended: 9.50 pm

Chair

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Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

Appendix 1 – Audit, Pensions and Standards Committee Action Tracker

REF	DATE	ACTION	OFFICER	STATUS
21 June 2017				
1.	June 2017	<p>Minutes of the Previous Meeting Councillor PJ Murphy reiterated his request for information on the proportion of absenteeism caused by stress within the organisation. <i>UPDATE: Response circulated</i></p>	Nick Austin	Complete
2.	June 2017	<p>Corporate Anti-Fraud Service End of Year Report 2016-17 Councillor Michael Adam asked how much money had been recovered from business rates relief for vacant properties fraud. Andrew Hyatt said he would provide that information after the meeting. <i>UPDATE: Response circulated</i></p>	Andrew Hyatt	Complete
3.	June 2017	<p>St. Thomas of Canterbury - Final Audit Report The school's Headteacher and Chair of Governors would be invited to the September meeting.</p>	David Abbott	Complete
4.	June 2017	<p>Final Audit Report – Service Charges 2016-17 Councillor Mark Loveday had three questions: 1. Was the Council using the latest guidance (TECH 03/11) from the ICAEW? This guidance was on accounting and reporting in relation to service charge accounts for residential properties on which variable service charges are paid in accordance with a lease or tenancy agreement. 2. Was billing major works separately to regular service charges within the terms of the lease? In the past there had been arguments made that any costs should be recovered from the normal service charge. 3. The report stated that 40 percent of service charge receipts were initially miss-posted. He asked for an update on the current position. <i>UPDATE: Response circulated</i></p>	Geoff Drake / Kath Corbett	Complete
5.	June 2017	<p>Risk Management Update Councillor Loveday felt the registers may not have been as thoroughly refreshed as they should have been and asked officers to look again at them. Councillor PJ Murphy said there should be a more generic risk about the failure of key suppliers in the register.</p>	Mike Sloniowski	Complete


Appendix 1 – Audit, Pensions and Standards Committee Action Tracker

REF	DATE	ACTION	OFFICER	STATUS
6.	June 2017	Risk Management Update Kim Dero said she would raise the issue of how often risks were refreshed with Directors and ensure there was robust challenge of the registers at senior management level.	Kim Dero	Complete
20 September 2017				
1.	Sept 2017	Minutes of the previous meeting Actions from the previous meeting - see above.	Nick Austin, David Hughes	Complete
2.	Sept 2017	Minutes of the previous meeting Committee requested a more substantive report on progress with health & safety checks for the December meeting. <i>UPDATE: Report on the December agenda.</i>	David McNulty	Complete
3.	Sept 2017	Minutes of the previous meeting Committee asked for an updated engagement strategy (Fire Safety Plus) to come to the next meeting. <i>UPDATE: Report on the December agenda.</i>	David McNulty	Complete
4.	Sept 2017	Adult Social Care Contract Management Committee asked for details of all contracts with similar issues (same info reported to Cllr Coleman). <i>UPDATE: In addition to Elgin, there are 3 day services previously grant funded for whom no formal contracts existed. These are Shanti, Nubian Life and the Alzheimer Society. The Nubian Life contract has been signed. The draft contracts for the Alzheimer Society and Shanti are with their respective Boards.</i>	Mike Boyle	Complete
5.	Sept 2017	Adult Social Care Contract Management Committee asked for an update once the contract was signed and all recs implemented. <i>UPDATE: The contract for Elgin has now been signed (16/11/2017).</i>	Mike Boyle	Complete

Appendix 1 – Audit, Pensions and Standards Committee Action Tracker

REF	DATE	ACTION	OFFICER	STATUS
6.	Sept 2017	Annual Corporate Health and Safety Report 2016-17 Committee asked to see what actions had been put in place in response to stress absence figures – and a trend analysis of the issue. <i>UPDATE: Response circulated.</i>	Nick Austin / Mark Grimley	Complete
7.	Sept 2017	Annual Corporate Health and Safety Report 2016-17 Committee requested another report that covered issues that had taken place since the annual report was finalised (Grenfell, Parsons Green). <i>UPDATE: Report on December agenda.</i>	Nick Austin	Complete
8.	Sept 2017	Risk Management Update King Street regen info to be made public (published online). <i>UPDATE: Info updated online.</i>	David Abbott	Complete
9.	Sept 2017	Risk Management Update Committee asked for figures on number of EU citizens employed by the Council and the impact of Brexit (including if there has already been an impact to recruitment as there has in the NHS). <i>UPDATE: Response circulated.</i>	Mark Grimley	Complete
10.	Sept 2017	Risk Management Update Re: King Street Regen - Committee asked for figures for the maximum and likely exposure to the Council. <i>UPDATE: Included in Risk Management Update Report on December agenda.</i>	Jo Rowlands / Maureen McDonald Khan	Complete
11.	Sept 2017	Risk Management Update Committee asked for more detail to be added on the risk of shared services disaggregation – and asked that the risk register and extract dashboard have consistent numbering for easier cross-referencing. <i>UPDATE: Report on the December agenda.</i>	David Hughes	Complete

For more information on these actions please read the minutes of the meetings – available here:
<http://democracy.lbhf.gov.uk/ieListMeetings.aspx?Committeeld=338>

<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p>6 December 2017</p>	
<p>A REPORT ON H&F COUNCIL'S EMERGENCY RESPONSE TO MAJOR INCIDENTS IN JUNE AND SEPTEMBER 2017</p>	
<p>Report of the Chief Executive, Kim Dero</p>	
<p>Open Report</p>	
<p>Classification: For review and comment Key Decision: No</p>	
<p>Consultation: The author of the report has consulted extensively with H&F council officers from across departments who were involved in H&Fs immediate and ongoing responses to the Grenfell Tower fire and the Parsons Green terrorist incident.</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Sarah Thomas, Director of Delivery and Value</p>	
<p>Report Author: Peter Smith, Head of Policy & Strategy</p>	<p>Contact Details: Tel: 020 8753 2206 peter.smith@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. In 2017 there have been two major incidents in and around Hammersmith & Fulham that required the authority to implement its emergency planning procedures. These were the fire at Grenfell Tower in North Kensington in June and an explosion on a tube train in Parsons Green tube station in September.
- 1.2. This report reviews the H&F response to those incidents through the experiences of H&F officers involved in the response to Grenfell and Parsons Green at both strategic and operational levels. The review has also considered the views of local businesses and community organisations that participated in a 'hackathon' event convened by the council to examine the views of partners.
- 1.3. The report identifies action taken to date to improve the council's readiness and response to major incidents and makes recommendations for additional

action to further improve this response. This report is being submitted to all PACs during December and January and to Cabinet in February.

2. RECOMMENDATIONS

- 2.1. The Audit Committee is invited to discuss the findings and recommendations of the report and, should it see fit, make suggestions, including on implementing the recommendations, for the Council to consider in its response.

3. REASONS FOR DECISION

- 3.1. H&F Council has a duty of care to all of its residents and must ensure that it has appropriate plans and processes in place to deliver on that duty.

4. PROPOSAL AND ISSUES

- 4.1. The Audit Committee is requested to consider and discuss the report's recommendations, and to refer its comments on to Cabinet.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The research that has informed the recommendations within the report has involved interviews with a variety of different officers, during which various options for improving planning and procedures have been examined and analysed.

6. CONSULTATION

- 6.1. The author of the report has been engaged in consultation with council officers and has examined feedback and proposals from an event that gathered the views of businesses and community organisations.

7. EQUALITY IMPLICATIONS

- 7.1. The implementation of these recommendations will have no direct equality implications.

8. LEGAL IMPLICATIONS

- 8.1. The Civil Contingencies Act provides a framework for Civil Protection in the UK. The Council is classified as category one. The "report" at appendix one sets out at paragraph 1.8 the full set of civil protection duties the Council has. The "report" makes a number of recommendations for action in relation to the Local Authority's response to future emergencies. The legal team can be further consulted about the implementation of any of the recommendations, if the Council wishes to implement these.

- 8.2 *Implications completed by: Hazel Best, Principal Lawyer 020 7641 2955*

9. FINANCIAL IMPLICATIONS

- 9.1. The Government's Bellwin scheme provides emergency financial assistance to local authorities in England and is activated at the discretion of the Secretary of State. Bellwin funding is designed to cover uninsurable risk over a local threshold. It will recompense authorities for the costs of emergency measures undertaken to safeguard life or property, or to prevent further suffering and inconvenience locally, during exceptional circumstances. There are strict rules on the types of expenditure that are eligible for reimbursement. In relation to the Grenfell fire incident, RBKC will be making a claim under the Bellwin scheme which will include the additional costs incurred by Hammersmith and Fulham incurred in providing mutual aid.
- 9.2. In response to the wider lessons learned from the Grenfell Tower fire and Parsons Green incidents, on 4 September 2017, Cabinet approved a drawdown of £111,000 from the Community Safety Reserve to increase the resilience of the Emergency Planning Team for 18 months.
- 9.3. On 18 October 2017, Full Council approved amendments to the Four-Year Capital Programme 2017-21 to include £20m for the Fire Safety Plus Programme. Whilst the Department for Communities and Local Government have requested details of fire safety works from councils, no additional funding has been made available to date. Until further clarity on funding has been received, the programme will be funded from a combination of the use of reserves and internal borrowing. The detailed financial implications of the Fire Safety Plus Programme are included in the Full Council report.
- 9.4. Taking forward the recommendations for further actions identified in this report, will be subject to further decisions, the financial implications of which will be confirmed at that time.
- 9.5. *Implications completed by: Emily Hill, Head of Corporate Finance, 020 8753 3145.*

10. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Notes of interviews with officers	Peter Smith x2206	Delivery and Value/ HTH
2.	Notes from the hackathon on emergency planning	Peter Smith x2206	Delivery and Value/ HTH

LIST OF APPENDICES

Appendix 1: A Report on H&F Council's Emergency Response to Major Incidents in June and September 2017

A Report on H&F Council's Emergency Response to Major Incidents in June and September 2017

November 2017

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1. Introduction

- 1.1 During 2017 London has been affected by a range of major incidents including:
- the terrorist attack on Westminster Bridge in March;
 - the wider impact of the Manchester Arena terrorist attack in May;
 - the terrorist attack at Borough Market/London Bridge in early June;
 - the Grenfell Tower Fire in mid June;
 - the terrorist attack near Finsbury Park Mosque in June;
 - the evacuation of residents from four tower blocks in Camden following fire safety testing in late June;
 - the terrorist attack on a tube train at Parsons Green in September.
- 1.2 To date in 2017 there have been two incidents in and around Hammersmith & Fulham that required the authority to implement its emergency planning procedures. These were the fire at Grenfell Tower in North Kensington in June and an explosion on a tube train at Parsons Green tube station in September.
- 1.3 The Grenfell Tower fire, which began in the early hours of Wednesday 14 June, was one of the worst disasters in London and the UK in living memory. The impact of the disaster has reverberated far and wide. A public inquiry is currently under way and criminal proceedings may follow, so this review is not intended to influence or undermine the due legal process of that inquiry and those proceedings. With this in mind, the review purposefully does not comment on the Royal Borough of Kensington and Chelsea's response or affairs.
- 1.4 The Grenfell Tower Inquiry will cover issues relating to the response in the aftermath of the fire and is set to review:
- (a) What policies, procedures and plans were in place on the part of central and local government for dealing with a major emergency such as the Grenfell Tower fire?
 - (b) What was the response of the Tenant Management Organisation, central and local government by way of the provision of emergency relief in the days immediately following the fire?
 - (c) Was the response adequate and, if not, in what respects was it inadequate?
- 1.5 However, Hammersmith & Fulham (H&F) has been significantly affected by the fire, with the council, councillors, council staff and local residents all contributing to the efforts to provide relief to the many hundreds of people directly affected. It is appropriate, therefore, that H&F should examine its

experiences of the relief effort to determine the effectiveness of our response and any areas for improvement in the future.

- 1.6 At 8:35am on Friday 15 September an improvised explosive device was detonated on a tube at Parsons Green tube station. H&F Council was the authority with responsibility for the response to that incident. The Parsons Green bombing incident was nowhere near the scale of the Grenfell Tower fire, in terms of the human tragedy and the duration of the impact on so many displaced families, but, like Grenfell, it was an incident that required an emergency plan to be implemented and for people to be evacuated from the area as a police cordon was put in place around a crime scene. It also attracted huge international media interest.
- 1.7 The review process consisted of a series of interviews with H&F staff who played major roles in the Council's response to the Grenfell fire and its aftermath and to the Parsons Green terrorist incident, along with a 'hackathon'¹ style event to gather the views of businesses and community organisations that also played a role in the relief efforts, especially that at Grenfell. This review is focussed on the lessons to be learned for H&F Council so it did not extend to interviews with Royal Borough of Kensington and Chelsea (RBKC) staff nor to RBKC community organisations. To do so might have compromised the process of the public inquiry, which will inevitably be calling evidence from such witnesses.
- 1.8 This report is a follow up to the immediate H&F Emergency Planning Lessons Learned Report, which was presented to the Finance and Delivery Policy and Accountability Committee (PAC) on 6th September 2017. At that meeting the Committee recommended that a second report be provided to a subsequent meeting addressing: communities, hotel work, reassurance, community resilience and housing in relation to emergency planning, and that officers provide further information on when local emergencies escalate to national emergencies.
- 1.9 As a local authority, Hammersmith & Fulham is classed as a Category 1 responder under the terms of the Civil Contingencies Act 2004². This means that the Council is subject to the full set of civil protection duties and is required to:
- assess the risk of emergencies occurring and use this to inform contingency planning;

¹ A hackathon is an event consisting of focussed sessions with key stakeholders to 'hack' though complex problems in the pursuit of solutions

² See Appendix 1

- put in place emergency plans;
- put in place business continuity management arrangements;
- put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency;
- share information with other local responders to enhance co-ordination;
- co-operate with other local responders to enhance co-ordination and efficiency;
- provide advice and assistance to businesses and voluntary organisations about business continuity management.

1.10 The Grenfell Tower fire occurred across the H&F borough boundary in the Royal Borough of Kensington and Chelsea so the primary local authority with responsibility for delivering its civic protection duties was RBKC. Hence, that council's role, along with that of the Kensington and Chelsea Tenant Management Organisation is the central focus of the public inquiry. However, given the scale of the disaster and the proximity of H&F to North Kensington³, the Leader of H&F Council asked the Chief Executive to offer immediate and compassionate support. This report examines the nature of that support, what worked well, what lessons have already been learned and what further lessons there are to be taken on board and addressed for the future.

1.11 A further and separate review of the H&F Emergency Planning arrangements and the response to both the Grenfell Tower and the Parsons Green incidents has been commissioned from an independent consultant and the results will be incorporated in this report once that review has been completed.

³ See Appendix 2

2. Command and Control

First 24 hours

- 2.1 The Grenfell Tower fire took hold in the early hours of Wednesday 14 June. The Chief Executive of H&F Council established a Service Resilience Group (SRG) on that Wednesday morning to plan and oversee the Council's response to the fire and its aftermath. The group was chaired by the Chief Executive and brought together senior officers at daily meetings for a period of two weeks. H&F was requested to send rest centre managers to three centres at Westway sports centre, Portobello and St Clements Church at about 11 am that morning.
- 2.2 The main issue facing H&F at a strategic and operational level was the lack of interaction with RBKC; the Chief Executive made three calls to the RBKC Chief Executive offering assistance on the day of the fire. The H&F emergency response team provided assistance despite the lack of any formal request to do so.
- 2.3 The general view of those involved in the response to the Parsons Green incident was that command and control worked well and that the Council managed a robust operational structure similar to that of the police. An internal review has been conducted that identifies all actions taken and concludes that the overall response was excellent.
- 2.4 The Grenfell Tower fire and the Parsons Green terrorist incident have served to raise interest, at all levels across the Council, in H&F's emergency planning procedures and the command and control structure within it. There is now a much broader understanding of this structure as officers from across the authority have seen it in action. A lesson to be learned, however, is that this wider understanding should be maintained via broader communication networks and expanded training. This is being done with expanded emergency planning training now in development and there is a recommendation in this report that crisis management training be rolled out across directorates (see section 8).
- 2.5 Directors involved in the SRG felt that the H&F command and control structure was clear to them but those who were not part of the daily briefings (Children's Services and Adult Social Care) were less clear about the H&F sovereign response and the Shared Services response and as to who was in control of different aspects of the relief effort. The structure of any future Service Resilience Group for an incident of the scale and scope of Grenfell

will include all relevant directors and heads of service from across all departments.⁴

- 2.6 The scale of the disaster was such that a regional and national emergency response should have been invoked much sooner. Central Government guidelines need to be revised to address this learning (see section 11).

First few days

- 2.7 On Saturday 17 June, the Chief Executive appointed senior officers to set up two task groups in response to the Grenfell Tower fire – one to co-ordinate the provision of temporary accommodation and support for displaced residents (the H&F Grenfell Outreach task force) and the other to address the concerns of H&F residents in tower blocks within the borough (the H&F Tenants' Reassurance task force).
- 2.8 The officers appointed to run these teams were clear as to their briefs and were given the necessary delegated authority by the Chief Executive to draw in other officers from across departments. One of the task group managers noted that it was helpful to have the role and authority set out in writing and circulated to all those who needed to know of it. He noted the value of it being a joined-up operation working across council services with named leads.
- 2.9 Some of those drawn in to manage the situation on the ground in the days following the disaster, e.g. those dealing with donation management, were less aware of the command and control structures. This probably reflects the fact that a large number of volunteers had to be drafted in at short notice who had not had previous training in emergency planning and would not have previously been made aware of the borough's Emergency Management Plan. The extent to which officers working on the donations response needed to be briefed on the wider emergency response is also questionable.
- 2.10 Shared Service arrangements have led to a parallel 'tri-borough' emergency response team operating in Children's Services. This can confuse the H&F command and control structure when Children's Services social workers are called upon to assist in an emergency incident in a neighbouring borough through the Westminster-based emergency planning team rather than the H&F team. The 'Moving On' programme, and the return of Children's Services to a sovereign H&F department, should address this issue.

⁴ See Appendix 3

Week by week

- 2.11 The H&F Emergency Planning team compiles and circulates, to selected senior officers and those on emergency response rotas on a weekly basis, a rota known as 'Weekly Orders'. This sets out which officers are responsible for different levels of command and control in the event of an emergency incident.
- 2.12 It has also become apparent, however, that one new H&F director was not included on the circulation list for the Weekly Orders and this has now been rectified. The circulation list should be subject to a regular review to ensure that all officers who may need to respond to an emergency are included in its circulation.
- 2.13 There was a view expressed that the H&F staff contribution to the Grenfell Tower fire recovery could have been captured better, and at an earlier stage, and, with the improved recording of information, it could have been clearer what others were doing. In future, it was felt that, if there was a need for improved management of daily operational briefings and the recording of workers' shifts, H&F might want to put its own systems in place? The ASC Director interviewed believed that a daily operational debrief was required. This point was also made by the Chief Executive, specifically that shared services arrangements for Children's, Adults, Public Health, Environment and HR services made it impossible to account for H&F's sovereign support for RBKC (when called upon to do so) and very difficult to comprehend the capacity in H&F for "business as usual", as well as resilience, if another incident were to occur.

Actions taken

- The circulation of the Weekly Orders has been expanded.
- The Chief Executive advised the Senior Leadership Team to be on high alert and to confirm capacity, resources and accuracy of communication channels during this period.

Recommendations for further action:

- The circulation list for the Weekly Orders should be subject to a regular review, co-ordinated by the Chief Executive's office and Human Resources, to ensure that all officers who may need to respond to an emergency are included in its circulation.

- In the event of a disaster of this magnitude there may be a need for a two-tier daily planning briefing – strategic and operational.
- That the expectations from membership of a Service Resilience Group be clearly set out and communicated to attending Directors and Heads of Service.

3. Communications

Internal/operational

- 3.1 The Emergency Communications Plan is updated regularly, in liaison with the Emergency Planning team. The Communications Division's liaison with the Emergency Planning team was via the Local Authority Liaison Officer (LALO) and the Borough Emergency Command Centre (BECC). These internal communications worked well.
- 3.2 H&F directors managed the operational communications on a day-to-day basis, following the daily briefings given by the Chief Executive at meetings of the Service Resilience Group. Communications with other staff was via the web, intranet or via feedback from those on the ground.
- 3.3 Intelligence on the Grenfell survivors placed in H&F hotels was initially received anecdotally when West Kensington Tenants' and Residents' Association alerted the Chief Executive that survivors were in a Fulham hotel and were confused and unsupported. This led the Chief Executive to respond immediately with emergency welfare assistance and small cash subsistence offers and then led to the establishment of the H&F Grenfell Outreach team on Saturday 17th June.
- 3.4 The main communications problem faced by the H&F task group charged with providing support for the RBKC survivors located in H&F (the Grenfell Outreach task force) was the lack of information from RBKC as to where the evacuees had been placed. The Chief Executive asked the lead officer in charge of the task force to approach hotel managers in H&F directly to obtain details of who had been placed in their hotels. The media were chasing survivors' stories so there were trust issues to overcome in approaching the hotel managers to seek personal details of their guests.
- 3.5 The lack of information as to who had been placed in which H&F hotels might have been partly overcome had there been an agreed protocol of information exchange between H&F Council and local hoteliers. This suggestion emerged from both the interviews with officers and from discussions with a hotel manager at the community hackathon event. Should the Council establish a database of hoteliers with a corresponding database of named council contact officers? Could there be an agreed system of instant messaging of all hotels in the borough seeking offers of assistance in similar emergencies?

- 3.6 Communication with hotel staff during the Grenfell relief effort was mainly via leaflets or through face-to-face or telephone contact with the H&F Grenfell Outreach Task Force. A newsletter was produced for hotel residents telling them what was available to them.
- 3.7 At the time of the Grenfell fire, H&F did not have a plan for the management of donations and volunteers as part of its emergency response plan and had to move quickly to put ad hoc arrangements in place. Officers leading on donations management for Grenfell considered there to be a lack of internal communications on the ground. Their communications were generally received via email and they may have benefitted from more mobile web-based tools to access better communication channels. A similar problem was reported by the head of the 20-strong response team dealing with Grenfell outreach.
- 3.8 There was a delay in getting information out to all the donations teams and there was a lack of visual communications. It might have been helpful to have had a visible screen constantly updating everyone and displaying important information across the locations where donations were being handled. A donations protocol should be developed to communicate a set of rules to those offering donations, especially that no donations made can be returned.

External/public communications

- 3.9 After the Grenfell fire, external communications with residents in H&F tower blocks commenced on Saturday 17th June. Messages on cladding and processes to assess risk in all high-rise properties were provided quickly via a wide range of communications channels. Advice and reassurance sessions were organised on the Edward Woods Estate to support people in tower blocks in Hammersmith & Fulham. There were daily sessions, with officers taking questions on fire safety issues. A reassurance letter was immediately sent to all residents in high rise blocks.
- 3.10 A meeting took place with Tenants' and Residents' Association (TRA) Chairs and council representatives the following week with the London Fire Brigade. There were then public meetings with Edward Woods and Charecroft estate residents. The Leader of the Council and Deputy Leader attended the meetings, as did ward councillors and the Cabinet Member for Housing.
- 3.11 Some residents felt that there should have been visits to all the TRAs but it would have stretched the small core group of officers who needed to be present at those meetings to answer the range of questions that residents were posing. LFB offered to attend any TRA meetings on request. The Chief Executive had already met with the Borough Fire Commander as part of her

induction as part of a process to ensure that good working relationships were formed with key partners. The circulation of Q&As to other TRAs not visited might have been helpful. There was a Q&A document published on the H&F website and regularly updated.

- 3.12 The Grenfell disaster is probably the first incident of that scale to occur in the UK in an age where social media plays such an important role in communications and in the shaping of public responses. Social media proved invaluable in a rapidly-changing situation during both incidents in enabling information to be rapidly shared with the public and with local organisations. Twitter particularly offered a single point of rapid contact and enabled individual public enquiries to be triaged and responded to. Social media also proved invaluable in feeding on-the-ground reports from local people into the council's emergency response. The council's communications team maintained a round-the-clock social media operation throughout both incidents.
- 3.13 An extensive package of fire prevention measures and fire safety messages was put together in the form of the H&F Fire Safety Plus package. A booklet on this package was sent to all high-rise residents of council properties and made available on the council website. (see section 5)
- 3.14 The Council's communications team also operated as a central exchange for communications with councillors, local organisations and community organisations involved with the emergency operation, feeding input into the emergency response team and answering enquiries. Several offers of communications support were made to the RBKC communications team on the night of the Grenfell fire and in the following days. It appeared to take some time before a co-ordinated communications team was mobilised using resources across London. However, during the Parsons Green incident, effective and immediate offers of help from across London were made showing a significant improvement in the cross-London emergency communications response.
- 3.15 In H&F there was a joined-up approach to dealing with the media. H&F communications officers worked exceptionally long hours to deal with media enquiries which were directly Grenfell-related, general tower block fire safety enquiries and Charecroft fire enquiries.
- 3.16 In relation to external communications at Parsons Green, it was suggested that there was a lack of information for those unable to return to their homes. The bomb was not made safe until 5pm so it was difficult for the police to give early information as to when people might be able to return home.

3.17 The main communications difficulty arising from the Grenfell fire was the Council's capacity to answer large volumes of wide-ranging and detailed questions from the media, government and the public about all aspects of fire safety in council properties. At a time when resources were stretched in dealing directly with the incident on the ground, capacity to meet information demand was stretched. This is an area that all services should consider in their emergency planning.

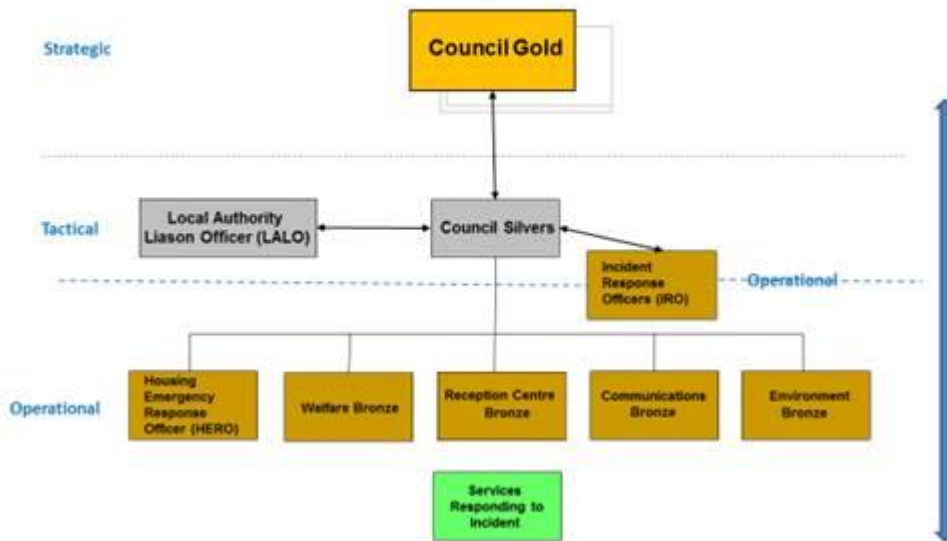
Recommendations for action

- A donations protocol should be developed to communicate a set of rules to those offering donations, especially that no donations made can be returned.
- All services should develop plans for handling large-scale information demand in their emergency plans.

4. Emergency planning

- 4.1 The emergency planning procedures in H&F are quite clear. This is set out in the figure below. In this structure, Gold is the strategic lead, Silver the tactical lead and Bronze the operational lead.

H&F Emergency Response Structure



- 4.2 If an emergency requires an evacuation, a Welfare Bronze is appointed from Adult Social Care to examine premises within the cordon to identify any needs or vulnerabilities. An LFB trained LALO is then deployed to a rendezvous point. The LALO attends all Silver meetings and reports back to the Duty Silver on what is required. The Welfare Bronze looks at the social services database (Frameworki) to identify vulnerable residents in the vicinity. The LALO then passes the information to the police, fire service and any other authorities providing emergency services.
- 4.3 The emergency planning responses from H&F to the Grenfell Tower fire and Parsons Green incident were good in offering assistance. The scale of the Grenfell Tower fire highlighted the fact that H&F would have the necessary capacity to cope with such an emergency in its own borough in the short term but would require more resources to relieve the emergency support team over time. Training is now being expanded to increase the capacity of the authority to cope with such an incident in H&F.

- 4.4 Some of the officers interviewed as part of this review were unaware of the standard emergency planning response in H&F. While this must be dependent on the size of the emergency, there should be a wider pool of named officers and a pool of volunteers in place across the Council.
- 4.4 Some H&F officers described the Grenfell rest centre as quite chaotic. H&F staff were left with the feeling that there needed to be more information and more clarity about who was in charge.
- 4.5 The centre lacked the provisions that survivors needed but had been lost in the fire, e.g. medications. For H&F, the Council should put in place pre-agreements with chemists, opticians, etc for essentials, e.g. medication and glasses, for those displaced without their everyday items. Agreements could also be made with local foodbanks to offer other essential provisions such as food and toiletries.

Actions taken

- New H&F rest centre equipment has been purchased and is stored at Bagley's Lane. There are enough beds and bedding for 145 people with provisions for a further 80 stored nearby.
- Tow bars have been added to new vehicles to ensure that they can transport trailers with bedding quickly to wherever they need to be – there had previously been only one vehicle with a tow bar. Emergency planning equipment is also stored in the Courtyard Room storage cupboard in Hammersmith Town Hall.
- A review of H&F's emergency planning procedures, following the Parsons Green incident, has been commissioned from an independent consultant and is being carried out over November 2017.
- Additional lanyards and high visibility jackets have been purchased and are now to be worn by all emergency responders to an incident.

Recommendations for further action

- A review should be undertaken of the use of iPads and or wristbands for registering those displaced to a rest centre in an emergency incident.
- Negotiate agreements with chemists, opticians and other local stores and suppliers to secure the emergency provision of essentials for any displaced residents in the event of an incident.

- Update the list of potential premises in H&F for emergency use as rest centres.
- Identify all the premises that might be used to provide emergency accommodation.
- Emergency Planning to present to councillors the corporate response arrangements, structure and responsibilities in the event of an emergency.
- Provide additional emergency response and planning training for directors.
- Provide media training for councillors.
- Include information on emergency planning as part of staff induction training.
- High visibility jackets and personalised name badges will be supplied to all members of the senior leadership team.
- A review of London regional resilience procedures should be urgently undertaken by London Resilience and the LGA.
- The LGA should set up an inquiry into 'bystander management'.

5. Housing

Temporary accommodation for survivors and evacuees

- 5.1 Over 50 families displaced because of the Grenfell Tower fire have been located in H&F hotels. They required cash, food, clothes and other supplies in the immediate days following the tragedy. Laundry also had to be organised. Some had pre-existing mental health concerns and drug and alcohol addiction, which has been compounded by the trauma of the fire.
- 5.2 One hotelier who took part in the H&F hackathon had 90 evacuees from Grenfell and the surrounding blocks staying at his hotel. His staff were not adequately trained to deal with the traumatised guests that were placed in the hotel. Once H&F had discovered that there were evacuees at the hotel, then there were daily visits from H&F support workers. Children's Services placed key workers with every family located in an H&F hotel within 48 hours of discovering their arrival.
- 5.3 Hotel accommodation is the most obvious pool of temporary accommodation in H&F so a central database of such accommodation should be maintained by the Council. There may be other unexplored options to consider, however, such as Airbnb and using residents' spare rooms.
- 5.4 Some of the officers assisting with finding temporary homes for evacuees in H&F hotels noted the lack of a clear policy at that stage from RBKC as to what impact the acceptance of an offer of accommodation in H&F might have on the rights of the tenant to be rehoused permanently in RBKC. Some evacuees have refused all offers of temporary accommodation from H&F due to fears that it would mean the loss of their entitlement to be rehoused in RBKC. There needs to be cross-borough agreements between London councils that, in the event of a disaster of this nature, acceptance of an offer of temporary accommodation by a neighbouring borough should not affect a tenant's rights to social housing in their own borough.
- 5.5 At the time of writing this report, 54 families remain in H&F hotels.
- 5.6 Following the Shepherds Court fire in 2016, there was a problem in spot-purchasing hotel accommodation due to the lack of corporate credit cards held by council officers. The few cards that were in existence rapidly reached spending limits due to the cost of four full floors of a hotel for an indefinite period. The same problem arose with Grenfell – each department had only two corporate credit card holders. This issue has been partly addressed, with a further corporate credit card now issued to another senior housing head, but

this may still prove to be insufficient funds if one or more of those officers is absent during a similar emergency.

Action taken

- An additional corporate credit card has been issued to a third Housing Director to spot-purchase emergency accommodation and other essentials for those displaced by an incident.

Recommendations for further action

- Cross-borough agreements should be laid down to ensure that tenants' rights to permanent accommodation in their borough of origin are not adversely affected by the allocation of temporary accommodation in another borough where this is due to an emergency incident causing displacement from the home borough.
- A written protocol should be agreed by London boroughs as to the security of social housing tenants' rights to permanent rehousing in their borough of origin if they are temporarily rehoused in a neighbouring borough in an emergency.
- A data-sharing protocol should be drawn up to ensure that information on the needs of displaced residents from one borough can be shared with a neighbouring borough that is temporarily accommodating those families and individuals.

Assurance for H&F residents

- 5.8 It was important to reassure H&F tenants and residents about their safety in tower blocks located within the borough following Grenfell. Understandably, Grenfell triggered very concerned discussions with tenants and residents on fire safety, especially at the Edward Woods Estate (three tower blocks with cladding) and at the Charecroft Estate.
- 5.9 The new Chief Executive at H&F had already initiated a review of the borough's fire safety regime and was in the process of implementing more stringent fire safety checks in advance of the Grenfell Tower fire.
- 5.10 Urgent fire safety checks were carried out at Edward Woods, Charecroft and other tower blocks, with Fire Safety Advisers drafted in to visit all tower blocks to carry out new checks including checks on all cladding. The Council also

established the H&F Fire Safety Plus programme to install sprinklers in all blocks where it would improve safety, replace fire doors and offering free safety checks and free replacement of faulty appliances. Full Council agreed to allocate £20m to this 'Fire Safety Plus' programme.⁵

- 5.11 In response to a similar incident, neighbourhood teams should be mobilised as quickly as possible but these should not consist solely of housing officers. A response team should be drawn from across a wider range of departments.

Action taken

- Fire safety checks have been completed in all 71 H&F tower blocks. (A tower block is a communal residential building with more than 6 storeys.)
- Fire Safety Plus handbooks have been issued to residents, setting out the H&F offer of free safety checks for all homes and free replacement appliances and plug adaptors.
- Concierge staff have been increased at the Edward Woods Estate and are now located in all three tower blocks of the estate.
- Specifications for works to install sprinklers in all high-rise blocks, where this would improve safety, are being drawn up.
- A residents' advisory group on fire safety is being set up to work with the Council on improvement plans.
- A Property Compliance Task Force, chaired by the Chief Executive, has been set up to ensure that H&F Council is meeting its full responsibilities as a landlord.
- The housing repairs emergency response service has been reviewed and enhanced and a new emergency response policy put in place.

⁵ See Appendix 4

6. Welfare

- 6.1 In the case of Grenfell, the nutritional needs of different families located by RBKC in H&F hotels were not always properly communicated to those looking to support them. For example, the fire occurred during Ramadan which required observance of different meal times for Muslim survivors. Some of the residents traumatised by the fire had pre-existing mental health and/or drug and alcohol problems.
- 6.2 Officers responsible for the welfare of evacuees have highlighted some of the transport problems that were encountered in reaching survivors at different hotels and support centres. Satellite navigation devices and/or a taxi account might have alleviated some of these problems.
- 6.3 Food was also a problem for some families placed by RBKC in hotels offering bed and breakfast but with no access to catering or food preparation. H&F Council quickly stepped in to arrange food delivery services and meal vouchers, with supportive assistance from a number of local restaurants and caterers. A pre-arranged sign up from restaurants willing to assist with providing meals would be helpful in future incidents. After the Shepherds Court fire, which occurred late on a Friday afternoon, local supermarkets were approached for help on the Saturday and responded positively with donations. A food and meal voucher system might be agreed in advance with supermarkets and restaurants in the borough.
- 6.4 Some concerns were expressed about the impact on children with disabilities and special educational needs (SEN) and the response given to their additional needs. It has been suggested that there should be work done now to identify the children affected and monitor them in the longer term. It was also pointed out that children on the child protection register need to be identified in an emergency situation as they may be in greater danger when a family is in a stressful situation. In future children with additional needs should be identified early and the appropriate support provided.
- 6.5 At Parsons Green the NHS was unable to meet requests to obtain medication for people at the rest centre. Independently, a local pharmacist assisted the Rest Centre Officers in liaising between residents and a local GP practice to provide medication for those that required it in the Rest Centre.
- 6.6 There were some concerns expressed by senior officers as to the support on offer to staff affected by their experience of the Grenfell disaster. One Director called for listening services to be brought in at an earlier stage and for the early involvement of Occupational Health. Another Director has called for

debriefing sessions for volunteers to make sure that people affected by their experiences are spotted early enough to offer appropriate counselling and support. In one such incident a Director became aware that one of his staff had volunteered for a double shift on the Sunday after the fire and was straight back at his desk on Monday morning. There was also a proposal that the counselling offer to staff should be followed up some six months on from the disaster as some people might experience a delayed reaction to their experiences.

- 6.7 H&F provides an employee assistance programme throughout the year. The offer is enhanced for employees affected by a major incident to include telephone counselling and specific face-to-face support. In the immediate aftermath of Grenfell, the council further enhanced the offer with on-site counselling sessions for the six weeks following the incident. In addition, regular communications about longer-term support available has been established, recognising some effects may be delayed. During the Parsons Green incident a similar response was provided although, given the relatively lower numbers of employees affected, the role of the line managers in establishing contact and support requirements was more important.

Actions taken

- An enhanced counselling service has been put in place for H&F staff.

Recommendations for further action

- Establish a quick guide to how to negotiate agreements with supermarkets and restaurants to provide food and meals to the victims and survivors of future incidents, perhaps by way of a voucher scheme administered by the Council.
- Follow up the offer of counselling to all staff involved in the relief effort over the coming weeks and months.
- If counselling is required for non-council staff who volunteer to be emergency responders, a list of community and voluntary sector agencies that provide such support to be ready and available, including promoting contact with their appropriate primary care contact.
- Seek a review of current NHS policy to not provide GPs for rest centres to write prescriptions when required for those displaced.

- Investigate whether 24-hour pharmacies can provide support in an incident where people require prescriptions in a rest centre.

7. Donations Management

- 7.1 On the Wednesday evening following the Grenfell fire, donations began arriving spontaneously at Hammersmith Town Hall from 7pm and continued arriving throughout Thursday and the following days. There was a call for volunteers to assist with the co-ordination of the influx of donations, which brought 450 offers of help from individual members of council staff and from the wider community. Donations were also being delivered to, and collected at, various other community sites across the borough, which were then diverted to the Town Hall.
- 7.2 It has been suggested that there needed to be clearer divisions between donations and volunteering support. It was agreed by all involved that the volume of donations that came in was unprecedented and that the Council was unprepared for it. It is widely accepted that the Council needs a plan in place to deal with a similar situation in the future.
- 7.3 In the places where donations were being received, there needed to be clearer signage for those delivering the packages to inform them about what donations are needed and where they should be taken. There should also have been a separation of new from old. Social media might also have been used to better manage the flow.
- 7.4 Adequate storage needs to be identified in advance of donations coming in and local businesses need to be identified that can provide storage boxes as they are needed. Volunteers brought in to manage the donations need to be provided with refreshments and this might also be something that other local businesses can be approached to provide.
- 7.5 Some longer-term storage is also needed for donations that might not be required until families move into more permanent accommodation, e.g. electrical goods.

Recommendation for action

- A plan for the management of donations should be drawn up and agreed to direct officers in the event of a future incident that elicits a similar response from the local community and/or the wider population. This should include a communications plan to ensure that donors are better informed in future about what is needed and what is not needed and where donations should be taken.
- Specific council staff should be nominated to be 'Donations Managers' in the event of any future incidents and briefed accordingly.

8. Training

- 8.1 The emergency responders report that the training they receive is excellent but it has been recognised that there are insufficient numbers trained to cope with an incident of the scale and duration of the Grenfell Tower disaster. There are currently 55 H&F officers trained to respond to an emergency as either LALOs, Rest Centre staff or BECC staff. This number will be increased.
- 8.2 There was no prior training provided to Early Help staff in the Children's Services department on dealing with an emergency response and this may explain the lack of awareness within that service as to how the chain of command was structured. There needs to be training rolled out across all service areas that may need to respond to an emergency incident. Crisis management training should be delivered to all directors that may need to play a role in managing an emergency incident.
- 8.3 It is also proposed that training is needed for responders from the community as well as council staff. The community response to the need to assist the relief effort was widely praised but most of those volunteers had little or no training.
- 8.4 An incident on the scale of the Grenfell fire attracts widespread and prolonged media attention.

Action to be taken

- Emergency responders training is to be provided to more staff.
- Wider staff awareness training is to be provided.
- There will be at least eight trained officers to cover each of the key roles of Duty Silver (currently 8 trained officers), Welfare Bronze (currently 6 trained officers) and Rest Centre Manager (currently 6 trained officers).

Recommendations for further action

- Training on emergency response to be provided to the community.
- Crisis management training should be provided for Directors.
- Media training should be provided for councillors.

9. Mutual Aid

- 9.1 Under London's local authority Gold arrangements, any borough can request mutual aid when facing an emergency incident but there is a process to go through. A request has to go to the London Resilience Group (LRG) and be signed off by London Local Authority Gold (LLAG). We anticipate this will be a key area of interest for the public inquiry. Either the London Resilience Group was not sufficiently co-ordinated or RBKC did not request the support at an early enough stage.
- 9.2 In the event of an incident requiring multi-agency regional strategic coordination the steps below describe the process for activating the LLAG arrangements:
1. The Metropolitan Police or London Resilience Team (LRT) activate Golds from all agencies as required.
 2. London Local Authority Gold is activated by the Metropolitan Police or LRT using contact details provided by London Fire Brigade Emergency Planning (LFB-EP).
 3. LLAG activates a London Local Authority Coordination Centre (LLACC).
 4. LLAG and Support Team (if there is a Strategic Coordination Centre (SCC)) travel to the designated meeting location.
 5. LLAG and Support Team (if SCC) arrive at designated meeting location and are met by the Duty LLACC Manager or LFB-EP SCC Liaison Officer (if SCC).
 6. LLAG establishes communications with the LLACC.
- 9.3 Once mutual aid had been called in for the Grenfell fire, the timing of rotas was a problem for managing staff. The London Resilience team rotas conflicted with those already set up for H&F staff. H&F staff had to be pulled out until the problem was resolved, i.e. when the LRG agreed to align its rotas with those already existing. It was also felt that there is a lack of knowledge on exactly what the London Resilience team can offer in any given situation. It should have a structure that brings together neighbouring boroughs – H&F staff were not initially asked to join the LRG rota. The Local Authority Panel (LAP) is developing service level agreements to provide the commitment to continue to build on this relationship at a sub-regional level to provide London with consistent and effective resilience into the future.
- 9.4 The response from the LRG was to allocate qualified social workers to work with the survivors and evacuees for an initial two-week period. This led to constant changes of key workers for the Grenfell victims, which is not helpful in building supportive relationships.

9.5 The assessments of allocated families was conducted via one-off visits by an assessor. This very limited process of engagement can often result in inaccurate assessments. The assessments were supposed to be completed within three weeks but this timescale had to be extended.

Recommendation for action

- The role, functions, structures and procedures of the London Resilience Group should be reviewed by London Councils.

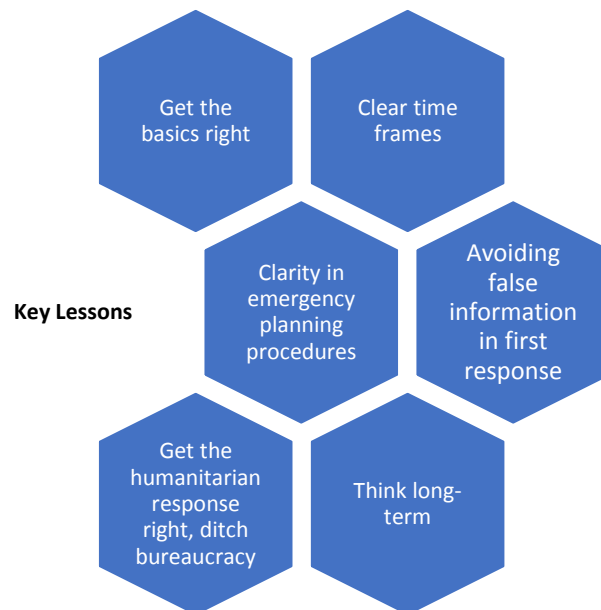
10. Work with Communities and Businesses

- 10.1 The public response to the Grenfell fire was amazing in demonstrating the widespread compassion that people feel for those who are victim to a disaster of that magnitude. This compassion and drive to help out resulted in a large number of volunteers, faith groups and local community organisations all getting involved. A more organised structure of rest centres would have helped. There were five rest centres open at one point but only one formal rest centre in place. The instant community response in opening unofficial rest centres can lead to a loss of co-ordination. Those on the ground also had to cope with community unrest, disquiet and intensive media interest.
- 10.2 There needs to be more co-ordination of the volunteering offer across the borough – what skills do those who are willing to volunteer to help have and where in the borough are they located? An emergency responder/ volunteering database might be set up to collect this information.
- 10.3 What was clear from the response to Grenfell was the willingness of local businesses to help and more needs to be done to consider how best this can be harnessed in the future. More work needs to be done with communities and businesses and this was started with the ‘Stronger Together: Building Community Resilience’ hackathon event in September. There needs to be work done to move from an emergency response to one of community resilience. There need to be community go-betweens put in place and more outreach and community development work carried out.
- 10.4 Where there are to be significant numbers of displaced individuals located in a specific area, then a plan of action is required to inform and reassure the local community in which those individuals are going to be placed. This was required in the area around the location of a temporary school that had to be established on Wormwood Scrubs to relocate the pupils of Aldridge School, which had to be closed. It was rightly felt that it was important to keep the Aldridge School pupils together. Some local residents expressed concern at the potential impact on the community of a large number of school pupils being relocated to their area.

Action taken

- A hackathon event, ‘Stronger Together: Building Community Resilience’, has been held with representatives of local businesses and community groups. (A hackathon is an event with focussed sessions that brings stakeholders together to discuss complex problems and come up with possible solutions.)

Summary of findings from the hackathon



Recommendations for action

- Progress the proposals that came forward from the hackathon – building up contact lists with details of possible roles and offers of available support from local organisations and businesses.
- Provide training for community outreach responders.
- Set up a database of volunteers.
- Where displaced individuals are to be relocated in new communities then, where possible, advance information and reassurance should be given to those within the host community.
- Amend service level agreements of funded organisations to allocate duties and responsibilities for assisting in an emergency situation.

11. Regional and National Implications

- 11.1 It has been widely stated that national assistance should have been provided sooner in response to the Grenfell Tower fire. It was noted that, had it been a terrorist incident the national response would have been immediate. There needs to be more national response planning for this type of incident.
- 11.2 It is disappointing that central government has not made additional funding available to carry out the essential refurbishments and safety measures that have been identified as being needed. H&F has developed its own Fire Safety Plus programme, utilising only council resources, in response to our review of fire safety across the borough.
- 11.3 DCLG has written to all councils with a request to actively ensure owners of private residential tower blocks are taking measures to ensure their residents are safe. The request of councils is to identify any private residential tower blocks that have ACM or similar cladding and to ensure adequate mitigation is in place. The Environmental Health/ Corporate Health & Safety team is leading this work for H&F which is on-going at the time of writing.
- 11.4 There are lessons to be learned from the Grenfell Tower fire and the response to it for national Government, the Local Government Association and regional government, as well as for local authorities. New guidelines should be produced centrally. New thinking and learning is particularly needed on 'bystander management'.
- 11.5 H&F Council was asked to submit a response to the consultation on the terms of reference of the Grenfell Tower Inquiry and proposed that the following questions need to be answered:

Training and resources

- Were enough officers trained in emergency response roles and tactics to be able to respond to an incident of this type and scale?

Decision making

- What was the decision-making process and who made those decisions and were the Gold arrangements adequate?

Wider implications

- Whether the current arrangements are adequate to respond to an incident of this scale?
- Whether LLAG and LLACC should have stepped up response in any event without being asked?
- There are no mutual aid agreements between London and the surrounding counties or other parts of the UK, other than those arranged locally. Does this need looking at, in light of the Grenfell tragedy?

Pastoral and other support provided

- Can the current mutual aid arrangements be re-visited for longer term recovery incidents?
- What improvements could be made on data/ information sharing between agencies relating to affected families and individuals?

Donations management

- What additional training, resources and planning is needed to manage donations in major incidents?
- How can emergency response agencies work together with the voluntary and community sector and business to manage donations effectively?

Building fire safety management

- Are the current regulations and guidance for fire safety management in social housing and other types of residential property fit for purpose? Would safety be enhanced by adopting an Approved Code of Practice for fire safety management for landlords?
- How effective are sprinklers compared with other measures as part of fire safety management? Should sprinklers be mandated for all properties over a certain number of storeys? Should a common prescribed standard be set to minimise on-going maintenance liabilities?
- How can the practical challenges of managing the fire safety of high-rise buildings with a mixture of leasehold and tenanted properties be overcome?
- Is a national regulatory body needed for fire risk assessment, similar to that in place for the gas safety industry?

Recommendations for action

- Central guidelines to be produced by national government and the LGA, with the involvement of London Councils.
- London Councils to conduct a review of London regional arrangements and the findings and recommendations implemented (see section 9).

EMERGENCY PLANNING REQUIREMENTS

Our emergency planning should aim, where possible, to prevent emergencies occurring, and when they do occur good planning should reduce, control or mitigate the effects of the emergency. It is a systematic and ongoing process which should evolve as lessons are learnt and circumstances change.

Organisations should aim to maintain plans which cover 3 different areas:

- **Plans for preventing an emergency**

In some circumstances there will be a short period before an emergency occurs when it might be avoided by prompt or decisive action

- **Plans for reducing, controlling, or mitigating the effects of an emergency**

The main bulk of planning should consider how to minimise the effects of an emergency, starting with the impact of the event and looking at remedial actions that can be taken to reduce effects. The evacuation of people may be a direct intervention which can mitigate the effects of some emergencies. Recovery plans should also be developed to reduce the effects of the emergency and ensure long term recovery.

- **Plans for taking other action in connection with an emergency**

Emergency planning should also look beyond the immediate response and long-term recovery issues and look also at secondary impacts. For example, the wave of reaction to an emergency can be quite overwhelming in terms of media attention and public response. Plans may need to consider how to handle this increased interest.

Emergency plans should include procedures when to activate the plan in response to an emergency. This should include identifying an appropriately trained person who will take the decision, in consultation with others, on when an emergency has occurred.

Exercising plans and training staff

Organisations should test the effectiveness of their emergency plans by carrying out exercises, and should ensure that those involved in the planning for or response to an emergency receive appropriate training.

Organisations should also ensure their plans give due consideration to the welfare of their own personnel.

Voluntary sector

Where appropriate, organisations should consider whether voluntary organisations may have capabilities which could assist in responding to an emergency.

The voluntary sector can provide a wide range of skills and services in responding to an emergency. These can include: practical support (such as first aid, transportation, or provisions for responders); psycho-social support such as counselling and helplines; equipment; and information services.

Appendix 2

Shepherds Bush and North Kensington



Location of Grenfell Tower



Service Resilience Group:

Chief Executive

Lead Director of Regeneration, Planning and Housing Services

Lead Director Environmental Services (Director for Environmental Health)

Director of Housing Options

Director of Delivery and Value

Director of Adult Social Care

Director of Childrens Services

Director for Property Services

Director for Finance and Resources

Head of Emergency Services

Strategic Head of Communications

Head of Environmental Health (Residential)

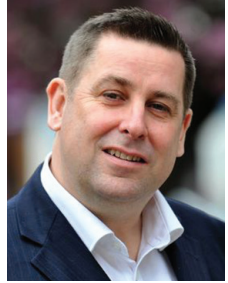
Strategic Head of Development, Regeneration and Economic Growth



**WE'RE
WORKING
TO KEEP
YOU SAFE**

WE'RE WORKING HARD TO KEEP YOU SAFE

The fire in Kensington has made one thing clear – just meeting minimum fire standards is not enough. The regulations are clearly not good enough. So we've put together this H&F Fire Safety Plus programme, and we're going above and beyond what is required.



We want our residents to know that we care deeply about your safety, we understand your concerns, and we will do everything it takes to keep you safe.

All councils need to do more to make sure tenants' and leaseholders' homes are safe. We've got work to do here – that's why we've developed this H&F Fire Safety Plus programme, to make sure our properties meet higher standards. And we've set aside £20million to pay for it.

Tenants and leaseholders have been working with us to shape our Fire Safety Plus package. We've been visiting estates and hearing residents' concerns and suggestions for improving fire safety – and we're acting on that with a massive programme of works.

A handwritten signature in black ink, appearing to read 'Stephen Cowan'.

Cllr Stephen Cowan

Leader of Hammersmith & Fulham Council

OUR FIRE SAFETY PLUS PROGRAMME

Our Fire Safety Plus programme is about doing more than the minimum requirement to keep you safe. We've set aside the money to fund a major package of testing, building works and free equipment for our residents that live in council owned accommodation.

① Replacement concierges

We are bringing back concierge staff to Edward Woods and Charecroft estates and looking to do the same at other estates where concierge staff have been removed in the past.

② Sprinklers in tower blocks

We are working on a plan which is being discussed with the London Fire Brigade about the feasibility of fitting sprinklers in tower blocks. As we progress we'll be in touch with more details.

③ Better fire assessments

Independent experts are reviewing safety in all communal blocks. Current standards don't require assessments to check the outside of the building (cladding and external panels are not usually checked). Although we don't have the Grenfell fire cladding, we've raised the standards in H&F and asked our expert fire reviewers to look at all external panelling. They will also do much more detailed and thorough assessments than in the past.

4 Free safety checks for every home

We are offering every resident an individual safety check visit, with priority for people in high-rise homes (six stores or more). Depending on what your property needs, this could mean follow up visits to carry out a portable appliance test (PAT), if you want one and to remove and replace any appliance that fails. We aim to do this within 48 hours.

- **New fire doors** – We will work on checking the entire block you live in and organise a programme of works to ensure the block is safe. We will write with more details and updates.
- **Free replacement appliances** – If one or more of your appliances fails a PAT we will cut the plug off immediately and remove the failed appliance and replace it with a good quality, brand new one – for free. We aim to do this within 48 hours.

The fire in Shepherds Court last year was started by a faulty Hotpoint tumble dryer. If you haven't yet checked whether your appliances are on the Hotpoint, Creda or Indesit recall list, please do so and book your upgrade with them. Check whether your tumble dryer is affected at: www.lbhf.gov.uk/checkyourappliance

- **Free heat detectors** – During our visit, we'll also install free heat detectors and check any detectors or alarms you already have to make sure they're working properly.

Book now

To book your Fire Safety Plus visit, please call the customer services centre on 0800 023 4499 or email: firesafetyplus@mitie.com

5 Free plug adaptors

The London Fire Brigade advise residents not to use cube-style plug adaptor/extensions. They say linear adaptors with circuit breakers built in are safer.

If you are presently using an adaptor which looks like this:



Then we will happily swap it for an extension lead which looks like this:



You can exchange your cube-style plug adaptors for FREE for a safer type of extension lead. All you need to do is bring your cube-style plug adaptors down to your local housing office and we will give you new linear adaptors for every cube you exchange. If you want more details on how to avoid fires caused by electrical equipment please visit: www.london-fire.gov.uk/ElectricalEquipment.asp

BLOCKS WITH CLADDING

We have no council blocks in H&F that have cladding like that used on Grenfell Tower.

We have only three blocks that have cladding – all at the Edward Woods estate. We have had both the materials used and the installation tested by independent experts BRE, and the Edward Woods estate has passed these tests.

There are a few housing association blocks in the borough that have failed the cladding tests. None of these are council properties, and the housing associations that own them have notified their tenants and are working to make them safe.

EXTERNAL PANELS

The fire at Shepherds Court in Shepherds Bush on 19 August 2016 was caused by a faulty tumble dryer igniting. There was no loss of life or serious injury and initial fire reports showed the fire was well-contained. However, the fire brigade subsequently raised concerns about external panels below lounge windows.

We commissioned one of the leading firms in the field to carry out additional testing and assessment of these window panels.

We will be removing and replacing the window panels at Charecroft estate and we have round-the-clock fire patrols in all the Charecroft blocks to keep people safe while this work is being done.

We have commissioned a review of all our other communal blocks to check if these panels are used elsewhere, to check their safety, and, if necessary, to replace these too.

LISTENING TO RESIDENTS

One of the main lessons from the Grenfell fire is that councils should do more to listen to residents and act on their concerns. Here's what we've been doing to make sure residents' voices are heard:

- Fire safety officers have been visiting all our estates to talk to residents, and to check fire safety arrangements.
- We are setting up a residents' advisory group on fire safety, to work with us on our improvement plans.
- We have held advice and listening sessions at the Edward Woods and Charecroft estates in Shepherd's Bush – some of our tallest tower blocks where there have been concerns about cladding and window panels.
- We've written to all residents in high-rise blocks in H&F to offer advice and reassurance where we can. We've also written separately to residents of Edward Woods and Charecroft estates about their specific concerns.
- We've met representatives from our tenants' and residents' associations to hear their views on actions we need to take, and will continue to work closely with local people.

PLEASE HELP KEEP YOUR HOME SAFE

There are some simple ways you can help keep your home and family safe. The following requests are based on fire brigade advice.

- Please keep communal areas and hallways clear of obstructions, such as furniture, bikes and boxes. It could save lives.
- Please don't smoke in bed or leave candles unattended.
- Please talk to your family about your fire plan – and make sure everyone knows what they should do, including children. Each block has its own fire safety procedures, but you can also find general advice from the London Fire Brigade at www.london-fire.gov.uk
- Please talk to your neighbours and help them with their fire plans if they need it, especially older people living alone or people who have recently moved to the area.
- Please don't remove or alter the external fire door to your flat. These are crucial to stopping the spread of fire in any block and give you the protection you need to stay safe until the fire brigade is able to put out any fire.
- We really need you to help us by allowing us access for fire and safety inspections so we can test equipment and fire doors.
- Please check if any of your white goods have been recalled by the manufacturer by using the link below. The manufacturer will replace appliances that have been recalled. <https://www.electricalsafetyfirst.org.uk/product-recalls/>

WHAT TO LOOK FOR IN YOUR BUILDING

Fire safety in all buildings also depends on good maintenance and housekeeping.

Here are some things to keep an eye on.

- All front doors of flats and doors on corridors and staircases must be 'self-closing' fire doors.
- Fire doors must 'self-close' properly, and not be held or wedged open. They are designed to stop the spread of fire.
- Things shouldn't be stored in corridors or staircases. This can block escape routes and stop firefighters doing their job. They can also feed the fire.
- Keep any storage on individual balconies to a minimum and do not use a BBQ on your balcony
- There should be signs that show you how to escape a fire.

If you're concerned about any of these things, please contact your local housing office for more details.

North Area Office

New Zealand Way
White City estate
London W12 7DE

Tel: 020 8753 4808

Email:

hammersmithnorth@lbhf.gov.uk

South Area Office

Clem Atlee estate
Lillie Road
London SW6 7RX

Tel: 020 8753 4327

Email:

fulhamnorth@lbhf.gov.uk

SHOULD I STAY PUT?

Below is the current advice from the fire brigade and their guidance remains the same after the Grenfell fire.

If your home is affected by fire or smoke and your escape route is clear:

- Get everyone out, close all windows and doors and walk calmly out of the building.
- Do not use the lift.
- Call 999, give your address, the number of your flat and state which floor the fire is on.

If there is a fire or smoke inside your home, but your escape route is NOT clear:

- It may still be safer to stay in your flat until the fire brigade arrives.
- Find a safe room, close the door and use soft materials to block any gaps to stop the smoke.
- Go to a window, shout "HELP, FIRE" and call 999.
- Be ready to describe where you are and the quickest way to reach you.

If there is a fire in another part of the building:

- You are usually safer staying put and calling 999. Purpose-built blocks of flats are built to give you some protection from fire. Walls, floors and doors can hold back flames and smoke for 30 to 60 minutes.
- Tell the fire brigade where you are and the best way to reach you.
- If you are in the common parts of the building, leave and call 999.
- Follow the fire safety instructions in your block.

WHY IS IT USUALLY SAFER TO STAY PUT?

The London Fire Brigade's guidance is to 'Stay Put' unless your flat is affected by fire or smoke.

This is because:

- Blocks of flats are usually built to prevent the spread of fire – 'compartmentalisation' includes fire breaks between flats and between floors.
- By leaving your flat, you may walk into smoke or fire in communal areas.
- Opening your fire door may allow the fire into your home and help spread smoke and flames.
- Staying put will also allow firefighters to tackle the fire safely and quickly without being delayed by many residents evacuating down the stairways.
- During the Shepherds Court fire in 2016, residents were advised to follow the standard fire brigade advice for tower blocks and to stay in their homes. Many families remained in the upper floors until the fire was brought under control. This action kept residents safe.
- This 'stay put' advice, together with the swift response to the fire and the building's good-quality fire-retardant systems, led to the initial fire report concluding there had been 'no rapid fire growth', and shows these combined measures can, and do, work successfully.

English

Information from this document can be made available in alternative formats and in different languages. If you require further assistance please use the contact details below.

Arabic

يمكن توفير المعلومات التي وردت في هذا المستند بصيغ بديلة ولغات اخرى. إذا كنت في حاجة إلى مزيد من المساعدة، الرجاء استخدام بيانات الاتصال الواردة أدناه.

Farsi

اطلاعات حاوی در این مدارک به صورتهای دیگر و به زبانهای مختلف در دسترس می باشد. در صورت نیاز به کمک بیشتر لطفا از جزئیات تماس ذکر شده در ذیل استفاده کنید.

French

Les informations présentées dans ce document peuvent vous être fournies dans d'autres formats et d'autres langues. Si vous avez besoin d'une aide complémentaire, veuillez utiliser les coordonnées ci-dessous.

Portuguese

A informação presente neste documento pode ser disponibilizada em formatos alternativos e em línguas diferentes. Se desejar mais assistência, use por favor os contactos fornecidos abaixo.

Somali

Macluumaadka dokumentigan waxaa lagu heli karaa qaabab kale iyo luuqado kala duwan. Haddii aad u baahan tahay caawinaad intaas dhaafsiisan fadlan isticmaal xiriirka faahfaahinta hoose.

Spanish

La información en este documento puede facilitarse en formatos alternativos y en diferentes idiomas. Si necesita más ayuda por favor utilice la siguiente información de contacto.

Contact us:

www.lbhf.gov.uk/firesafetyplus-translate

<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p align="center">6 December 2017</p>	
<p align="center">UPDATE ON FIRE SAFETY PLUS PROGRAMME AND HOUSING COMPLIANCE</p>	
<p>Report of the Lead Director for Regeneration Planning and Housing – Jo Rowlands</p>	
<p>Open Report</p>	
<p>Classification: For review and comment Key Decision: No</p>	
<p>Other services consulted: NA</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Jo Rowlands, Lead Director, RPH</p>	
<p>Report Author: David McNulty, Programme Manager RPH</p>	<p>Contact Details: david.mcnulty@lbhf.gov.uk</p>

1. Executive summary

- 1.1 This report provides an update on actions taken since the last report to Audit, Pensions and Standards Committee (APSC) in September 2017 on the council's Fire Safety Plus programme and Health and Safety compliance in residential properties.
- 1.2 It sets out the extensive work which the council has undertaken to ensure that arrangements for Fire Safety in Hammersmith and Fulham meet the aspiration set out in the council's Fire Safety Plus strategy.
- 1.3 The report sets out progress against the Fire Risk Assessment (FRA) update programme, housing management Fire Safety Checks, progress in developing the Fire Safety capital programme and completion of Fire Safety Plus inspections. In relation to Fire Safety it sets out work we are doing to engage with residents on the importance of Fire Safety.

- 1.4 As requested by Committee in September 2017 we will update on progress in relation to other housing compliance areas: asbestos, electrical, gas, lifts, water, and children's play equipment.

2. Recommendations

- 2.1. The Committee notes the contents of this report and the actions taken to date by officers.
- 2.2 The committee is invited to make comments and suggestions on the report.

3.0 Background

- 3.1 The council is responsible for health and safety checks in a range of premises, both as an employer and a landlord. It has statutory obligations under various pieces of legislation, a contractual obligation to its tenants and leaseholders and a duty of care to ensure the safety of residents.
- 3.2 As a landlord the council has a number of areas that it is required to ensure appropriate arrangements are in place for compliance in relation to fire, asbestos, gas, electrical, lifts, water and play-equipment. The Council needs robust procedures and policies to ensure compliance with its legal obligations.
- 3.3 Since the launch of the council's Fire Safety Plus strategy in July 2017, the council has made significant progress in delivering a higher standard of Fire Safety compliance.
- 3.4 At the last meeting of APSC in September 2017 members asked for an update at Demember's APSC on the Fire Safety Plus programme and health and safety compliance.

4.0 Fire Safety Plus

- 4.1 When the Council launched its Fire Safety Plus strategy it made clear that meeting the minimum standards would not be good enough. The Fire Safety Plus programme reflects how the council will achieve this level of ambition and how we are doing all that we can to make sure residents homes are safe.
- 4.2 There are number of key inputs which inform the Fire Safety Plus programme. These inputs include: issues identified in Fire Risk Assessments (FRAs), what our residents tell us through our on-going approach to resident involvement and regular liaison with our partners such as the London Fire Brigade (LFB). Bringing all of this information together into our Fire Safety Plus programme enables us to achieve a higher standard of fire safety in Hammersmith and Fulham.
- 4.3 As well as the Fire Safety Plus capital works, housing management is central to our Fire Safety Plus approach. The most common risk regularly highlighted in FRAs relates to housing management issues, such as storing items inappropriately in communal areas. All staff involved in managing housing in

the borough are being trained to ensure that they understand their role in delivering a higher standard of fire safety, in particular housing management teams, care-taking, cleaning and concierge.

5.0 Fire Safety Plus capital works

- 5.1 When the Fire Safety Plus strategy was announced in July 2017 it was agreed that additional investment would be required to meet a standard that was above and beyond the legal minimum. As such Full Council agreed in October 2017 to set aside up to £20 million to ensure that we could invest in measures to deliver a higher standard. This would be phased with £10m available in 17/18 and the remaining £10m in 18/19. The Council reinstated concierge staff at Edward Woods and Charecroft estates.
- 5.2 Fire Safety Plus capital works are being undertaken in phases according to prioritisation. Further information about Phase 1 can be found at appendix 1. This sets out the work which is currently being planned for the Charecroft Estate and the Edward Woods Estate. Costs at this stage are indicative and will be subject to a Cabinet report on the Fire Safety Plus Capital Programme. Current estimates of the Fire Safety Plus capital works are £11m for Phase 1 works. These are indicative as further survey work is being undertaken to develop a comprehensive programme of work required. These costs exclude sprinkler installation which are expected to be high (see paragraph 5.5).
- 5.3 Phase 2 of the programme is scheduled to be Jepson House and Hartopp and Lannoy Points. Indicative estimates for Phase 2 are currently being revised due to the issues of compartmentation identified at the end of November at Hartopp and Lannoy Points.
- 5.4 As part of the Council's second stage structural survey, the Council's Head of Fire Safety identified issues relating to compartmentation. We are working closely with the London Fire Brigade and notified them immediately. The LFB revised their advice in the event of a fire from a stay put policy to a full and immediate evacuation, this was effective from 23 November. The Council immediately put in place fire wardens and wrote to all residents in the blocks informing them of the change (23 November). We have done extensive door knocking to inform residents of this change and identify residents with mobility issues. In line with best practice from Southwark the 28 November the number of Fire Wardens will be increased to be on every other floor. We will be fitting fire alarms to the communal areas and fitting smoke alarms to all flats. We have organised meetings with residents to provide further information and a newly established TRA will provide a means of working with residents to bring forward a programme of works to address these issues.
- 5.4 Working with residents is at the heart of the Fire Safety Plus capital works. All works being planned and undertaken will be implemented following extensive consultation with residents, leaseholders and the LFB.
- 5.5 We are working with residents and the LFB on the feasibility of installing sprinklers in high rise blocks. Leading industry experts CS Todd have

designed our approach. We have involved the London Fire Brigade in developing our approach so that all issues could be fully considered. We have developed a general approach based on prioritisation and on-going maintenance considerations. We are currently developing block specific feasibility, design, budget costings and constraints. The first feasibility studies are being undertaken for the tower blocks at Edward Woods and Charecroft Estates.

- 5.6 For blocks which are 6 storeys plus we are developing programmes to install fire doors which will resist fire for 60 minutes or more and for 30 minutes for blocks which are 5 storeys or less. There will be no charge for leaseholders for these works and we will not take action against anyone who has altered their doors.

6.0 Fire safety plus programme and engagement strategy

6.1.1 Fire Safety Plus Visits:

- 6.1.2 All 17,700 properties have received a Fire Safety Plus information booklet. The booklet was sent to residents in phases, again adopting a risk based approach targeting high rise blocks first. The first mail out took place in August 2017 and the remaining properties received their leaflets in October and early November 2017. Further information about the Fire Safety Plus visits can be found on the council's website at: www.lbhf.gov.uk/housing/hf-fire-safety-plus
- 6.1.3 In addition to sending out the 17,700 leaflets to all social housing residents we are looking at opportunities to encourage a greater take up of Fire Safety Plus visits. This will be through putting up posters in communal areas, door knocking at blocks as part of the next round of housing management checks and opportunities to promote via the council's website and other e-bulletins to residents.
- 6.1.4 The leaflet sets out the support that the council is providing to tenants and leaseholders and the importance of fire safety in the home. Where a resident has requested a visit, MITIE and our property compliance team work together to carry out an assessment of fire safety testing, and if required replace smoke alarms, and determine if a property requires reinstatement works.
- 6.1.5 The Fire Safety Plus visits are undertaken in stages depending on need. As part of the first visit residents can request a subsequent visit by a specialist to provide a portable appliance test (PAT). Approximately a third of those properties which received a first visit have had a subsequent visit to carry out a PAT. So far only one appliance has failed such a test and the council has organised for the item to be replaced. Fifty-nine properties have had hard wired smoke/ fire alarms fitted as part of the Fire Safety Plus visits.
- 6.1.6 Properties where major and minor adaptations have taken place without permission are being identified. We are developing a programme to deal with properties where fire safety has been compromised and we will undertake

works to reinstate fire safety mechanisms. In line with our Fire Safety Plus strategy this work is being done under the council's amnesty, so tenants and leaseholders are not being charged for this work.

6.2 Fire Risk Assessment publication

6.2.1 In line with the Council's commitment to work with residents, in October 2017 we published updated FRAs on the council's website for the 71 blocks which are 6 storeys and above. These FRAs can be found at:
www.lbhf.gov.uk/housing/hf-fire-safety-plus/register-fire-risk-assessments-hf-tower-blocks-six-storeys-or-more

6.2.2 We are currently making arrangements to make it easy for all residents who would like to access the current FRA for their blocks to do so. This will be done by providing a mechanism to request FRAs online and we will publicise this access regularly. Adopting this approach will ensure that Hammersmith and Fulham is working with residents to achieve best practice.

6.3 Fire Safety communal area checks

6.3.1 As reported to APSC in September 2017, during the summer the council undertook a housing management Fire Safety Plus check of all communal blocks. It has made information about these checks available on the website. This is another example of Hammersmith and Fulham going beyond the minimum standards in our pursuit to be best in class in fire safety.

6.3.2 Housing management fire safety checks will form part of the quarterly estate inspection process. Officers will be provided with tablets to enable forms to be completed in situ, improving the efficiency of this exercise. At the heart of this approach will be how we can engage residents in these checks.

6.4 Items left in communal areas

6.4.2 To ensure the safety of all staff, residents, and visitors to all LBHF general needs, sheltered housing schemes and street properties, the council has confirmed to residents what can and cannot be left on balconies and other communal areas.

6.4.3 Letters have been sent out and posters placed in estates requesting that residents remove any items that pose a fire risk from communal areas. Where appropriate, Housing Officers will make arrangements for items to be removed and either disposed of or kept in storage for a period of time.

6.4.4 A consistent approach can now be adopted for all LBHF residential properties and the new procedure complies with the Health and Safety at Work etc. Act 1974 and Regulatory Reform (Fire Safety) Order 2005.

6.5 Fire Safety Residents Advisory Group (RAG)

- 6.5.1 A resident led Fire Safety Residents Advisory Group is being established to advise and make recommendations on the delivery of the Fire Safety Plus programme. The group will also advise on the engagement strategy and communication methods. As residents they will champion the importance of fire safety vigilance.
- 6.5.2 Council residents, both tenants and leaseholders, will be asked to express their interest in joining the group. An introductory meeting will be held in December to explain the role of the group in further detail and the first official meeting will be held in January 2018. Training is being organised for those who are interested in participating. If residents are interested in participating they should contact Janey Carey, Head of Resident Involvement at janey.carey@lbhf.gov.uk.
- 6.6 LFB and H&F First Response Partnership
- 6.6.1 H&F have made a commitment to work closely with the London Fire Brigade to deliver innovative and cost-effective solutions aimed at supporting residents. The LFB Borough Commander has approached the council, seeking support for a co-located team of officers to provide a coordinated first-response front line service to residents.
- 6.6.2 The Partnership Proposal provides access to universal information, advice and preventative services through one single point of contact for people in the early stages of their needs. The Hammersmith Fire Station has an ideal walk-in facility which is currently vacant and has capacity to co-locate 4-6 officers. The proposal is based on the success of the Redbridge First Response Service which has received positive feedback from both professionals and service users and has been recognised nationally with an award for innovation.
- 6.7 Engagement Strategy
- 6.7.1 All three phases of the Fire Safety Plus booklet distribution have been completed and a Fire Safety Plus poster is being displayed in communal areas of blocks and sheltered accommodation. A copy of this poster can be found at Appendix 3.
- 6.7.2 In line with good practice, a further leaflet is being produced advising residents on gas and electrical safety in the home. As part of this we will also publicise again the opportunity for people to have a Fire Safety Plus visit.
- 6.7.3 Updates on the roll out of the Fire Safety Plus programme have been provided at the Housing Representatives Forum and at the Housing Borough Forum meetings and will continue to be provided on a regular basis until the programme completes.
- 6.7.4 Fire Safety RAG to inform and guide future communication and engagement with residents.

6.7.5 Lessons of good practice from the London Councils Communication Group (established following the fire at Grenfell) will be incorporated into future engagement exercises. The introductory meeting took place on 25 September and provided the opportunity for Boroughs to discuss current challenges when engaging with residents. The issues raised will form the agenda going forward.

7. Health and safety compliance management

7.1 Housing Property Services 'Compliance Action Plan' (CAP) provides oversight to ensure the department achieves and maintains regulatory compliance in relation to LBHF housing portfolio.

7.2 The 'Compliance Action Plan' process outlines the strategy areas required to achieve compliance, key areas are:

1. Education and Training to achieve high visibility, responsibility, and engagement
2. Governance and Performance
3. Separation of Duties
4. Audit - Internal and External
5. Data Systems
6. Gap Analysis
7. Process Control
8. Risk Profiling and Rating

7.3 The CAP covers housing's key compliance areas with experienced managers allocated to oversee and report on eight individual compliance areas. The CAP key compliance areas currently include:

1. Compliance Management
2. Fire Safety
3. Asbestos Management
4. Gas and Carbon Monoxide
5. Water Management
6. Electrical Safety
7. Lift Maintenance
8. Play equipment

7.4 Progress on the CAP is monitored weekly with Corporate Health & Safety and Housing Property Services representatives

7.5 Geometra compliance database is an online compliance management system which is being used on a phased basis to monitor and manage all compliance areas, and provide accurate record keeping and management performance information.

8.0 Compliance updates

- 8.1 **Fire Safety:** FRAs will be updated in line with our Fire Safety Strategy which was set out at APSC in June 2017. All blocks requiring an FRA have one in place. In addition, we have commissioned external experts to validate all of our FRAs for blocks of 6 storeys plus and sheltered blocks. This validation programme is due to be completed in December 2017.

We have a scheduled rolling programme to update FRAs for blocks. This is a prioritised approach whereby blocks of six storeys plus will be updated every six months and blocks which are 2-5 storeys will be updated every 12 months. FRAs will also be updated in between when physical works are undertaken which necessitate a new FRA.

There is currently one Fire Enforcement Notice which the council is working to resolve, this is at Robert Gentry House. Officers are currently working through the issues identified by the LFB and an action plan has been put in place to address the issues. This is due for completion February 2018.

- 8.2 **Asbestos:** In meeting our legal requirements we must maintain an up to date asbestos register, and ensure there is a programme of surveys with a central database and appropriate control over the works being carried out for removals. With regards to asbestos performance we have an improvement programme in place which is on target for implementation in March 2018. Workstreams are focussed on ensuring processes are in place to appropriately manage asbestos and comply with regulations. Data integration is taking place to merge the two sets of asbestos data together. Once merged these will be entered onto the Geometra system. This will be the next module to go live.

- 8.3 **Gas:** We are currently meeting our landlord gas safety certificate targets with performance at 100% and 0 cases currently in a legal process. Post inspection checks are carried out by PCM with a target of 20%. We are currently at 17.5% and additional measures around access issues are being put in place to ensure that over the programme period we achieve the 20% target. A new electronic way of collecting the information from post inspections is in place from 1 September 2017. This provides more control to the department over data collected and how it is reported. A gas safety leaflet is being produced to send out to residents in December 2017.

- 8.4 **Electrical:** Performance against the annual inspection programme is ahead of target. This is due to be completed at the end of the financial year and we are currently at 55.18% (6 months). As with gas we are undertaking quality assurance audits of 20% on domestic and commercial electrical works. Performance currently stands at 17.5% and additional measures are being put in place to ensure that we achieve the 20% target over the programme period. An electrical safety leaflet is being produced to send out to residents in December 2017.

- 8.5 **Lifts:** We are currently reviewing lift maintenance policies and processes. Inspections are being carried out by the in-house Engineers who check the

progress and sign the work off. The servicing programme for lifts is currently on track to complete in April 2018 in line with the target date.

8.6 **Water:** Our programme of testing is now up to date. All 25 of the outstanding properties reported in the annual report have now been accessed. A new no access policy is being written to address this across all compliance areas. A review of the plant and stock condition data is underway.

8.7 **Play equipment:** Pinnacle are in charge of looking after the play areas under the estate services contract. As of October 2017, Estate Services manage and oversee the performance of caretakers' weekly inspections and the ARD Playground contract including inspections and follow-up repairs. Caretakers have a register which is held online and is currently being updated.

9.0 Equality Implications

9.1 The Council has a statutory duty towards the health and safety of all residents living in its properties.

10.0 Legal Implications

10.1 The Council is responsible for health and safety checks in a range of premises, both as an employer and a landlord. It has statutory obligations under various pieces of legislation, a contractual obligation to its tenants and leaseholders and a duty of care to ensure the safety of residents.

10.2 It is important that the Council has robust procedures and policies to ensure compliance with its legal obligations. Non-compliance could pose a health and safety risk and result in a criminal prosecution.

10.3 Implications completed by: Janette Mullins, Senior Solicitor (Housing Litigation), 208 753 2744

11.0 Financial Implications

11.1 It is envisaged that the cost of the additional posts created and specialist contractors commissioned will be funded in 2017/18 from existing resources available within the Housing Revenue Account.

11.2 These costs will be closely monitored and any potential variance will be subject to a mitigating action plan and reported via the Council's corporate revenue monitoring regime.

11.3 Implications completed by: Danny Rochford, Head of Finance, 020 8753 4023.

12.0 Implications for Business

12.1 There are no impacts for businesses in the borough.

13.0 Other Implications

13.1 None

14.0 Background Papers Used in Preparing This Report

14.1 None

LIST OF APPENDICES:


Appendix 1 - Fire Safety Plus Programme Phase 1

Appendix 1 - Fire Safety Plus Programme - Phase 1

Estate / Name of Block	Storeys	no of homes	Works to be undertaken
Edward Woods Poynter House	23	176	1) Installation of additional corridor compartmentalisation door on each floor 2) Ventilation reconfiguration works to Penthouse Floor 3) Installation of Automatic Operating Vents 4) Conversion to 1 x Fire Fighting Lift Sprinkler feasibility being undertaken FD30s fitted recently
Edward Woods Norland house	23	180	1) Installation of additional corridor compartmentalisation door on each floor 2) Ventilation reconfiguration works to Penthouse Floor 3) Installation of Automatic Operating Vents 4) Conversion to 1 x Fire Fighting Lift FD30s fitted recently
Edward Woods Stebbing house	23	177	1) Installation of additional corridor compartmentalisation door on each floor 2) Ventilation reconfiguration works to Penthouse Floor 3) Installation of Automatic Operating Vents 4) Conversion to 1 x Fire Fighting Lift FD30s fitted recently
Charecroft Shepherds Court	19	96	Window replacement to all homes Window replacement to all corridors and communal areas Installation of FD60 Front Entrance Doors Replacement of Lifts (Feasibility of Fire Fighting Lifts to be undertaken) Sprinkler feasibility being undertaken
Charecroft Bush Court	19	102	Temporary panel replacement Window replacement to all homes Window replacement to all corridors and communal areas Installation of FD60 Front Entrance Doors Replacement of Lifts (Feasibility of Fire Fighting Lifts to be undertaken)

(Continued on next page)

Charecroft Woodford Court	19	113	Temporary panel replacement Window replacement to all homes Window replacement to all corridors and communal areas Installation of FD60 Front Entrance Doors Replacement of Lifts (Feasibility of Fire Fighting Lifts to be undertaken)
Charecroft Roseford Court	19	113	Temporary panel replacement Window replacement to all homes Window replacement to all corridors and communal areas Installation of FD60 Front Entrance Doors Replacement of Lifts (Feasibility of Fire Fighting Lifts to be undertaken) Sprinkler feasibility being undertaken
Sullivan Court	3x6 1x7	91 71	Installation of FD60 Front Entrance Doors

<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p>6 December 2017</p>	
<p>CORPORATE HEALTH AND SAFETY UPDATE - APRIL 2017 TO OCTOBER 2017</p>	
<p>Report of the Director for Environmental Health</p>	
<p>Open Report</p>	
<p>Classification: For review and comment Key Decision: No</p>	
<p>Consultation: Strategic leadership team</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: Nicholas Austin, Lead Director for Environmental Services</p>	
<p>Report Author: Richard Buckley, Head of Environmental Health (Residential) & Corporate Safety</p>	<p>Contact Details: Tel: 020 753 3971 Richard.Buckley@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. A six-monthly update on corporate Health & Safety was requested by members at the September 2017 Committee. This report has been brought ahead of the original timetable of February 2018 as part of work to assure members following the Grenfell and Parsons Green major incidents.
- 1.2. This report provides an overview of the performance of the organisation to comply with its health and safety duties in law for the period April 2017 to October 2017.
- 1.3. As reported in the corporate risk register presented to Committee in September 2017, the definitive position of the health and safety compliance of our corporate buildings under the Total Facilities Management Amey contract remains unknown because of contractor shortcomings. The latest information suggests evidenced compliance, based on 67 criteria, of 48%. This report details the full mitigation arrangements/ plans in place and notes that work is underway of the Council's contractual and commercial options to safeguard its position now and in the future.

2. PROPOSAL AND ISSUES

- 2.1. As an employer and a landlord, the council must take steps to identify foreseeable risks and put in place measures to reduce those risks to as low as practicable.
- 2.2. The council's corporate health and safety policy and accompanying procedures set out the overarching organisational arrangements to fulfil our duties, clearly outlining the responsibilities of Members, management and staff.
- 2.3. Corporate health and safety compiles a risk register of key, known organisational hazards, which it develops in discussion with departments and reports to corporate risk management. The risk register informs the corporate health and safety business plan and audit programme.

3. ENFORCEMENT AUTHORITIES INSPECTIONS

- 3.1. The Health and Safety Executive (HSE) took no enforcement action during this period against the Council.
- 3.2. The LFB served an enforcement notice for Robert Gentry House. The Housing team are working with the LFB to meet the requirement of the notices and an action plan has been put in place to address the issues.

4. GOVERNANCE

- 4.1. Corporate health and safety policies are routinely reviewed and updated to reflect changes in regulations, management and operational matters. The corporate health and safety policy, the overarching document for the council, has been updated to reflect the permanent confirmation of the Chief Executive.
- 4.2. The overarching corporate fire safety policy has been reviewed and updated to reflect changes to the evacuation strategy for corporate buildings, which includes additional responsibilities for senior managers in the event of an emergency. The policy requires senior managers to ensure a minimum number of staff are trained fire evacuation officers. The policy sets out the standard to be met when carrying out fire risk assessments and responsibilities for managing corporate buildings.
- 4.3. The Chief Executive has formed a property assurance task force that meets fortnightly to monitor compliance in all property types and established a dedicated monthly strategic leadership team Assurance Board to review compliance across all areas of statutory responsibility.
- 4.4. Corporate procedures have been reviewed for lifts, water hygiene, asbestos, control of contractors and permit to work as part of an annual process.

5. AUDITS AND INSPECTIONS

Audits

- 5.1. Corporate health and safety undertake audits across the council's portfolio based on an assessment of higher risks.

5.2. Key audits results for this period are:

Waste management

Client management of the council waste contractor, Serco.

Waste management is an area of high risk for both staff and the public; particularly vehicle movements, sharps (e.g. needles/glass) and manual handling. At the time of auditing the council's management and compliance provision by the contractor was found to be good.

Supported housing

Adult Social Care commission supported housing in the borough; this is accommodation that the Council places vulnerable people in. In most cases we are not the landlord of these properties; they are mostly owned by Housing Associations. There are 35 in total. To date we have inspected four homes to review the fire risk assessments including: Shepherds Bush Road, Conningham Road, King Street and Hope Gardens. The fire risk assessments were found to be satisfactory and Inspections of the remaining supported housing properties will continue over the course of the year.

Corporate buildings

Hammersmith Town Hall asbestos audit.

Overall health and safety assurance was found to be low due to the absence and incomplete documentation on site. Recommendations have been made requiring Amey to ensure inspections are carried out on time and by competent individuals and actions from the audit completed by January 2018.

The following audits are in the process of being undertaken, namely Cobbs Hall (asbestos audit), Bagley's Lane (asbestos) and Linford Christie (water management).

5.3. The following key audits will be undertaken in the next six months:

- Council's client management arrangements of the service provided by 3BM (mutual) in schools overseeing compliance areas such as asbestos management
- Review of gas safety contract management of Mitie by Housing
- Review of lift safety management across all areas of the council
- Further audits of supported housing in Adult Social Care
- Audit of the council's client management of contractor for parks
- Audit of the contract management of our highway contractor.

Inspections

5.4. In addition, Corporate health and safety carried out a number of site visits to libraries and youth court for familiarisation with the buildings as part of its review of violence and aggression to staff, including:

Cobbs Hall (Youth Offending Team)
Askew Library
Fulham Library

Hammersmith Library
Highbury Court
Shepherd's Bush library
Hammersmith Town Hall
Shepherd's Bush Library
Hammersmith Library
Askew Library
Archives.

6. TOTAL FACILITIES MANAGEMENT

- 6.1. Facilities management of corporate buildings has been provided by the contractor Amey. Client management of the contract by the LINK, which is hosted by the Royal Borough of Kensington and Chelsea, is under contractual review and is changing. Hammersmith and Fulham have given notice to end its relationship with LINK due to shortcomings with the service received. However, exit arrangements being finalised and therefore still some dialogue with LINK is undertaken.
- 6.2. Earlier in the year, in March 2017, the LINK under the contractual arrangements formally stepped in to address non-compliance by Amey. Croners, external consultants in compliance, were engaged by the LINK (at Amey's expense) to undertake enhanced monitoring and audits. Amey, working by agreement, would rectify any non-compliance areas. Sixty-seven compliance definitions were agreed to ensure no ambiguity.
- 6.3. In August 2017, as Amey had failed to meet targets set by the LINK, the LINK stepped in to manage areas it considered of highest risk based on the audit results from Croners including: Fire dampers, fire doors, sprinkler systems, smoke extract and local exhaust ventilation systems. The LINK, report the following results of their step-in programme:
- Audits for category 1 and 2 buildings are complete.
 - Fire damper survey, maintenance and remedial works complete.
 - Local exhaust ventilation survey, maintenance and remedial works complete.
 - Fire door surveys for category 1 buildings¹ are complete with remedial works being planned in.
 - Fire door surveys for category 2 buildings² commenced Monday 23rd October.
- 6.4. The LINK (client manager for Amey) has also had to step in to supervise new fire evacuation plans for all relevant H&F buildings. However, at the time of writing these remain outstanding.
- 6.5. At APS Committee in September 2017, corporate health and safety reported that the definitive position on health and safety compliance in our buildings was unknown. The LINK now (as of 10/11/17) report that the overall position,

¹ Category 1 buildings are the main corporate site such as the Town Hall and 145 King Street.

² Category 2 buildings are smaller and house specific services such as Cobbs Hall.

based on 67 compliance criteria, as evidenced by certification, is at an unacceptable rate of 48%.

- 6.6. Corporate health and safety meet monthly with the LINK, Corporate Property, Risk Management and Amey as part of its oversight of performance. At a meeting, 26 October 2017, it was concluded, based on most recent audits by Croners that there is low confidence that Amey will achieve 100% compliance against the set criteria this calendar year despite previous assurances. Additional audits (of all health and safety compliance areas) by Croners, overseen by the LINK, with all relevant stakeholders invited, are currently ongoing.
- 6.7. In light of the unacceptable reported level of compliance, and low confidence in the ability of Amey to rectify the issue speedily, Corporate Property in Hammersmith and Fulham has reviewed its position and is undertaking its own compliance management. A subject expert has been employed and is formalising its own step in arrangements. A project is underway to achieve full compliance.
- 6.8. An update will be provided to APS Committee in April 2018 or before as needed.

7. HOUSING

- 7.1. Corporate health and safety are meeting weekly with Housing to have an operational oversight of compliance. In addition, we meet fortnightly with the Lead Director for Housing as part of a strategic board. There is now a strong, robust client management team in place.
- 7.2. Housing will report the current position in a separate report to Audit Committee 6 December 2017.
- 7.3. There is currently one Fire Enforcement Notice which the council is working to resolve, this is at Robert Gentry House. Officers are currently working through the issues identified by the LFB and an action plan has been put in place to address the issues. This is due for completion February 2018.
- 7.4. In the private sector, following the tragedy at Grenfell, Environmental Health are undertaking work as requested of all council's by DCLG to identify any private residential towers over 18 metres in the borough that may have aluminium composite material. Environmental health have identified 10 buildings of interest and have written to the owners requesting they undertake further investigations and sample testing as needed. Environmental Health are working closely as part of this process with DCLG and LFB.

8. SCHOOLS

- 8.1. There are 20 community schools in Hammersmith and Fulham including a nursery and four special schools. The schools have responsibility for day to day management of health and safety on the ground but as the employer the council have an overarching legal duty of care for the staff and pupils.
- 8.2. To fulfil our duties, corporate health and safety undertake, as a minimum, an annual audit and review accident/incident reports received from schools via our on-line system. In addition, we provide competent advice as required.

Avonmore and Kenmont community schools are to be audited by Christmas and the remainder between January and July as per the 2017-18 academic year.

- 8.3. Corporate health and safety recently reviewed in conjunction with 3BM (the employee-led Mutual set up to provide strategic advice to the council and support to schools in areas such as compliance) fire safety risk assessments. All community schools were found to have a fire risk assessment in place. Work is ongoing with 3BM, all the schools will have a reinspection to ensure they meet required standard. Recommendations arising will be prioritised and followed up. Corporate health and safety will check on these when auditing a school.
- 8.4. 3BM also undertake annual reviews of asbestos surveys and management plans on behalf of the council. Again, this is checked as part of the annual corporate safety audit.

9. TRAINING

- 9.1. An on-line health and safety awareness training package, Awaken, commenced roll out from April 2017 across the organisation. Training is a legal requirement and a key control measure for reducing risk. The core training includes health and safety awareness, fire safety awareness, stress management, manual handling and workstation assessment. All new staff must undertake the training on commencing with the council (it is linked to Agresso and is automated). Staff must complete refresher training at least every two years.
- 9.2. To date 44% of staff have completed the on-line training. A series of actions have been put in place to increase the take up of this training as staff and managers familiarise themselves with the new software. All Directors as well as managers will now receive automated email progress reports for staff under their direct line management. Progress will be tracked at the assurance taskforce.
- 9.3. Fire evacuation officer training continues to be rolled out. A part 2, site specific induction training, has been provided by Amey, with 37 staff attending during this reporting period. Every department is required to ensure 1 in 4 staff are trained as fire evacuation officers; to date 109 staff are trained.
- 9.4. Corporate health and safety is currently sourcing bespoke training for staff with responsibility for premises control in corporate buildings and schools.
- 9.5. Managers are required to attend the Health and Safety – Managers Essential course. Take up has been below our expectations, so further promotional work is underway and the course has been shortened to half a day.
- 9.6. Further risk assessment classroom based training sessions have been rolled out for managers. Managers are required to carry out risk assessments of their service and ensure adequate and suitable control measures are in place. The aim of the training is to assist managers in carrying out this task confidently.
- 9.7. A framework of mandatory and required training for all staff, based on the nature of the role, is in place and is closely monitored as part of a further set

of measures to improve health and safety awareness and provide the relevant skills for staff. In addition, a new health and safety section is being put forward as part of the annual assurance statement that directors must sign confirming compliance.

10. ACCIDENTS AND INCIDENTS

- 10.1. Accidents and incidents are logged by staff on the council's on-line system. The system is linked to Agresso so when a member of staff makes a report the manager will receive an automated message requiring that the incident is investigated and measures put in place to prevent recurrence.
- 10.2. The corporate health and safety team review all reported incidents and escalate where managers have not completed the relevant sections.
- 10.3. Under regulations (RIDDORS), more serious and significant accidents and incidents are reportable to the HSE. During April 2017 to October 2017 there were no RIDDORS reportable incidents.
- 10.4. A breakdown of reported incidents and accidents is outlined in appendix 1. Areas of note are the increase in the number of violent and intimidation incidents reported. There has been a steady increase in this category since 2015. This is in particularly evident in libraries, partly due to improved reporting but mainly from an increase in unacceptable behaviour from some clientele. Corporate health and safety is analysing each incident and working with libraries to explore solutions such as increased conflict training and early identification of the signs. It is important that managers review every incident and look at control measures and seek advice from corporate safety.
- 10.5. As part of risk assessment inspections, stress assessments are included and managers are reminded of the Health and Wellbeing portal available for all staff on how to manage stress and reduce risk of its occurrence. Corporate health and safety undertake the HSE stress assessments as requested
- 10.6. Long-term stress/anxiety absence accounts for 10% of the Council's long-term recorded absence, whilst stress overall accounts for 14% of absence currently. The number of days lost is the equivalent to 5 FTE (full time employees). This is the largest percentage of all absence.

Table 1 Long term sickness over a 12-month rolling period

Department	Number of Employees	Working Days Absent	Average of Working Days Absent
Environment Services	6	312	52.0
Finance and Corporate Services	3	69	23.0
Housing and Regeneration	5	160	32.0
ASC and NHS Integrated Commissioning Department	2	191	95.5
Children's Services	5	412	82.4
Total	21	1144	54.5

- 10.7. MIND mental health training was arranged for staff and separate session for senior managers. This was done in collaboration with HR Workforce Strategy to help promote good mental health and an understanding of signs and coping strategies. MIND will be running lunchtime drop in sessions and training as part of the Council's corporate offer.
- 10.8. In addition to the Council's occupational health service, an employee assistance programme is provided, that can provide counselling services, stress management techniques and can support employees where the cause of stress may be none work related.
- 10.9. The Health and Wellbeing Hub online provides staff with information and resources to help staff in identifying and addressing the causes of stress, the symptoms and to speak out.
- 10.10. HR are currently reviewing management training offer, with the intention to focus on managers as a key resource for identifying and supporting employees when presenting symptoms of stress or anxiety and to spot early signs of this. This will include developing a house style for management expectations about how the council treat, manage and develop staff.

11. CONCLUSION

- 11.1. Understanding the potential risks from our activities to our staff, tenants, residents and the wider public. and how the council control them are fundamental. The recent tragedy at Grenfell Tower and incident at Parsons Green have heightened the need for more robust assurance. The Council are putting in additional measures including:
 - additional assurance monitoring by the Chief Executive and Strategic Leadership team
 - inspections by Corporate health and safety of areas outside the Councils direct control, such as supported housing for vulnerable persons, but for which we have a legal and moral duty of care
 - closely reviewing the take up of mandatory training and drive to increase uptake by staff
 - reviewing and updating procedures and policies, for example fire safety
 - working closely with libraries to respond to the increase in violence and aggression
 - Corporate health and safety team working in tandem with Human Resources and the Strategic Leadership Team
 - ensuring clear accountability for managers
- 11.2. There are key areas of risks around the council's corporate buildings owing to sub contractor failings, which are unacceptable. Robust action is being taken to achieve compliance against contractual obligations.

- 11.3. This report provides an overview of known key issues and the performance of the organisation in achieving compliance in all areas of health and safety. Scrutiny by the committee is an important check and balance, holding those responsible for ensuring safety to account. It is however only a sample and it must be understood by managers and Members that in making decisions about services that health and safety must be considered as part of the overall process. Responsibility lies with every individual.

12. LEGAL IMPLICATIONS

- 12.1 The legal implications are covered within the body of the report to include the Risk Management comments below.
- 12.2 *Implications verified/completed by: Joyce Golder, Principal Solicitor, Tel: 020 7361 2181*

13. FINANCIAL IMPLICATIONS

- 13.1. There are no financial implications to be considered.
- 13.2. *Implications verified/completed by: Lucy Varenne, Finance Manager, telephone 0207 341 5777.*

14. RISK MANAGEMENT

- 14.1. This report is linked to the Corporate Risk Number 8, Managing Statutory Duties, including Health and Safety. Councils now regularly face challenges in terms of their ability to control and manage what goes on in buildings which they own and which are used by staff or clients for which they have legal responsibility.
- 14.2. In addition to this Councils are faced with a wide range of Health and Safety responsibilities that fall on building occupiers. We are faced with the situation where day to day responsibility and the majority of available resources are delegated to contractors but with the ultimate accountability remaining at corporate level within the Council. The discovery of non-compliance could result in the Council being faced with damage to its reputation, financial loss or individual officers faced with legal proceedings and in the worst case, lives of building users could be lost. Under the Management of Health and Safety Regulations 1999 employers have a duty to ensure that the necessary arrangements are in place to monitor and review any preventative and protective measures that have been implemented. To that extent this report contributes to that duty in that it provides an overview to Members of the health and safety management system employed.
- 14.3. *Implications verified/completed by: Michael Sloniowski, Principal Consultant (Risk Management), 020 8753 2587.*

Appendix 1 Accident and Incident data

Total number of Accident/Incident reports between April – September 2017 (table 1)

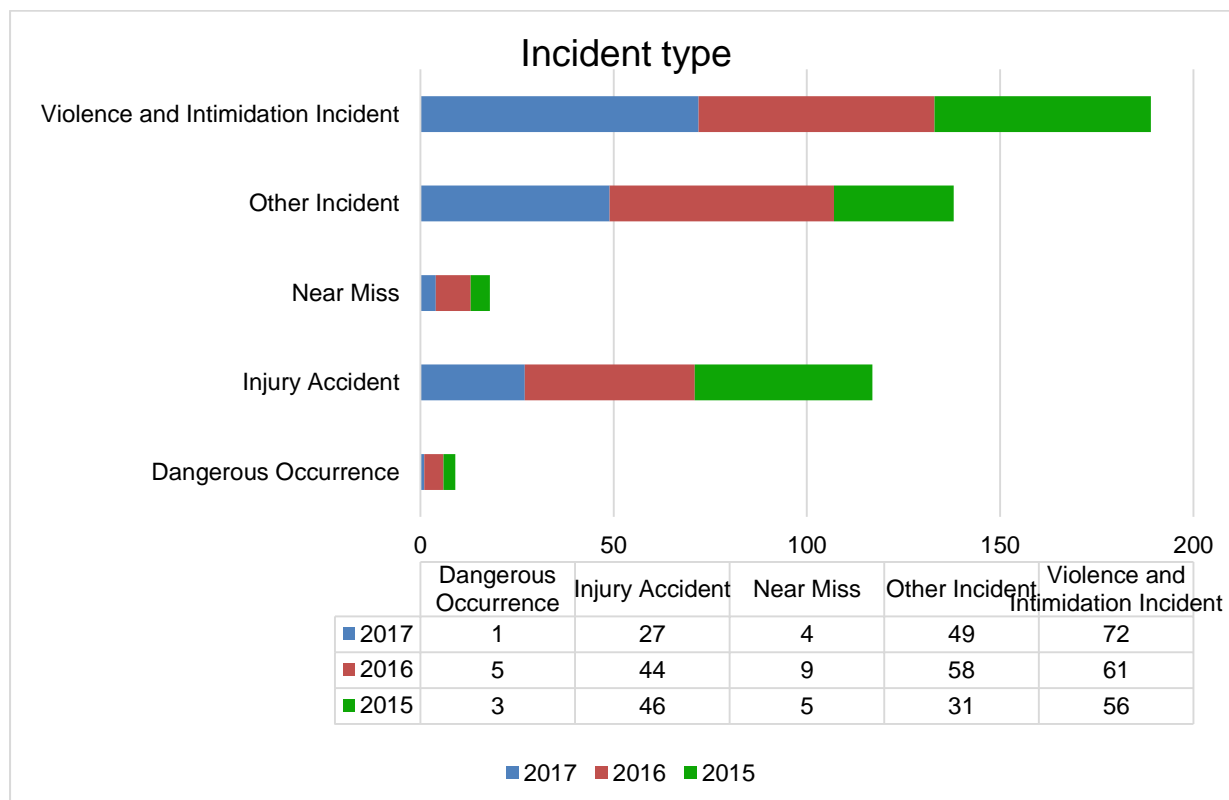
There has been a decrease in the number of reported injury accident and other incidents since 2016 as can be seen in table below. Several factors impact the number reported, such a change in activity/service, headcount, control measures in place and under reporting.

Incident category	2017	2016	2015
Dangerous Occurrence	1	5	3
Injury Accident	21	44	46
Near Miss	4	9	5
Other Incident	49	58	31
Violence and Intimidation Incident	72	61	56
Total	153	177	141

Violence and intimidation incidents continue to be the greatest number reported compared to other categories. There has been a steady increase in this category over the past three years during the same period. Managers are requested to review the cause and control measures for each incident report.

There is continuing work on the incidents categorised as 'other' to ensure these are reported accurately and any theme/trend can be identified. Accurate reporting is essential to help identify level of risk and control measures.

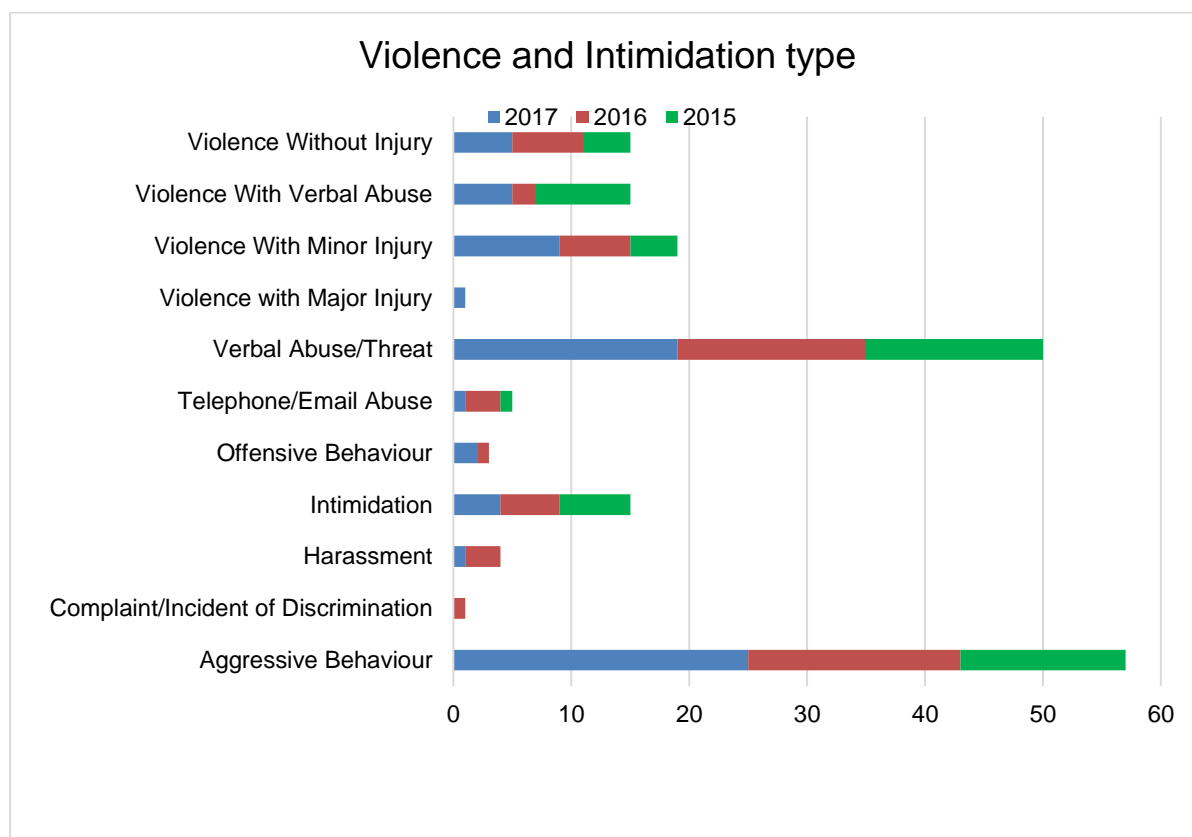
Although 1 dangerous occurrence reported in this period, this was not a RIDDOR and therefore not reported to the HSE. Managers are requested to ensure incidents are reviewed promptly and accurately.



There has been an increase in the number of reported Violence and Intimidation incidents, compared with 2016 and 2015. It can be seen that the category 'other' has had a reduction of 11 incidents in 2017. These could be incidents that have been categorised as Violence and Intimidation.

Type of violent and intimidation type incidents (table 2)

There has been a slight increase in the number of violence or abusive incidents, 25 compared to 18 in 2016 and 14 in 2015. Due to the overall low numbers reported it is premature to conclude at this stage whether there is a trend in a particular service area. The one incident reported as Violence with Major Injury was a youth worker who was assaulted whilst trying to protect the young individual being accompanied to court. Risk assessments, training and assistance from the court service are all under review. Awareness, training, and suitable risk assessments all contribute towards a reduction in incidents but also an increase in reporting. Corporate Health and Safety are reviewing incident classification to ensure correct reporting.



	2017	2016	2015
Aggressive Behaviour	25	18	14
Complaint/Incident of Discrimination	0	1	0
Harassment	1	3	0
Intimidation	4	5	6
Offensive Behaviour	2	1	0
Telephone/Email Abuse	1	3	1
Verbal Abuse/Threat	19	16	15
Violence with Major Injury	1	0	0
Violence With Minor Injury	9	6	4
Violence With Verbal Abuse	5	2	8
Violence Without Injury	5	6	4
Total	72	61	56

Incidents by department (table 3)

During the first six months of the year, Libraries, followed by Regeneration, Planning and Housing Services have reported the highest number of incidents, 39 and 37. Comparison with the same period in 2016 and 2015 is not possible due to the change in departments and reclassification of some services. Overall, we know from table one there has been an increase in the number of reported incidents. Although it was stated above about their being one dangerous occurrence reported. The others listed below are classified incorrectly and service managers have been requested to review the incident and update the category.

Environment, Leisure and Resident Services	
Injury Accident	5
Violence and Intimidation Incident	2
Total	7
Transport and Technical Services	
Dangerous Occurrence	1
Injury Accident	4
Other Incident	4
Violence and Intimidation Incident	14
Total	23
Finance and Corporate Services	
Other Incident	10
Violence and Intimidation Incident	8
Total	18
Housing and Regeneration	
Dangerous Occurrence	2
Injury Accident	5
Near Miss	2
Other Incident	9
Violence and Intimidation Incident	19
Total	37
ASC and NHS Integrated Commissioning Department	
Injury Accident	3
Near Miss	1
Other Incident	2
Violence and Intimidation Incident	5
Total	11
Children's Services	
Injury Accident	5
Other Incident	3
Violence and Intimidation Incident	8
Total	16
Corporate Services	
Injury Accident	1
Other Incident	1
Total	2
Libraries and Archives	
Injury Accident	3
Near Miss	1
Other Incident	19
Violence and Intimidation Incident	16
Total	39

Work has been carried out to ascertain whether in Library services with the highest number of 'other' incidents reported are categorised correctly and if any trend can be identified.

Team	Total	Violent and intimidation	Other Incidents	Injury	Near Miss	Cause of incident/pattern
Kensington Central Library	7	1	6	0	0	Two similarities - Laptop and mobile phone charger were stolen at different date and time - One reclassification to Violent and Intimidation.
Brompton Library	13	5	7	1	0	Similarities – Two vulnerable customers were aggressive and abusive on two occasions. One reclassification to Violent and Intimidation.
Fulham Library	12	6	5	1	0	No Pattern. Similarity with teenagers being disruptive
Hammersmith Library	8	2	5	1	0	The main issue for both VI&I incidents and other incidents were teenagers being disruptive. The youths were making noise and when told to leave, they refused. Police attendance was required in all the incidents.
Chelsea Library	7	4	3	0	0	Different individuals involved. There were some similarities - abusive language.
Askew Road Library	3	1	2	0	0	No pattern
Shepherds Bush Library	4	2	1	1	0	No similarity in pattern. The two V&I incidents were caused by two different individuals under different circumstances.
Notting Hill Gate Library	1	1	0	0	0	No pattern. Single incident of verbal abuse
North Kensington Library	6	2	0	3	1	No Pattern

Agenda Item 7

London Borough of Hammersmith & Fulham AUDIT, PENSIONS AND STANDARDS COMMITTEE 6 December 2017	 hammersmith & fulham
TREASURY MID-YEAR REVIEW 2017/18	
Report of the Cabinet Member for Finance – Councillor Max Schmid	
Open Report	
Classification: For review and comment Key Decision: No	
Consultation	
Wards Affected: None	
Accountable Director: Hitesh Jolapara, Strategic Finance Director	
Report Author: Halfield Jackman, Treasury Manager	Contact Details: Tel: 020 7641 4354 hjackman@westminster.gov.uk

1. EXECUTIVE SUMMARY

1.1. The purpose of this report is to:

- update Members on the delivery of the 2017/18 Treasury Management Strategy approved by Council on 22 February 2017; and
- note the Annual Treasury Strategy 2017-18 Mid-Year Review.

1.2. Treasury management comprises:

- managing the 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 and liquidity.

1.3. This report complies with CIPFA's Code of Practice on Treasury Management, and covers the following:

- a review of the Council's investment portfolio for 2017/18 to include the treasury position as at 30 September 2017.

- a review of the Council's borrowing strategy for 2017/18.
- a review of compliance with Treasury and Prudential Limits for the first six months of 2017/18.
- an economic update for the first part of the 2017/18 financial year.

1.4. The Council has complied with all elements of the Treasury Management Strategy Statement (TMSS).

2. RECOMMENDATIONS

2.1. The Committee is asked to note the Annual Treasury Strategy 2017-18 Mid-Year Review.

3. REASONS FOR DECISION

3.1. This report presents the Council's Mid-Year Treasury Report for 2017/18 in accordance with the Council's Treasury Management Practices.

4. TREASURY POSITION AS AT 30 SEPTEMBER 2017

4.1. As at 30 September 2017 net cash invested was £137m, an increase of £35m on the position at 31 March 2017 as shown below:

	30 September 2017	31 March 2017	31 March 2016
	£m	£m	£m
Total borrowing	217	225	232
Total cash invested	(354)	(327)	(299)
Net cash invested	(137)	(102)	(67)

4.2. The increase reflects the forecast pattern of the Authority's cash flows and largely relates to the timing of grants, council tax and business rates received.

Investments

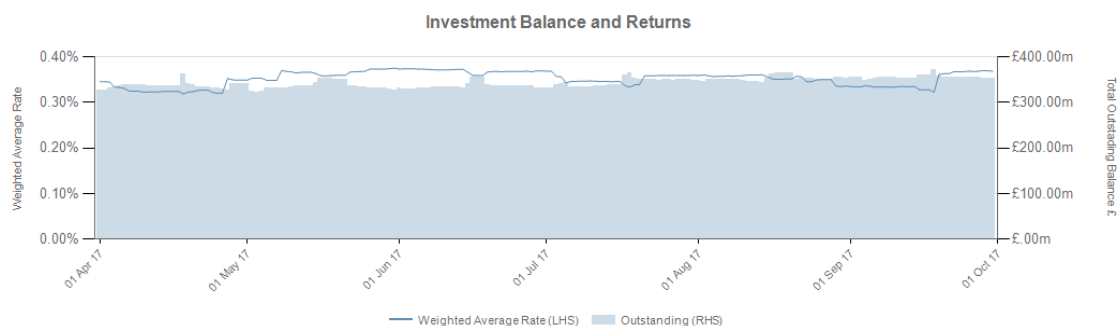
4.3. The Council's Annual Investment Strategy which forms part of the annual Treasury Management Strategy Statement (TMSS) for 2017-18 was approved by the Council on the 22 February 2017. The Council's policy objective is the prudent investment of balances to achieve optimum returns on investments subject to maintaining adequate security of capital and a level of liquidity appropriate to the Council's projected need for funds over time.

4.4. The table below provides a breakdown of investments, together with comparisons for the last financial year end.

	30 September 2017	31 March 2017	31 March 2016
	£m	£m	£m
Money Market Funds	37	38	34
Call Accounts	0	3	1
Notice Accounts	93	33	20
Term Deposits	65	45	40
Tradable Securities	99	208	204
Enhanced Cash Funds	60	0	0
Total cash invested	354	327	299

4.5. Liquidity is managed through the use of Call Accounts and Money Market Funds providing same day liquidity. The average level of funds available for investment in the first 6 months of 2017-18 was £344m.

4.6. Daily investment balances have steadily increased from £327m at year end to £354m at the 30 September, as shown on the shaded area in the chart below. At the same time average returns have increased from 0.36% to 0.38% as shown by the solid line in the chart. The rate of return of the enhanced cash funds (ECF) has not been included in the graph because they are classed as Variable Net Asset Value (VNAV)¹ and dividends are paid quarterly. However the ECF return is expected to be approximately 0.50% which increases the overall investment return to 0.43%.



4.7. All investment limits specified in the 2017/18 investment strategy have been complied with.

4.8. Appendix 1 provides a full list of the Council's investment limits and exposures as at 30 September 2017.

¹ The NAV of a fund that uses this form of accounting will change due to the changing value of the assets or in the case of accumulating funds (where any interest is capitalised back into the fund instead of being paid out as an income) by the amount of interest earned.

Borrowing

- 4.9. At £217m the Council's borrowing was well within the Prudential Indicator for external borrowing (namely that borrowing should not exceed the capital financing requirement² (CFR) for 2017/18) of £279m.
- 4.10. Currently the Council is "under borrowed" by £62m because it has used internal resources to fund capital expenditure.
- 4.11. As anticipated in the TMSS for 2017/18, to date the Council has undertaken no new borrowing due to the high level of cash holdings.
- 4.12. The table below shows the details around the Council's external borrowing as at 30th September 2017, split between the General Fund and HRA.

External borrowing	30 September 2017		31 March 2017	
	Balance	Rate	Balance	Rate
	£m	%	£m	%
General Fund	37	4.86	38	5.01
HRA	180	4.86	186	5.01
Total borrowing	217	4.86	225	5.01

- 4.13. No new borrowing was incurred in the first half of 2017-18. General Fund external borrowing reduced by £1.3m and HRA borrowing has reduced by £6.1m through repaying the principal on annuity loans.

5. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

- 5.1. During the financial year to September 2017, the Council operated within the Treasury Limits and Prudential Indicators set out in the TMSS and Budget approved by Council on 22 February 2017 as set out below.

² The CFR measures the Council's underlying need to borrow for capital purposes.

PI ref	Indicator	2017/18 indicator	2017/18 actual	Indicator met?
1	Net financing need	£20m	£19m	Met
2	Capital Financing Requirement (CFR)	£279m	£281m	Met
3	Net debt vs CFR	£62m underborrowing	£64m underborrowed	Met
4	Ratio of financing costs to revenue stream	GF (1.3%) HRA 12.2%	Nil	Met
5	Incremental impact of new capital investment decisions on council tax	£1.09 decrease in Band D council tax charge per annum	Nil	Met
6	Impact of new capital investment decisions on housing rents	£0.76 increase in average rent per week	Nil	Met
7a	Authorised limit for external debt	£345m	£217m	Met
7b	Operational debt boundary	£290m	£217m	Met
7c	HRA debt limit	£254m	£180m	Met
8	Working capital balance	£205m	£205m	Met
9a	Upper limit for fixed interest rate borrowing	£385m	£217m	Met
9b	Upper limit for variable rate	£0m	£0m	Met
9c	Limit on surplus funds invested for more than 364 days (i.e. non-specified investments)	£120m	£0m	Met
10	Maturity structure of borrowing	Upper limit under 12 months - 15% Lower limit 10 years and above -	4.4% 74%	Met Met

Capital expenditure and borrowing limits

- 5.2. Capital expenditure to 30 September 2017 was £21m for both the General Fund and the HRA against a forecast for the whole year of £127m.
- 5.3. 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. As a result of the significant level

of cash balances, it is deemed unlikely that any new borrowing will be required in the foreseeable future.

- 5.4. The purpose of the maturity structure of borrowing indicator is to highlight any potential refinancing risk that the Council may be facing if 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 2017 was within the limits set and does not highlight any significant issues.

Maturity structure of borrowing	Upper Limit (%)	Lower Limit (%)	Actual as at 30 September 2017 (%)
Under 12 months	15	0	0
12 months and within 24 months	15	0	2
24 months and within 5 years	60	0	10
5 years and within 10 years	75	0	14
10 years and above	100	0	74

- 5.5. The purpose of the interest rate exposure indicators is to demonstrate the extent of exposure to the Council from any adverse movements in interest rates. The table at paragraph 5.1 shows that the Council is not subject to any adverse movement in interest rates as it only holds fixed interest borrowing.
- 5.6. The average rate on the fixed interest borrowing is 4.86% with an average redemption period of 22 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 high making this option poor value for money.
- 5.7. The rates are comparable with loans for similar durations provided by the PWLB. There is some re-financing risk associated with these loans because of the lender option to increase interest rates.

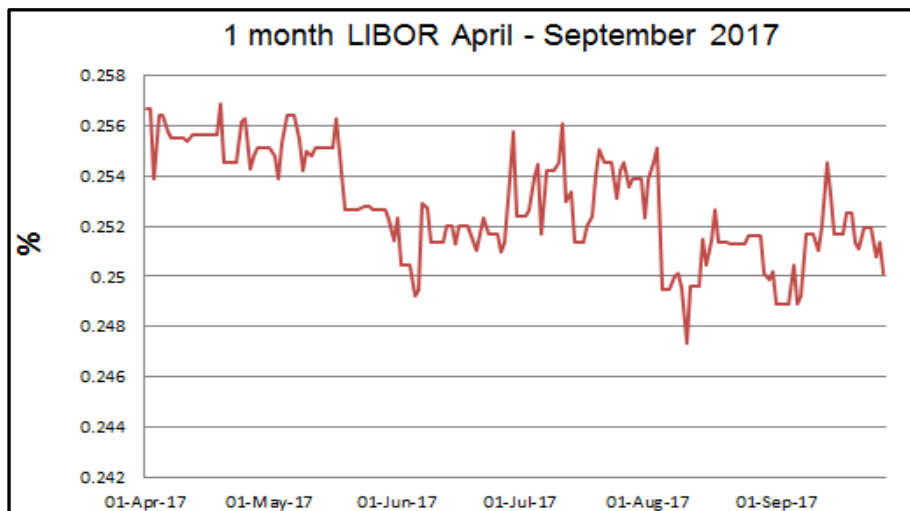
Investment limits

- 5.8. Investments in non-specified investments are currently at nil which is within the limit of £120m. Officers continue to seek appropriate longer term investment opportunities.
- 5.9. Whilst the short duration is within approved limits, there is scope within the Investment Strategy to extend the duration of investments for up to 5 years. Using longer duration investments and possibly marginally lower credit

ratings is likely to increase the yield the Council earns from its investments by up to £2m in a full year.

6. THE ECONOMY AND INTEREST RATES

- 6.1. UK Gross Domestic Product (GDP) rose in the first quarter of the financial year, showing a 1.7% year on year increase. This is however the slowest rate of growth since June 2016. Following the referendum vote to leave the European Union, the Organisation for Economic Cooperation and Development (OECD) initially reduced its forecast for growth in 2017 to 1%. However, the OECD now predicts that growth for the year will be 1.6%, with a forecast of 1% growth for 2018.
- 6.2. Consumer Price Inflation (CPI) is running at 2.6% year on year (0.6%, Q2 2016), rising above the Monetary Policy Committee's (MPC) 2% target sooner than the 2018 prediction, with expectations it will stay this way for the next two years. This has been mainly due to the recent fall in the value of Sterling having filtered through following the referendum result.
- 6.3. Bank Rate has remained at 0.25% for the year to date, with quantitative easing unchanged at £435bn. Following the recent inflation rises, the Bank of England (BoE) has signalled a potential increase in the Bank Rate. The minutes of the September BoE meeting stated "some withdrawal of monetary stimulus would be appropriate if inflationary pressures continued".
- 6.4. Long term interest rates have risen marginally, with 20 to 30 year Public Works Loan Board rates higher by around 15 basis points. If inflationary pressures continue and the Bank of England does raise interest rates, it will increase the Council's cost of borrowing. This is potentially significant as the Council is currently well below its near term capital financing requirement having delayed borrowing due to current surplus cash reserves. The Council may wish to consider taking on new long term borrowing should the threat of significant long term interest rate rises increase
- 6.5. The chart below shows movements in the 1 month London Interbank Offer Rate during the first half of the financial year:



7. MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II (MiFID II)

- 7.1 MiFID II was published in 2014 and comes into force on 3 January 2018. It aims to 'improve the functioning of financial markets'.
- 7.2 In July 2017 the Financial Conduct Authority (FCA) published its final advice on the requirement for UK local authorities under MiFID II
- 7.3 Under current MiFID regulations there are three categories of client:
- Retail Clients – individuals and small businesses, which are expected to have the least knowledge of financial markets and therefore need the most protection
 - Professional Clients – large businesses, which can be expected to employ professional staff with greater knowledge and therefore need less protection
 - Eligible counterparties – firms that deal in financial markets as their main activity and therefore need least protection
- 7.4 These categories will not be changed under the new rules. Currently local Authorities are categorised as professional clients, but can opt up or down as they see fit. Under the new Directive all UK local authorities will be classified as retail clients, and will have to opt up to professional status
- 7.5 Not all financial instruments are regulated under MiFID II e.g. simple term deposits with banks, building societies or the Debt Management Office. However, any use of brokers to place deposits, Money Market Funds, Enhanced Money Funds or instruments that can be classified as available for sale and held by a custodian would require professional status to allow continued use.
- 7.6 The Council will be seeking to opt up to Professional Client status where necessary.

8. EQUALITY IMPLICATIONS

- 8.1. There are no equality implications.

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications arising from this report.
- 9.2. *Implications completed by: Rhian Davies, Chief Solicitor (Litigation and Social Care)*

10. FINANCIAL IMPLICATIONS

- 10.1. This report is wholly of a financial nature.

11. IMPLICATIONS FOR BUSINESS

- 11.1 The Council's borrowing and investment activity up to the 30th September 2017. This represents significant expenditure within the Borough and consequently where supplies are sourced locally changes in borrowing or investment may impact either positively or negatively on local contractors and sub-contractors. Where capital expenditure increase, or is brought forward, this may have a beneficial impact on local businesses; conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.
- 11.2 Implications verified/completed by: Antonia Hollingsworth, Principal Business Investment Officer, tel. 0208 753 1698

12. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES:

Appendix 1 - Investment Limits and Exposures at 30 September 2017

Appendix 1 – Limits and exposures as at 30 September 2017

Category	Limit per Counterparty (£m)	Duration Limit	Counterparty Name	Current Exposure (£m)
European Agencies	£100m	5 years	European Investment Bank	20.5
			Kreditanstalt fur Wiederaufbau	3.7
Network Rail	£200m	Oct-52	Network Rail Infrastructure PLC	7
Supra-national Banks	£100m	5 years	International Bank of reconstruction and Development	23.1
UK Local Authorities	£20m per local authority; £100m in aggregate	3 years	Fife Council	10
			London Borough of Islington	10
			Cheshire East Council	5
			Wrexham County Borough Council	5
			Rhondda Cynon Taff Council	10
Money Market Funds	£30m per fund. £200m Total	Up to three day notice	Federated Sterling Liquidity Fund	30
			BlackRock ICS Institutional Liquidity Heritage Dis	6.6
Enhanced Cash Funds	£20m per fund. £60m in total	Up to seven day notice	Payden & Rygel Sterling Reserve	20
			Royal London Asset Mgmt Cash Plus	20
			Federated Prime Rate Cash Plus	19.9
Transport for London (TFL)	£100m	3 years	Transport for London	14.9
UK Banks (A-/ A3/ A-)	£50m	3 years	Barclays Bank Plc	25
			Lloyds Bank	25
			Goldman Sachs Intl Bank	20
UK Banks (AA-/ Aa3/ AA-) or UK Government ownership greater than 25%	£70m	5 years	Royal Bank of Scotland	30
			National Westminster Bank	0.3
Non-UK Banks (AA-/ Aa2/ AA-)	£50m	3 years	Svenska Handelsbanken AB	47.5
Total				353.5

Agenda Item 8

<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT PENSIONS AND STANDARDS COMMITTEE</p> <p>6 December 2017</p>	
RISK MANAGEMENT UPDATE	
Report of the Director for Audit, Risk, Fraud and Insurances – David Hughes	
Open Report	
Classification: For review and comment Key Decision: No	
Consultation: <i>All service departments were consulted as part of the quarterly review.</i>	
Wards Affected: None	
Accountable Director: David Hughes, Director for Audit, Risk, Fraud and Insurances	
Report Author: Michael Sloniowski, Risk Manager	Contact Details: Tel: 020 8753 2587 Michael.Sloniowski@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to provide members of the Audit, Pensions and Standards Committee with an update on risk management within the Authority, and presents them with the Corporate Risk Register for consideration.

2. RECOMMENDATIONS

- 2.1. The Members of the Audit, Pensions and Standards Committee are requested to:
 - a) note the contents of this report;
 - b) review and consider the contents of the Corporate Risk Register.

3. REASONS FOR DECISION

- 3.1. The Accounts and Audit Regulations 2015 states that the Council must ensure that it has a sound system of internal control which includes effective

arrangements for the management of risk. It is paramount that all risks are clearly identified, managed and reported through the relevant channel. Risks can never be entirely eliminated but proportionate and targeted action can be taken to reduce risks to an acceptable level. It is essential that managers and their teams manage risks to:

- achieve council priorities to put residents first;
- ensure robust financial management;
- protect staff and residents;
- protect valuable assets;
- maintain and promote the council's reputation.

4. PROPOSAL AND ISSUES

- 4.1. Risk is the uncertainty of an event occurring that could have an impact on the achievement of objectives, and is measured in terms of impact and likelihood. For the London Borough of Hammersmith and Fulham, risk management is the process whereby the council methodically addresses these risks to achieving its vision, corporate and operational objectives.
- 4.2. The Strategic Leadership Team and Chief Executive needs a full understanding of the Council's risks to fulfil its fiduciary duty. Managing risk is therefore part of everyday business for the Council and is a process that involves the early identification of risks, assessing their potential consequences and determining the most effective way to reduce the likelihood and/or impact of the risk.
- 4.3. The Council's approach to risk management requires Directors, managers and staff, through their Senior Management Teams, to:
- identify risks;
 - assess the risk;
 - agree and take action to manage the risk;
 - monitor and review risks.
- 4.4. This report provides the Committee with an update on corporate risk following recommendations by the Audit, Pensions and Standards Committee to undertake a fundamental review. The review was led by the Director of Audit, Risk, Fraud and Insurances and steered by the Strategic Leadership Team with input from Directors. Expectations have increased internally and by the public on how risks are identified, measured, and mitigated. This has resulted in a higher level of scrutiny of risk management and it is anticipated that this focus will continue for the foreseeable future.

Corporate Risk Register

- 4.5. The detailed Corporate Risk Register is attached as **Appendix 1**. There are currently 21 corporate risks of which are 14 are rated as high (red) 4 as medium (amber) and 3 as low (green) risks. All corporate risks have been reviewed, subject to more rigorous internal Officer challenge and updated where appropriate. The changes from the September 2017 version which was

approved by the Audit, Pensions and Standards Committee are summarised below.

Amendments:

- 4.5.1. Corp. 3: **Adult Social Care risks to achieving a balanced budget in 2017 2017.**
Revised corporate risk, previously reported as Better Care Fund risk.
- 4.5.2. Corp. 4: **Commercial Contract Management and Procurement**
Revised corporate risk, previously reported as Market Testing. Updated Management Controls and Actions.
- 4.5.3. Corp. 5: **Public Health Budgets**
Incorporated aspects of the Moving On Programme and reallocation of this risk to the Director of Adult Social Care.
- 4.5.4. Corp. 6: **Business Resilience**
Updated information in relation to the next scheduled Service Resilience Group meeting.
- 4.5.5. Corp. 7: **Information Management and digital continuity**
Updates to Management Controls and Actions following service re-organisations and the work in progress to meet the incoming Data Protection Regulations. This risk has been re-rated downwards to reflect lower take up by employees of Information Management Training. The General Data Protection Regulations sub-risk has been separately scored to indicate project readiness, the gap analysis and action plan.
- 4.5.6. Corp. 12: **Decision making and maintaining reputation and service standards**
Updates provided to reflect planned audits of risk management and corporate governance and the rolling out of risk management training as part of the learning and development programme offer commencing January 2018.
- 4.5.7. Corp. 16: **Compliance with Statutory Duties to undertake inspection regimes.**
This risk has been expanded to include corporate building and property management statutory compliance risks, management controls and actions and an update on the Housing Risks provided in the last Register.
- 4.5.8. Corp 20: **Moving On**
This risk has been updated with additional descriptions and relationships identified with other corporate risks. Updates have been made to the management controls and actions.
- 4.5.9. Corp 21: **Coroner's Office**
Risk reduced and an update provided on the description of the controls in place.

4.5.10. Corp 23: **King Street Regeneration Programme**

Update provided in line with the Committee's request and to reflect the recent launch of the public consultation on the new redevelopment proposal.

5. CONSULTATION

- 5.1. Consultation has taken place with the Strategic Leadership Team, Service Department Risk Representatives and Subject Matter Experts in Business Continuity, Insurances, Health and Safety, Commercial and Procurement, Internal Audit and Information Management.

6. EQUALITY, LEGAL, FINANCIAL BUSINESS, COMMERCIAL, AND IT IMPLICATIONS

- 6.1. There are no direct implications associated with the presentation of Risk Registers to the Strategic Leadership Team and Audit, Pensions and Standards Committee.

7. OTHER IMPLICATION PARAGRAPHS

- 7.1. A list of Corporate Risks is required in the narrative of the Council's Statement of Accounts. Risk Management is a statutory responsibility under the Accounts and Audit Regulations 2015. A relevant authority, the Council, must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk.

- 7.2. *Implications completed by Michael Sloniowski, Risk Manager, telephone 020 8753 2587.*

8. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES

Appendix 1 - Corporate Risk Register

Score	Key	Action
16-25	Red	High risk, immediate management action is required.
11-15	Amber	Medium risk, review controls for appropriateness and effectiveness
1-10	Green	Low risk, monitor and if escalates quickly check controls

LBHF RISK REGISTER CORPORATE LEVEL

APPENDIX 1

Review date 28/11/17

Ref	RISK	Assigned To	Residual risk assessment: Quarter 1 17/18				DOT	Residual risk assessment: Quarter 2 17/18				DOT	Target risk:			Reducing the risk		
			Likelihood	Impact	Overall			Likelihood	Impact	Overall			Likelihood	Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place
LBHF	✓		4	4	16	↓	4	4	16	→	3	3	9	Strategic Leadership Team review			November 2017	
1	Financial Management in year budget 2017/2018 and Medium Term Planning	Hitesh Jolapara, Strategic Finance Director, London Borough of Hammersmith and Fulham.	Management controls					Comments				Actions						
Page 104	The ongoing challenge of reshaping and delivering council services, within significantly reduced funding levels and increased demand pressures, remains a significant risk. This is both an in year risk and one going forwards over the medium term. As such, our approach to identifying savings includes undertaking specific service reviews, identifying and delivering savings through transformation portfolios, identifying other savings, additional income and commercial opportunities. In addition to gaps in revenue funding there are also some significant risks to funding the capital programme with reduced capital receipts and uncertainties on significant projects. Specific risks that will need to be reflected in the medium term financial strategy include continued additional costs of the Managed Services Provider and costs of the transition from the current Managed Services Provider for Finance and Human Resources to a new provider. In addition any financial implications Moving On from our shared services will also impact on the medium term financial strategy.		The council manages its financial risks through a range of controls including budget preparation, budget setting and a Budget Accountability Framework which updated the roles and responsibilities for managing, monitoring and forecasting income and expenditure against approved budgets. The level of reserves and balances are also regularly reviewed to ensure that account is taken of any financial risk. Financial Regulations and Financial Scheme of Delegation are in place. Regular in-year monitoring and reporting, review of future financial plans and assessment of financial risks and reserves are undertaken to ensure the financial plans are delivered. Corporate Revenue Monitoring Reports with identified risks reported to Cabinet, overspending departments prepare action plans with responsible Directors identified. 2017/18 Budget and Capital Programme agreed by Full Council in February 2017. Medium Term Financial Strategy reported to Finance and Delivery, Policy and Accountability Committee February 2017 detailing savings, growth, and risks. Mid-Year Treasury Report is presented to Finance and Delivery, Policy and Accountability Committee in accordance with the Council's Treasury Management Practices. Challenge meetings to challenge 2018/19 budget process scheduled take over the summer to Autumn.					The wider ramifications of the decision to leave the European Union are yet to be fully realised and felt in the national and local economy. Whilst there will be some opportunities there is also uncertainty that may affect areas of the economy, financial markets, interest and exchange rates, construction, grants from the EU, investment and other non-financial aspects such as staffing of Council services. Government focus on Brexit has also had implications for government policy in relation to local government finance, specifically the devolution of business rates. All of this is set in the context of continuing reductions in public funding and increased demand.				Challenge meetings over the summer and Autumn 2017 SLT to consider broader Council investment strategy for the future. SLT to consider any opportunities from the Moving On programme. PAC's to consider budget proposals in Jan 18 and Cabinet and Full Council to consider Budget Proposals in Feb 18.						

LBHF RISK REGISTER CORPORATE LEVEL

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	Risk cause and context		Assigned To		Likelihood	Impact		Overall	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place
LBHF	✓							4	4	16	New	3	3	9	Strategic Leadership Team review			November 2017
3	Adult Social Care Multiple risks to achieving a balanced budget in 2017/2018 and over the medium term.																	
Page 105	Related Issues: i) Nationally in the current financial year there is considered to be a funding gap for adult social care of £3bn. ii) Elements of the transformation programme have been escalated due to issues with delivery of savings. iii) Recovery plan for care costs in 2016/17 is being delivered. [Strategic Risk]		Lisa Redfern, Director of Adult Social Care		Management controls Further change our service model to put a greater focus on short term preventative and reablement interventions. Implement the Departments Commissioning Strategy which is exploring different mechanisms to resource and commission services in the future using 'care pathways' and different procurement models; Manage resource planning through the Department of Health, Association of Directors of Adult Social Services network and Local Government Association in relation to the Care Act; Pursue opportunities to develop more integrated and closer working with health colleagues, through the 5 year Sustainability and Transformation Plan, Better Care Fund and Whole Systems Programme. Careful negotiation and management with corporate teams regarding transformation and savings opportunities for the next medium term (2017-2020); a plan that balances continued ambition with feasibility. Continued careful monitoring and recovery work on home care overspend pressures. Corporate and Departmental Financial Management Strategies - including contingency plans. The designated Review Board for this risk is the LBHF ASC & Health Management Meeting and is further supported by a monthly finance management team meeting. . [Independence Assurance and Controls through Internal Audit and Financial Management]				Comments Revised from Better Care Act Funding Risk			Actions Continued work to recover the overspend. Monthly review of transformation and savings plan delivery and escalation system.						

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	Risk cause and context		Assigned To	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Likelihood		Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place	
LBHF	✓				16	➔	4	4	16	➔	3	3	9	Strategic Leadership Team review		November 2017		
4	Commercial Contract Management and Procurement		Management controls				Comments			Actions								
Page 106	1. Failure to commission/deliver high quality services at the best value to the taxpayer. 2. Inadequate forward planning. 3. Failure to comply with public procurement regulations 4. Lack of robust Member oversight. 5. Not achieving Social Value through procurement. 6. Insufficient contract performance management.		Michael Hainge Commercial Director Chief Executives Department				1. Business Delivery Team have corporate oversight on procurement. 2. Compliance with the council's decision making and procurement policies. 3. 2/3 year rolling procurement forward planning 4. Commercially led Significant Contract reviews. 5. Regular update of the Commercial Director to Finance and Delivery, Policy and Accountability Committee. 6. Contract registers is managed through the Capital e-Sourcing e-procurement system and will be hosted by the LBHF. 7. Regular training: e-procurement, commercial contract management, in-house procurement processes, decision making 8. Audits			1 Undertaking a review of significant contracts across the Council contracts register. 2 Identify improvement opportunities and any other potential contract savings. 3 Make available commercial management by IACCM training scheme and contract management workshops. 4 Identified the need to reduce direct awards and Standing Order waivers to remove the risk of challenge further down the line 5 Active promotion of the current procurement strategy and commercial contract management 6 Work closely with BDT team and departments to identify direct and non-compliance procurement approaches/processes 7 Commission audits			1. Establish commercial contract standards 2. Implemented contract improvement plans 3. Renegotiation/review of contracts that were procured on a tri borough basis. 4. Introduced a gateway approach for cabinet, CMD and procurement strategy sign off. 5. Ensure that commercial contract management activities take place across the departments 6. Challenge a culture of direct awards					

LBHF RISK REGISTER CORPORATE LEVEL

APPENDIX 1

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	Risk cause and context		Assigned To	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Likelihood		Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place			
LBHF	✓						4	4	16	➔	4	4	16	➔	1	1	1	Strategic Leadership Team review		November 2017
5	Public Health Budgets		Management controls				Comments				Actions									
Page 107	<p>1. Public Health Grant reductions - There is a risk that the Public Health funding could be reduced or removed due to the lack of clarity of what will happen once the current Public Health funding ringfence is reviewed. This is potentially linked to the Business Rates changes that have yet to be confirmed.</p> <p>2. Public Health Investment in other Council departments - Due to funding pressures on Local Government as a whole there is a risk that Grant funding may be needed to meet other departments budget pressures.d Health outcomes could be impacted.</p> <p>3. Prioritisation to improve population health outcomes - A prioritisation framework tool is in development to ensure Public Health resources are appropriately allocated to specific programmes or work/ services.</p> <p>4. Royal Borough of Kensington and Chelsea and WCC have decided to issue a termination notice to Hammersmith and Fulham ending Tri-borough arrangements in respect of Children's Services, Adult Social Care and Public Health Services.</p>		<p>Lisa Redfern, Director of Adult Social Care</p>				<p>1. PH Finance Business partners continue to undertake scenario planning and prepare various budget proposals about future reductions that the Public Health Grant will be subject to an average 2.6% reduction (in real terms) over the next 2 years. - Public Health team need to understand the impact of any changes as soon as possible and try to influence to ensure sufficient funding is maintained</p> <p>2. To ensure that ongoing monitoring of Public Health grant investments takes place</p> <p>3. The Public Health team are continually working to improve Public Health services through performance monitoring, service improvements and re-tendering. 2017 2018 Public Health Priorities and the Public Health outcomes monitoring.</p> <p>4. The Director of Public Services Reform is responsible for designing LBHF public health function moving forwards. Staff consultation in November 2017.</p>				<p>The Director of Public Health, commissioners and finance team are reviewing all contract outcome measures to ensure effective delivery against KPIs and key priorities.</p> <p>There is a Moving On programme board which will ensure that the process in run correctly and risks and issues are managed.</p>				<p>Going forward, the Public Health team will focus on Leading cross cutting programmes of work to tackle priority health outcomes, System leadership across the local health system, Prioritising Public Health resources (staff and finance) Understanding population health trends, Identifying gaps in service provision. Using evidence and analysis to re-design services, Contribute Public Health funding to achieve greatest impact on population health, Contribute specific skills in health economics, forecasting, epidemiology (the study of diseases) and statistics and evidence reviews to the commissioning process.</p>					

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	Risk cause and context		Assigned To		Likelihood	Impact		Overall	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place
LBHF	✓				4	4	16	↓	4	4	16	⇒	2	3	6	Strategic Leadership Team review		November 2017
6	Business resilience.		Management controls				Comments			Actions								
Page 108	1). Limited joined up systems, processes and resources in the event of a Royal Borough of Kensington and Chelsea and London Borough of Hammersmith and Fulham Business Continuity internal / external incident. 2) Non-availability of I.T. systems, cyber attacks. 3) Significant accommodation moves. 4) Increase threat of Cyber risks		Nicholas Austin, Director for Environmental Health, London Borough of Hammersmith and Fulham		Corporate Business Continuity Policies and Strategies have been agreed at the former Business Board at Hammersmith and Fulham and Management Board at the Royal Borough of Kensington and Chelsea, and updated accordingly, ensuring commonality for incident management. London Borough of Hammersmith and Fulham use Creditsafe for the assessment of contractor credit and liquidity risks. Owners of Priority 1 and Priority 2 classified services have been requested to ensure a their service continuity plans have a strategy in place to cater for the loss of service and critical suppliers, are self-tested and authorised by Directors. Risks are being identified and managed through the Service Resilience Group at Hammersmith and Fulham and via a themed Business Continuity Register including horizon scanning.				There have been a number of events ; Westminster Bridge 22/03/17. NHS Cyber ransomware attack 12/05/17 Manchester Arena Terrorism incident 22/05/17 London Bridge and Borough Market Terrorism 06/06/17 Grenfell Tower response to fire. 14/06/17 Finsbury Park Mosque 21/06/17. Petya Cyber ransomware attack 27/06/17 Parsons Green 15/09/17			Reviewed at Strategic Leadership Team at the London Borough of Hammersmith and Fulham. Disaster Recovery Plan review for IT Services A review of Continuity software has been arranged to assess if their system would enhance the Council's Service Resilience Planning and Response arrangements. December 17 scheduled meeting of the LBHF Service Resilience Group. Service Continuity Plans reviewed						

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	Risk cause and context		Assigned To		Likelihood	Impact		Overall	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place
6	Business resilience (continued)		Management controls										Comments					
		Nicholas Austin, Director for Environmental Health, London Borough of Hammersmith and Fulham	<p>London Borough of Hammersmith and Fulham Business Continuity Manager is liaising with the ICT Transformation Manager on IT Change risks, including on Data Migration and Telephony.</p> <p>Given the fragility of the care market we are beginning to make contingency plans for a sudden collapse of a provider – in reality the only viable option would be for the Councils to step in and to manage the service – the Care Act provides step in rights.</p> <p>GOLD training has been provided to senior management to enhance the ability to deal with serious incidents, plus additional Emergency Planning training delivered in London Borough of Hammersmith and Fulham.</p>										<p>Service Resilience Group Terms of reference being reviewed and re-articulated following the multiple recent incidents by 01 August 2017</p> <p>Identify all key Officers suitable for crisis management training and agree a format and delivery vehicle for their training</p>					

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	Risk cause and context		Assigned To	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Likelihood		Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place	
LBHF	✓		OFFICER(S)	3	4	12	→	4	4	16	↓	3	3	9	Strategic Leadership Team review			November 2017
7	Information management and digital continuity.			Management controls											Comments	Actions		
Page 110	<p>a) Information created, accessed, handled, stored, protected and destroyed by the service areas and departments across the three partner councils is not managed in compliance with information rights legislation or local policies, e.g. the Data Protection Act 1998, Freedom of Information Act 2000, Environmental Information Regulations 2004 and the Protection of Freedom Act 2011;</p> <p>b) The service areas and departments do not fully understand or manage the risks such non-compliance involves therefore not making informed, risk based decisions;</p> <p>c) Insufficient staff resources, both corporately and departmentally, to mitigate the above risks;</p> <p>d) Potential breach of information rights legislation resulting in a monetary penalty of up to £500,000 plus costs of the staff/ICT resources to remedy the breach and reputational damage to the three partner councils (estimates based on average ICO fines in last 12 months and cost of H&F ICO Undertaking, £100,000 (fine) and £270,000 (staff/ICT resources @ £90,000 per council).</p>		<p>Veronica Barella, Chief Information Officer London Borough of Hammersmith and Fulham</p>	<p>Corporate Information Management Board. Shared Services Information Management Strategy expires in March 2018. Shared Services Information Sharing Register. LBHF Information Commissioners Office Audit Action Plan. General Data Protection Regulations Readiness Action Plan. Information Management Toolkit, e.g. Information Sharing Protocol template, Information Sharing Agreement template, Confidentiality Agreement template Shared Services Privacy Impact Assessment process. Shared Services Information Security Policy Framework and Personal Commitment Statement NET Consent software used by all three boroughs to communicate Information Security Policy Framework to all Information Technology users and capture user acceptance of the Shared Services Personal Commitment Statement. Offsite Records Storage Service Framework Agreement Sovereign information management and security risk logs, compliance monitoring, incident management and reporting protocols LBHF Retention Schedule Caldicott Guardians for Adult Social Care and Children's Services Sovereign Senior Information Risk Owner Potential breaches of policy can be treated as a potential disciplinary matter and referred to Human Resources or the Corporate Fraud team for investigation Head of Information, & Strategy role established in the H&F Information and Technology Service.</p> <p>Information Governance 2016 2017 Limited Assurance attained and action plan has been implemented.</p>											<p>Three Organisational changes since 2016. The H&F Information and Communications Technology Service is bedding down as a sovereign service with some remaining shared functions. In November 2016 the former Bridge Partnership moved back in house and in August 2017 there was an internal reorganisation and recruitment exercise.</p>	<p>Shared Services Information Sharing Register to be reviewed</p> <p>Policy Framework Sovereign Information Security Policy aligned across 3 Councils</p> <p>Moving On considerations for Caldicott Guardianships for ASC/ChS</p> <p>DPA Action Plan and GDPR Creation of a senior Data Protection Officer Business Delivery Team Overview</p> <p>Gartner stakeholder workshop to discuss Information Management Strategy.</p>		

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	Risk cause and context		Assigned To	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Likelihood		Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place	
LBHF	✓		OFFICER(S)	3	4	12	New	3	4	12	⇒	3	3	9			November 2017	
7	Information management and digital continuity (continued)			Management controls							Comments			Actions				
	Introduction of the General Data Protection Regulations Fines increasing from up to £500,000 to 10-20m Euros of 2-4% of global turnover, enforced by the Information Commissioners Office on behalf of the European Union			Project Board and Readiness Group Supported by the Corporate Information management Board has been set up and an Office 365 area designation for driving through the Project. Corporate information Management Board have been alert to this piece of legislation and policies are under review. Project has a designated Senior Responsible Officer Individual Management Controls have been rolled out previously (see above) these are in place but are actively being reviewed.							Project Readiness Group covers Risk Management, IT Services and Information Management, Legal, Commercial and business areas.			Action Plan agreed and underway. Gap Analysis completed. Briefing note to Strategic Leadership Team and Business Delivery Team Review Privacy Impact Assessment to apply a weighting to the results				

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LBHF	✓				4	4	16	→	4	4	16	→	3	3	9	Strategic Leadership Team review		November 2017
8	Managing statutory duties.													Comments	Actions			
Page 112	Non-compliance with laws and regulations. Breach of a duty of care. Non-compliance with Health and Safety at Work. Equalities and Human Rights. Integrated Transport for London Programme (Funding Highways Improvements).		Kim Dero, Chief Executive, London Borough of Hammersmith and Fulham Council.		Management controls Capital Programme. Local Codes of Corporate Governance, constitutions and schemes of delegation. Officers codes of conduct. Shared Corporate Health and Safety Team between the London Borough of Hammersmith and Fulham Council and the Royal Borough of Kensington and Chelsea. Shared Services Incident reporting on-line software. Shared Services training software, Workrite. A separate Health and Safety service is provided in the Housing Service. Legislative changes are adopted and reflected in amendments to the Councils constitutions and budgets allocated through a unified business and financial planning process. Amey now manage a number of statutory and regulatory procedural and record management processes. Statutory returns to, for example, the Food Standards Agency, Health and Safety Executive. Directors briefing on Fire Policy.				Internal Audit of Organisational Health and Safety undertaken, Limited Assurance 2017 2018. Internal Audit of LBHF gas safety arrangements undertaken. Corporate Safety Team business plan and audit programme established. Departmental and statutory Corporate Safety committee established and meeting regularly. Regular Health and Safety performance reports to the Strategic Leadership Team. Building Compliance Board re-established.			Reviewed at Senior Leadership Team, London Borough of Hammersmith and Fulham Capital Programme 2016-2017 to 2018 2019						

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LBHF	✓			OFFICER(S)	3	3	9	→	3	3	9	→	3	3	9	Strategic Leadership Team review		November 2017		
9	Standards and delivery of care.				Management controls							Comments			Actions					
Page 113	Breach in the standard of delivery of care, caring services and care homes.			Lisa Redfern Director of Adult Social Care	Safeguarding Adults Executive Board Annual Report to Committees. Adults Safeguarding Strategy 2016- 2019							The Safeguarding Adults Executive Board is operating under Schedule 2 of the Care Act 2014, and overseeing the statutory duties of conducting Safeguarding Adult Enquiries (Section 42) and Safeguarding Adults Reviews (Section 44). The Board is required to report on progress on its strategic priorities, and particularly, on the work it has carried out reviewing deaths and serious harm, of people with care and support needs, as a result of abuse and neglect, and where agencies may have worked better together to prevent harm or death.			LBHF Service Improvements following Ofsted Inspection of Services for Children in need of help and protection, children in care and care leavers. Report of the Director of Family Services. Ofsted's overall conclusion was that Children's Services in Hammersmith & Fulham are good.					
	The Care Act 2014 The legal duties and responsibilities of the Local Authority in respect to the protection of children are set out in the Children Act (1989). Child Protection (CP) involves the identification and multi-agency assessment of the care provided to children and young people who may be at risk of harm from their parents or carers, together with the development of a plan to reduce the risk of harm to those children by the coordination and provision of services. Child protection also requires the continuous monitoring of the effectiveness of this plan, and prompt action to seek legal advice to consider the removal of children via the application for a court order in those circumstances where the level of risk cannot be satisfactorily mitigated.			Steve Miley Director of Childrens Services	Multi-Agency-Safeguarding-Hub (MASH), The purpose of a Multi-Agency Safeguarding Hub (MASH) is to gather information from various professionals in order to make a brief assessment of a child and/or a family, or an adult, who is at risk of harm, to ensure their immediate safety and meet their welfare, or care and support needs. Local Safeguarding Children Board (LSCB) Annual Report The publication of such a report is a requirement following statutory guidance. Insurance cover in place in the event of a claim for a breach of duty of care. Legislative changes are adopted and reflected in the Councils constitutions. Contract monitoring includes assessment of quality of standards of care. Regular Chartered Institute of Purchasing and Supply meetings brings together commissioners, operational, safeguarding and Care Quality Commission staff to discuss and detect breaches in quality of care. Budget allocation is made through a unified business and financial planning process. Child Protection report 2016-2017 to Children and Education Policy and Accountability Committee															

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LBHF	✓	RBNC		WCO		OFFICER(S)	3	4	12	➔	3	4	12	➔	3	3	9	Strategic Leadership Team review		November 2017
10	Failure of partnerships and major contracts.						Management controls						Comments			Actions				
Page 114	Loss of grant, non-delivery of objectives, service continuity to the client is of primary importance in these cases.						<p>Kim Dero, Chief Executive, London Borough of Hammersmith and Fulham Council.</p> <p>Contract Standing Orders, Regulations and Financial Procedure rules. Directors are responsible for ensuring a contractor's financial viability. Significant Tenderers are to be asked to provide copies of their latest audited accounts or other evidence of their financial standing. Contractor liquidity checking through Creditsafe. The Link Intelligent Client Function (ICF) manages the AMEY Total Facilities Management contract but a London Borough of Hammersmith and Fulham Risk and Compliance Manager has been seconded to review FM functions. Procurement and commissioning is undertaken through CapitalEsourcing software acting as a repository for contract information and providing a workflow for the procurement process. Performance review of 3BM. Section 113 agreements under the Local Government Act 1972 for Shared Services have been reviewed.</p>						<p>LBHF undertake periodic checking of contractors liquidity.</p> <p>LBHF have served notice to terminate the agreement with the Link for the management of the TFM contract.</p>			<p>Reviewed at Senior Leadership Team, London Borough of Hammersmith and Fulham</p>				

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LBHF	✓				3	4	12	➔	3	4	12	➔	3	3	9	Strategic Leadership Team review		
11	Increase in complexity of working with partners.		OFFICER(S)				Management controls				Comments			Actions				
Page 115	Working with the National Health Services, Clinical Commissioning Groups, Police, General Practitioners and 3BM.		Kim Dero, Chief Executive, London Borough of Hammersmith and Fulham Council.				<p>Information sharing protocols and agreements.</p> <p>Members scrutiny of partners is undertaken by the Policy and Accountability Committees at LBHF.</p> <p>London Borough of Hammersmith and Fulham Joint Health and Wellbeing Strategy 2016-21</p> <p>North West London Sustainability and Transformation Plan. Sustainability and transformation plans (STPs) were announced in the NHS planning guidance published in December 2015 as a vehicle to support the delivery of the Five Year Forward View. The NHS and local authorities across North West London have agreed to work together to deliver a better health and care system. Patient groups and other stakeholders have been involved in developing the plan. The North West London Plan describes the shared ambition of partners across health and local government to create an integrated health and care system that enables people to live well and be well.</p>				<p>At its meeting in March, the King's Fund Chief Executive Chris Ham facilitated a discussion with the Health and Wellbeing Board about place-based systems of care and the solution they offer to the challenges facing the local health and care system. At that meeting the Health and Wellbeing Board considered the progress made by Health and Wellbeing Boards to date nationally, the changing needs of the Hammersmith & Fulham population and a suggested framework and timeline for refreshing the Joint Health and Wellbeing Strategy in 2016. The Health and Wellbeing Board approved the framework and timeline for a new 5-year strategy.</p>			<p>The Health and Wellbeing Board are responsible for monitoring progress and delivery+A33 against the approved framework, strategy and work programme work programme.</p>				
																	November 2017	

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LBHF	✓		3	4	12	➔	3	4	12	➔	3	3	9	Strategic Leadership Team review			November 2017	
12	Decision making and maintaining reputation and service standards.		Management controls									Comments			Actions			
Page 116	Corporate Governance of the Council(s); - insufficient notice to Officers providing input on implications (Legal, Financial, Procurement, Risk , IT) in Committee reports from report writers.		The Constitution of the Council. Strategic Leadership Team Assurance meetings. Business Plan 2017 2018. Annual Governance Statement. Director's Management Assurance Statements. Risk Management arrangements in Services. Feasibility studies and options appraisals. Members induction programme. Capacity building of I.T. and Staff. Performance management and information. Complaints and compliments reviews reported to Committees. Reports of the Council's Monitoring Officer. Committee reporting template. Implications sections on reports. Risk Management Training in the 2018 Learning and Development Offer starting in January.									External Audit review of the 2016 2017 Annual Governance Statement (AGS) concluded that the AGS complies with delivering Good Governance guidance issued by CIPFA / SOLACE in April 2016.			Review at Strategic Leadership Team, London Borough of Hammersmith and Fulham. Risk Management and Corporate Governance Audits are being scoped for 2017 2018. Revised Directors Management Assurance Statements to be issued in 2018 and all returns considered for the 2017 2018 Annual Governance Statement, findings also reported to Audit, Pensions and Standards Committee.			
	- Pre-determination of policies or contract reviews. - Breach of Officer or Member code of conduct. - Breach of Information Security or Governance or Confidentiality leading to Information Commissioner review. - Ombudsman, Ofsted, External Audit, The Care Quality Commission reviews and reports. - Poor quality data internally or from third parties.		Kim Dero, Chief Executive, London Borough of Hammersmith and Fulham Council															

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LBHF	✓				4	4	16	→	4	4	16	→	3	3	9	Strategic Leadership Team review			November 2017
13	Failure to identify and address internal and external fraud.		Management controls										Comments		Actions				
Page 117	<p>Potential exploitation of Managed Services Agresso systems during implementation and towards business as usual delivery.</p> <p>(Links to risk number 7, perceived threats and vulnerabilities in association with Cyber-crime activities)</p> <p>Employee related Tenancy and Housing (incl Right to Buy) Benefits (Legacy cases) Concessionary travel and Blue Badge Parking fraud Theft of assets (incl cash theft) Bribery, Contract/Procurement</p>		<p>Hitesh Jolapara, Strategic Finance Director, London Borough of Hammersmith and Fulham.</p>		<p>The Council's Anti-Fraud and Corruption Strategy is aligned to the national strategy, Fighting Fraud and Corruption Locally. Shared Services Corporate Fraud function. Risk assessment is used to assist in targeting fraud and for workload prioritisation.</p> <p>Fraud Resilience Action Plan 2017/2018 which includes the Fraud Resilience Triangle: Fraud Risk Register, Pro-active work programme and Reactive referrals to increase the likelihood of identifying fraud. Review of Corporate Anti-Fraud Performance at Management Team meetings. Data Analytics – the service have begun to conduct regular reviews of data using data analytic tools, including Benford's Law trend analysis, to identify areas of potential risk. Participating in the National Fraud Initiative, as well as offering counter fraud tools to frontline services to prevent fraud entering the system. Whistleblowing policy, Bribery policy, Officer Codes of Conduct. Procurement teams have attended Counter Fraud training.</p> <p>Internal Audit review 2016-2017 of the Shared Corporate Anti-Fraud Service was assessed as satisfactory.</p> <p>E-Learning suite of fraud awareness training modules has been completed and publicised via the Corporate Anti-Fraud Service quarterly newsletter Fraud In Brief.</p>										<p>The Shared Services Corporate Anti-Fraud Service (CAFS) implements a counter fraud and corruption strategy which is supported by a policy framework.</p> <p>Plans and operations are aligned to the strategy and contribute to the overall goal of maintaining resilience to fraud and corruption. The service employ a mixture of reactive and pro-active techniques to combat fraud, including subscription to national initiatives such as the National Fraud Initiative and the National Anti Fraud Network.</p> <p>The service reports regularly to Audit Committees on performance against the counter fraud strategy and the effectiveness of the strategy.</p>		<p>The Fraud Resilience Plan 17/18 places greater emphasis on the pro-active work programme and focus on the completion of this programme remains on track.</p>		

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LBHF	✓	✓	4	4	16	➔	4	4	16	➔	3	3	9	Strategic Leadership Team review			November 2017			
15	Managed Services		Management controls											Comments	Actions					
Page 118	Financial and Human Resources Managed Services Systems		Senior Responsible Officer Kim Dero, Chief Executive				Programme Stabilisation Plan.												Planned Internal Audit Programme of Key Financial Systems to take place in 2017 2018.	
			Sponsors Hitesh Jolapara, Strategic Finance Director, Mark Grimley Director of Human Resources. London Borough of Hammersmith and Fulham				Intelligent Client Function. Managed Services entry made on 2016 2017 Annual Governance Statement and actions monitored at Audit Pensions and Standards Committee. Performance update to Finance and Delivery Policy and Accountability Committee													

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LBHF	✓		4	5	20	New	4	5	20	⇒	1	3	3	Strategic Leadership Team review			November 2017	
16	<p>Compliance with the statutory duties to undertake inspection regimes covering Management of Asbestos, Electrical Testing, Fire Risk, Plant and Equipment, Water/Legionella.</p>		<p>Management controls</p>				<p>Comments</p>				<p>Actions</p>							
Page 119	<p>Building and Property Management</p> <p>1. Failure to comply with Health Safety Legislation, regulations, guidelines and good practices for civic properties.</p> <p>2. Insufficient contract management.</p> <p>The Council needs to ensure that it has appropriate inspection and assessment regimes in relation to health and safety compliance. This is required in relation to its role as a coporate and residential landlord. It's statutory responsibilities are set out in various legislation which the council is required to meet as a minimum.</p> <p>In particular the Council needs to ensure that it has up to date Fire Risk Assessments (FRA) in place for all of its buildings, including the housing stock and non-housingbuildings. It needs to be able to demonstrate it has taken appropriate action to ensure that properties meet relevant statutory requirements.</p>		<p>Building and Property Management</p> <p>1. Proactive contract management</p> <p>2. Compliance audits and inspections</p> <p>3. Training and Health and Safety promotion</p> <p>4. Regular reviews and consultations</p> <p>The Task Force will provide fortnightly reports to Strategic Leadership Team on progress to provide assurance that appropriate action is being taken.</p> <p>Work is on-going in relation to other areas of compliance as set out in the report on Audit Committee's agenda 06 December 2017. This sets out a comprehensive range of measure in place to provide quality assurance in relation to all areas of statutory compliance in relation to housing. This covers: fire safety, asbestos, electrical, gas, water, lifts and childrens play equipment. A Fire Safety plus capital programme is being developed which will address issues highlighted through the council's wider compliance assessments. This is also covered by a report being considered by audit committee on 06 December 2017.</p>				<p>Building and Property Management</p> <p>1 Property team has carried out an audit regarding the Amey contract delivery requirements for the Health and Safety compliance.</p> <p>2 Regular Amey contract management meeting has been taking place.</p> <p>Section 28.13 of the LGA Fire Safety in Purpose Built flats document states ' Failure to provide adequate fire safety measurs is an offence if the failure places one or more persons at risk of death or serious injury in case of fire. Each such offence is punishable by a fine (currently of up to £5000) in the Magistrates' Court or by an unlimited fine and/or two years imprisonment in the Crown Court.'</p> <p>HM Government guide 'Fire safety risk assessment sleeping accommodation' and additional information in the British Standards Institution publicly available specification PAS 79 Fire risk assessment;guidance and a recommended methodology.</p>				<p>Building and Property Management</p> <p>1 Amey management team has been served with the formal Health and Safety compliance investigation notice.</p> <p>2 The council also preparing for alternative compliance delivery solutions.</p> <p>The Council has been reviewing its Fire Risk Assessments for residential properties. It has engaged the support of leading experts to ensure that arrangements are robust as can be. A risk based approach has been adopted which will mean that FRAs for blocks which are six storeys and above will be updated every 6 months.</p>							
	<p>Maureen McDonald Khan Director for Building and Property Management</p> <p>Nicholas Austin Director for Environmental Health (Health and Safety)</p> <p>Jo Rowlands Lead Director of Regeneration, Planning and Housing Services Chris Culleton Strategic Head of Property Services (Housing)</p>																	

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LBHF	✓		4	5	20	New	4	5	20	→	1	3	3	Strategic Leadership Team review				
16	Compliance with the statutory duties to undertake inspection regimes covering Management of Asbestos, Electrical Testing, Fire Risk, Plant and Equipment, Water/Legionella. (Continued)																	
Page 120	Health and Safety at Work Act 1974 (HSWA) extends to risks from legionella bacteria, which may arise from work activities. The Management of Health and Safety at Work Regulations (MHSWR) provide a broad framework for controlling health and safety at work. More specifically, the Control of Substances Hazardous to Health Regulations 2002 (COSHH) provide a framework of actions designed to assess, prevent or control the risk from bacteria like Legionella and take suitable precautions.																	
LBHF	✓		4	5	20	New	4	5	20	→	1	3	3	Strategic Leadership Team review				
17	Co-ordination and response to calls on the Council for Mutual Aid in a crisis																	
	The Council did not have a set of themed response plans that provided guidance on assessing and then handling impacts of delivering support to a neighbouring area.		Alistair Ayres, Head of Emergency Services		We have a Service Level Agreement with London Local Authority Control that should it be deemed necessary that the Council can request mutual aid. Mutual aid will be; Resources (Unique skilled Officers), equipment and direction. There is a protocol in place that determines a responsible person for example the Chief Executive to activate a call for mutual aid.				Areas that were in the need of review identified by the Service Resilience Group were; Accepting, processing and storing gifts and donations. Procedures for the accepting, processing and secure storage of cash donations.				Review of lessons learned following recent multiple incidents in London being undertaken by Emergency Services Team. Service resilience group meeting in December will cover Supply Chain Resilience and Disaster Scenarios					

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LBHF	✓		OFFICER(S)	4	4	16	New	4	4	16	→	2	3	6	Strategic Leadership Team review		November 2017	
18	Change Readiness			Management controls										Comments	Actions			
	As the Council designs and implements new ways of working in relation to Moving On and Smarter Working 2 there is a risk that the organisation is not ready for change or resistant to change delaying the benefits realisation of the change required.		Mark Grimley, Director of Human Resources & Organisational Development	Programmes should undertake an assessment of readiness and build in communications and engagement streams. the use of staff surveys, consultation and engagement events and post-implementation learning to be fed back to corporate boards.											Consistent Change Management Methodology to include change methods and engagement / stakeholder management approaches			
LBHF	✓		OFFICER(S)	4	4	16	New	4	4	16	→	2	3	6	Strategic Leadership Team review		November 2017	
Page 121	Recruitment and retention			Management controls										Comments	Actions			
	Recruitment and retention of the best staff becomes a challenge resulting in higher agency costs, lower productivity and higher turnover of staff, in turn resulting in lower performance in delivery.		Mark Grimley, Director of Human Resources & Organisational Development	Management of Moving On resourcing requirements with improved candidate experience to quickly cover gaps identified in new structures. People Strategy to cover longer-term approach to the recruitment and retention of staff, including creating attractive workplaces, smarter working 2, and developing our own.											Development of short-term Moving On R&R approach / Development of longer-term people strategy			

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LBHF	✓ RBKC WCC	OFFICER(S)	3	4	12	New	3	4	12	⇒	1	1	1	Strategic Leadership Team review			November 2017	
20	Moving on Programme		Management controls											Comments	Actions			
Page 122	Following the cessation of the Section 113 agreement there are a number of risks including: a) Contractual arrangements for delivering services collaboratively, (including Information Management considerations), with RBKC and WCC, does not meet LBHF requirements. b) Some staff (LBHF, WCC and RBKC) with local LBHF knowledge and experience are affected by the proposals and we may not be able to retain them on our business - links to the recruitment and retention risk number 19 above. c) Costs of the Moving On programme, including legal advice, accommodating staff were not included in the initial 17/18 budget setting process, as the cessation of the agreement was not known at that point - links to the Financial management of in year budget risk number 1.	Sarah Thomas, Interim Director of Delivery and Value	Corporate governance arrangements are established Programme Management Board, and supporting Programme Management process. Strategic Leadership Team Overview. Consultation exercise to engage staff. Regular internal communications and events to engage staff. Assess deliverability of the proposed structure through business as usual and performance monitoring processes. Continually assess need for pump prime resources to safely manage transition of services.											Programme Risk Log and Programme Board oversight of Risk	Consultation activities oversight by SLT, and a focus on minimising redundancies.			

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LBHF	✓		3	4	12	New	3	4	12	➔	1	1	1	Strategic Leadership Team review			November 2017	
Page 123	20	Moving on Programme (continued)	Management controls							Strategic Leadership Team review			Comments	Actions				
		d) Failure to deliver the required changes and become sovereign delivery by the end of the notice period, 24th March 2018. e) managing the transition and mobilisation of services into the newly established Public Services Reform, specifically high risk, large value adult social care contracts - this also links to the management of the better care fund, risk no. 3 and Public Health budgets, risk no 5 and managing statutory duties, risk no. 8 and standards and delivery of care, risk number 9 f) accommodation moves as a result of repatriating staff, pose risk to business continuity, including ICT systems - links to Business Resilience risk number 6 and information management and digital continuity risk number 7. g) associated risks relating to the change readiness of the organisation, links to risk number 18	Sarah Thomas, Interim Director of Delivery and Value															

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LBHF	✓	RBHC	WCO		OFFICER(S)	4	4	16	New	2	4	8	↑	1	1	1			November 2017
21	Coroners Office					Management controls						Comments			Actions				
	That the coroners office is not delivering a reliable service and meeting service user expectations. Reputational risk to council of poor customer service and a large back log of inquests and investigations		Nicholas Austin - Director for Environmental Health			Letters written from consortium leaders to Lord Cheig Justice requesting a decision over the suspended Senior Coroner. Regular meetings with the Chief Coroner and MPS to monitor performance., service improvement plan being developed and implemented, recruitment campaign pending for more Assistant Coroners.						New interim Senior Coroner appointed 2nd November 2017			Appointment of x4 New Assistant corners Sign off service improvement plan Parallel run both courts when adequate resources in place				

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LBHF	✓		4	4	16	New	2	4	8	↑	1	1	1							
22	Procurement of replacement HR, Payroll and Finance Services		Management controls										Comments							
Page 125	<p>Exercise to choose and implement services to replace those currently provided via the BT Managed Services contract.</p> <p>A provisional decision has been made to join the Hampshire County Council led public to public partnership subject to full Cabinet approval on 4th September.</p> <p>The key risks lie around potential issues with transition to the new platform from BT Agresso and the business change required by LBHF to adapt to the Partnership operating model and close any gaps. This may have a particular impact on payroll.</p>	<p>Kim Dero, Chief Exec (SRO)</p> <p>Hitesh Jolapara, Strategic Finance Director (Finance BCM)</p> <p>Mark Grimley, Interim HR Director (HR/Payroll BCM)</p>	<p>Internal programme board established with senior officers;</p> <p>Independent review of the HR offering by Ernst and Young;</p> <p>Development of an outline business case by Hampshire County Council with subsequent clarifications by senior officers;</p> <p>Links between the Hampshire work and the BT Exit work established to feed transition requirements into exit negotiations</p> <p>Joint sponsors group established with Hampshire County Council;</p> <p>Quarterly updates to Finance PAC and Cabinet;</p> <p>Internal audit to take on a programme assurance role;</p> <p>Managing Successful Programmes and Prince2 project management methodologies to be used;</p> <p>Hampshire approach includes 3 parallel payroll runs prior to go-live.</p>										<p>Subject to approval on 4th September, formal implementation governance arrangements will be established.</p> <p>There will be key decisions points or 'gates' which will require sign off by both LBHF and Hampshire (dates are provisional and subject to agreement):</p> <ul style="list-style-type: none"> - Programme mobilisations stage plan (Sept 2017) - Design stage plan (Dec 2017) - Business change and implementation plan (March 2018) - Testing sign off and go-live plan (Sept 2018) - Post go-live 3, 6 and 12 month reviews (Dec 2018 - Sept 2019) <p>A separate BT Exit workstream will established which will support the delivery of data from BT into the programme.</p>					<p>Post formal decision, a programme brief and mobilisation plan will be produced for approval.</p> <p>Formal implementation governance will be established - internal Audit will be represented on the programme board.</p> <p>A 3 month design stage will take place to establish a detailed implementation plan and business change required - this will need to be jointly signed off by LBHF and the Partnership.</p> <p>Objective to establish an agreed Exit process with BT to reduce risk around data cleansing and migration.</p>		November 2017


LBHF RISK REGISTER CORPORATE LEVEL

APPENDIX 1

Review date 28/11/17

Ref	RISK				Residual risk assessment: Quarter 1 17/18				DOT	Residual risk assessment: Quarter 2 17/18				DOT	Target risk:			Reducing the risk			
	Risk cause and context				Assigned To	Likelihood	Impact	Overall		Likelihood	Impact	Overall	Likelihood		Impact	Overall	Management comments on measures.	Planned action(s)	Date / in place		
LBHF	✓	RBKC		WCC		OFFICER(S)	4	4	16	New	4	4	16	New	3	3	9				November 2017
23	King Street Regeneration Programme					Management controls					Comments					Actions					
Page 126	<p>Failure to deliver new office accommodation, complete the development of a replacement cinema, new residential units, and refurbishment of the town hall, and meeting the Council's regeneration objectives.</p> <p>This leads to additional ongoing revenue costs for the Council in servicing and maintaining existing offices; reduced staff morale due to poor quality of accommodation; prevents modern smart working methods</p>				<p>Jo Rowlands, Lead Director for Regeneration, Planning and Housing Services, London Borough of Hammersmith and Fulham</p>	<p>The King Street Regeneration Programme Board oversees the development process and reviews progress against key milestones, and provides a decision making structure for the scheme.</p> <p>Contingency measures are in place to maintain the current buildings and keep them functional and operational.</p> <p>Specialist commercial advice will be procured to advise on the value for money assessment of the revised scheme and commercial deal.</p>				<p>The uncontrolled risk is identified as high not directly due to the financial costs, but to the impact of additional maintenance costs owing to the age of the accommodation especially around plant and machinery which restricts the Council from fully embracing 'modern ways of working'.</p> <p>The continuing costs of maintaining the town hall extension is estimated at £170,000 per year with potential for additional costs estimated at £805,000. (Lifts, escalator, boiler and air condition system)</p>				<p>Detailed project risk register is in place.</p> <p>Internal Project Team set up.</p> <p>The Council has identified a potential new development partner for the programme and commenced a public consultation on redevelopment proposals on 8 November. Subject to the outcome of the public consultation, it is anticipated that a planning application will be submitted early in the new year. If planning permission is given, construction work could begin in late summer of 2018.</p>							

Key to Risk Rating		
Score	16-25	RED - High risk - immediate
Score	11-15	AMBER - Medium risk, review controls.
Score	1-10	GREEN- Low risk, monitor and if the risk escalates check controls.

London Borough of Hammersmith & Fulham AUDIT, PENSIONS AND STANDARDS COMMITTEE 6 December 2017		 hammersmith & fulham
CORPORATE ANTI-FRAUD SERVICE - HALF YEAR UPDATE REPORT - 1 APRIL 2017 TO 30 SEPTEMBER 2017		
Report of the Director of Audit, Fraud, Risk and Insurance		
Open Report		
Classification: For Information Key Decision: No		
Wards Affected: None		
Accountable Director: David Hughes, Director of Audit, Fraud, Risk and Insurance		
Report Author: Andrew Hyatt, Head of Fraud	Contact Details: Tel: 0207 361 3795 E-mail: andrew.hyatt@rbkc.gov.uk	

1. EXECUTIVE SUMMARY

- 1.1 This report provides an account of fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) 1 April 2017 to 30 September 2017.
- 1.2 CAFS remains a shared service covering three Councils and continues to reap a number of benefits including the sharing of skills and expertise, a “compare and contrast” review to identify the best practice and the streamlining of anti-fraud related policies and procedures.
- 1.3 CAFS continues to provide the London Borough of Hammersmith & Fulham with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.

2. RECOMMENDATIONS

- 2.1 Note the fraud work undertaken during the year to date for the period 1 April 2017 to 30 September 2017.

3. REASONS FOR DECISIONS

- 3.1 To inform the Committee of the actions of the Council's counter fraud response.

4. FRAUD SAVINGS

- 4.1 Each year the notional values used to determine financial savings arising from counter fraud work has reinforced the importance of tackling fraud head-on, particularly in a time when every penny should be invested in delivering high-quality services to local people.
- 4.2 Due to the successes experienced by CAFS, the notional figures have risen year on year with estimated savings for the financial year 2016/17 more than £7m. Although this is a substantial saving, it is also one that is predominantly notional and makes it difficult for CAFS to demonstrate a cash saving.
- 4.3 It was, therefore, our objective at the beginning of the financial year to try and establish values that are aligned to actual savings, rather than just notional amounts or "worse case scenarios." For example, research has determined that the average cost (i.e., what the Council pays), per annum for maintaining a family in temporary accommodation is £3,917. This is a real cost and a more realistic and justifiable amount for us to base our calculations on than the £18,000 per case per annum previously quoted by the now-defunct Audit Commission.
- 4.4 A new range of fraud values for 2017/18 has been revised to what we believe is a more appropriate saving per fraud type. As a result, there is a significant difference in notional fraud savings in the current period when compared to those made in the same period of the previous financial year, particularly in respect of housing, tenancy and right to buy frauds.
- 4.5 Details of some of the new housing fraud values are contained in *Appendix 1* to this report.
- 4.6 As shown in the table below, for the period 1 April 2017 to 30 September 2017, anti-fraud activity with a notional value of £216,102 has been identified. Due to the recalculation of fraud values, this figure is significantly lower than that reported for the same period last year (£2.48m). However, it should be noted that overall number of cases proven in the first six months of 2017/18 is consistent with performance in the previous year.

Activity	Fraud proved 2016/17	Fraud identified 2016/17 (£'s)	Fraud proved 2017/18	Fraud identified 2017/18 (£'s)
Housing Fraud (inc. Applications, assignments & successions)	10	342,000	7	15,500
Right to Buy	9	935,100	29	62,780
Pro-active operations	-	-	3	3,000
Prevention subtotal	19	1,277,100	39	81,280
Tenancy Fraud (Council and Registered Providers)	20	945,000	10	58,700
Internal Staff	5	91,000	-	-
High/Medium risk fraud – NNDR, Procurement, ASC/FCS	-	-	2	43,329
Low-risk fraud – Parking, Accessible Transport, and Council Tax SPD	2	-	3	1,305
Detection subtotal	27	1,036,000	15	103,334
Proceeds of Crime repaid (£236k awarded to date)	7	167,457	2	29,488
Press releases and publicity	5	-	3	2,000
Deterrence subtotal	12	167,457	5	31,488
Total	58	2,480,557	59	216,102

4.7 Details of sample fraud cases are reported in Appendix 1.

5. ANTI-FRAUD AND CORRUPTION STRATEGY

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

5.2 The Strategy places emphasis upon the following anti-fraud activities:

- i. **Acknowledge:** recognising and understanding fraud risks and committing support and resource to tackling fraud to maintain a robust anti-fraud response.
- ii. **Prevent:** preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.
- iii. **Pursue:** punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive law enforcement response.

6. ACKNOWLEDGE, PREVENT, PURSUE

(i) ACKNOWLEDGE

Committing support and resource to tackling fraud.

- 6.1 A key consideration in tackling fraud is ensuring that the Council has a dedicated counter-fraud service that has both the capacity and skills to conduct investigations or undertake pro-active operations.
- 6.2 To meet this demand, CAFS has recruited officers to two vacant posts along with the establishment of an additional new "Trainee Investigator" post, filled by a former apprentice. 6.2 A new Tenancy Investigator Post has been transferred from Housing to CAFS, and this is expected to be filled by early December 2017.
- 6.3 To maintain a high level of competence across CAFS, and to further improve the effectiveness of investigators, we have already planned for our officers to attend over 100 days training during 2017/18, and key training programmes attended so far include:
- i. *Preventing and Tackling Fraud Across the Public Sector*: Participants will hear from leading organisations on the need to acknowledge, prevent and pursue fraud and corruption right across the public sector.
 - ii. *Tenancy Fraud Forum Conference*: A conference for anyone who works in tenancy fraud including investigators, auditors, housing.
 - iii. *Introduction to Internal Audit*: A bespoke course provided by CIPFA, and devised to introduce investigation officers to the techniques of internal audit, including the evaluation and testing of controls, risk assessments and report writing. This will enable investigation officers to further enhance the value of investigations through recommending detective and preventative controls to management to tackle control weaknesses identified through investigations.
- 6.4 By attending seminars and conferences, where the best practice or new techniques are discussed, officers can bring these new ideas back to the organisation and implement them across the service.

Maintain a robust anti-fraud response.

- 6.5 From the Fraud Risk Register CAFS has identified some areas to be pro-actively researched and, where appropriate, investigated during 2017/18.
- 6.6 The majority of these activities are referred to Service Reviews and involve the review of current anti-fraud controls within a given service area, activity to test the effectiveness of the controls and making recommendations for improvement where necessary. In some instances, a Service Review may

occur following an investigation which has identified control weaknesses. Details of sample activities are reported in *Appendix 2*.

(ii) PREVENT

Housing/Tenancy Fraud

- 6.7 CAFS provides an investigative service to all aspects of housing, including the verification applications for housing support, as well as applications for the succession or assignment of tenancies.
- 6.8 CAFS also investigate allegations of subletting or other forms of tenancy breaches as well as the checking of all right to buys. For the period 1 April 2017 to 30 September 2017, CAFS have successfully prevented five requests for housing, one succession, and one assignment.
- 6.9 CAFS has also recovered ten properties including a four-bedroom address and two three-bedroom addresses, all of which are in high demand and can now be allocated to a family in genuine need of assistance. Of the ten recoveries, six involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties can be promptly reallocated.
- 6.10 At the time of writing this report, five more properties had been recovered, but due to the finalisation of obtaining a vacant possession, they could not yet be officially recorded as successful outcomes.

Right to Buy (RTB)

- 6.11 The number of RTB applications continues to rise with tenants benefiting from the scheme's significant discounts.
- 6.12 CAFS apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.
- 6.13 For the period 1 April 2017 to 30 September 2017, CAFS have successfully prevented 29 RTBs from completion, where suspicion was raised as to the tenant's eligibility or financial status. In many instances, these have been as a result of the tenant voluntarily withdrawing their application once checking commenced.
- 6.14 In two cases, the checks undertaken to verify the RTB have uncovered additional criminality, namely subletting, and resulted in the properties being recovered as well as the RTBs being stopped.
- 6.15 The prevention work undertaken by CAFS in respect of RTB continues to protect valuable Council stock.

National Fraud Initiative (NFI)

- 6.16 The National Fraud Initiative (NFI) is a data matching exercise carried out by the Cabinet Office, designed to help organisations identify possible cases of fraud, and detect and correct any consequential under or over-payments from the public purse.
- 6.17 The exercise is run every two years and matches electronic data within and between public and private sector bodies to identify inconsistencies which then require further investigation.
- 6.18 The data for the current exercise was provided by local authorities in September 2016 and potential matches were returned to the Council for further examination in March 2017, with new reports containing further matches being added throughout April, May, and June.
- 6.19 The Cabinet Office refer the high-risk cases as "recommended matches" and expect Councils to prioritise them. CAFS identified 643 recommended matches, and the table below shows the result of CAFS progress:

Fraud identified	On-going	Closed no fraud	Outstanding
8	55	354	226

- 6.20 Eight individuals were removed from the Council's waiting list, because their circumstances had changed and they now had acquired housing outside of Hammersmith & Fulham.
- 6.21 The NFI exercise also contained matches in respect of Housing Benefit claimants. The NFI identified 125 of these matches which it recommends should be reviewed and investigated. Additionally, a selection of non-recommended matches was also evaluated for completeness. In total, 272 matches have been reviewed, and overpayments totalling £167,349 were identified.

Welfare Benefit

- 6.22 Fraud and Error performance is a new, national, key performance indicator for housing benefits. Last year the Council's housing benefit department focused its attention on targeting high-risk claims and surpassed the target, set by the DWP by 47%.

(iii) PURSUE

Deterrence

- 6.23 Stopping fraud and corruption from happening in the first place must be our primary aim. However, those who keep on trying may still succeed. It is, therefore, essential that a robust enforcement response is available to pursue fraudsters and deter others.

Proceeds of Crime Act 2002 (POCA)

- 6.24 Prompt and efficient recovery of losses is an essential component in the fight against fraud, and the Proceeds of Crime Act is a crucial part of the Council's counter fraud strategy.
- 6.25 In the first half of the financial year, CAFS has progressed two significant POCA cases. The first, a tenancy fraud investigation, The Council were awarded £29,488.46 in respect of unlawful profit made by the tenant while illegally subletting a Council property. This amount was repaid in full.
- 6.26 In a second case, the Council provided Financial Investigator assistance in a legacy housing benefit fraud. The judge awarded a confiscation order of £207,309 from which the Council will receive a significant sum for their work in the case, upon repayment.
- 6.27 The Act remains a powerful deterrent, and when used effectively recovers fraud losses and deters potential fraudsters. The use of POCA by CAFS makes fraudsters aware that every effort will be made by the Council to recoup losses and confiscate assets gained as a result of criminal activity.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

2017/18 - Revised Fraud Savings

WORK ACTIVITY	RISK SCORE	DEFINITION	New 2017/87 VALUE	Comparison: 2016/17 VALUE
TENANCY FRAUD <i>Figures based upon a 2016 report, Temporary Accommodation in London: Local Authorities under Pressure by Julie Rugg University of York, which suggested the average annual cost to each Council, per annum = £3,917 (rising to an ave. £4,000 p.a. to incl. administration costs) but include local waiting times and availability of suitable sized property.</i> <i>UPO's take account of non-payment</i>	12	Property recovered	Ranging from £4,650 to £31,250 dependent upon size	Ranging from £54,000 to £62,000
		Succession stopped studio/1/2/3/4 bed – to include decants	£11,500	£54,000
		Assignment stopped/tenancy corrected studio/1/2/3/4 bed	£1,500	£18,000
		Suspended Possession Order studio/1/2/3/4 bed	£1,500	£18,000
		UPO judgement awarded	£ value (30%)	100% value
		UPO judgment satisfied	£ value (70%)	N/A
HOUSING FRAUD <i>Cash cost calculated by Housing Department</i>	12	Discharge Duty (<i>actual cost to RBKC of 1 year in TA</i>)	£2,044	£18,000
		Removed from CHR (<i>average administration fees</i>)	£500	£18,000
RTB <i>Administration costs and valuation fees</i>	8	Withdrawal at initial stage prevention	£1,500	£103,900
		Withdrawal following interview (<i>suggests more intent</i>)	£3,000	£103,900
		RTB fraud proven (ineligibility) – 10% of the discount	£10,390	£103,900
BUSINESS RATES (NNDR)	8	Exemption fraud - Revised billing	£ value (70%)	100% value
COUNCIL TAX	8	Exemption fraud – SPD or Student	£ value (70%)	100% value
CTRS & DEBTS	3	Overpayment identified	£ value (25%)	100% value
BLUE BADGE <i>Figures last calculated by the National Fraud Authority</i>	6	Blue Badge – prosecution	£3,500	£5,644
		Blue Badge – physically recovered and destroyed	£1,231	£5,644
		Blue Badge – misuse – seizure/warning/cancellation	£323	No change
		Blue Badge – removal of bay	£3,500	£5,644
FREEDOM PASSES <i>Average charge per pass to Council</i>	6	Freedom passes fraud	£330	No change

PRO-ACTIVE OPERATIONS

Source	Fraud Review	Details	Risk
<p>Investigation led to Service Review</p>	<p>H&F Housing Department</p> <p>The application forms used for:</p> <ul style="list-style-type: none"> • Tenant change of name • Succession • Assignment <p>The objective of this review was to assess the forms currently in use and evaluate the deterrence to fraud and the robustness for anti-fraud purposes.</p>	<p>CAFS was asked to investigate an assignment application by a tenant. As part of the investigation, the tenant’s assignment forms were reviewed, during which CAFS officers identified several areas for improved controls.</p> <p>CAFS undertook a review of all applications to ensure they contained robust questions and asked for appropriate information.</p> <p>Revised declarations were recommended for three forms including the succession application form which required additional questions. These included the addition of address history to bring the form into line with housing applicants, and questions regarding property ownership and other assets were also enhanced.</p> <p>On the assignment form recommendations included the introduction of a section for the existing tenant and the proposed tenant focusing upon current financial circumstances and asset ownership.</p> <p>All recommendations were accepted.</p>	<p>The introduction of improved controls at application stage has reduced the risk of fraud</p> <p>Reduced ↓</p>

Source	Fraud Review	Details	Risk
Pro-active counter fraud work plan	<p>Procurement Cards</p> <p>The objectives of this activity was to undertake a review of procurement cards and to establish the level of fraud risks by examining;</p> <ul style="list-style-type: none"> • Policy and procedures • Supervisor and managerial controls • Substantive testing of transactions 	<p>A review of the Procurement Cards revealed that there were only 16 cards issued, and that all transactions, which are limited, are published as part of the Council's transparency data.</p> <p>Currently, Corporate Finance, who oversees the service, is planning to move to a new managed service provider for the Procurement Cards.</p> <p>Given the pending changes, the policy and procedures, supervisory and managerial controls were all reviewed as satisfactory, and a deep delve transactional review will be undertaken when the new managed service provider is in place.</p>	<p>Findings of the exercise have reduced the level of fraud risk in this area.</p> <p>Reduced ↓</p>
Counter fraud work plan	<p>RTB improvements</p> <p>The audit of the Right to Buy process in 2016/17 identified four areas for improvement, and these were treated as actions for completion in the 2017/18 Counter fraud work plan:</p>	<p>All actions have been completed, and they were;</p> <ol style="list-style-type: none"> 1) Version controlled process maps and form. 2) Homebuy have developed their processes so that a set of spreadsheets detailing the ongoing cases is shared with CAFS and Legal on a regular basis to ensure no case is overlooked. 3) Legal Services will not complete a sale without Anti-Money Laundering (AML) approval from CAFS. Once AML and background checks are complete, Legal and, Homebuy are notified of the findings. 4) Checks to only be carried out once a case has been "admitted" and risk assessed. A record of the final communication with Homebuy on the outcome is retained. 	<p>The changes had improved processes and ensured documented procedures are made available, but no changes to the level of fraud risk.</p> <p>No change ↔</p>

Source	Fraud Review	Details	Risk
Pro-active counter fraud work plan	<p>Data Analytics</p> <p>Applying analytic data techniques, including Benford's Law, against payment data to identify discrepancies for further investigation.</p> <p>Using analytics gives the work;</p> <ul style="list-style-type: none"> • Credibility • risk-based analysis • focus, • coverage, and • an increased chance of finding fraud. 	<p>Quarter one data for all Council payments and all Procurement Card transactions analysed. The payment frequencies and amounts showed no significant peaks or troughs which might signify potential fraud or require closer inspection or sampling.</p> <p>CAFS will continue to analyse data in quarters 2,3 and 4.</p>	<p>The analytics provide assurance but insufficient data to amend risk scores which remain unchanged.</p> <p>No change ↔</p>
Pro-active counter fraud work plan	<p>Housing and Tenancy Fraud</p> <p>National Fraud Initiative (NFI) 2017</p> <p>Review the "highly recommended" housing tenancy matches, generated by the Cabinet Office NFI exercise, which suggests potential fraud risks.</p>	<p>Review the recommended matches in the following 12 National Fraud Initiative 16/17 reports, Reports 100, 104, 111, 315, 468, 469, 102, 103, 105, 113, 316, all in respect of Housing Tenant data matches.</p> <p>These reports generated a total of 115 potential fraud risks, and following reviews, checks, and investigations 76 have been closed off, and no fraud identified. However, 39 remain under investigation, and the outcomes of these will be reported later in the year.</p>	<p>Review ongoing therefore until the findings of this exercise are concluded the risk remains unchanged.</p> <p>No change ↔</p>

NOTEWORTHY INVESTIGATIONS

	Case Description
1.	<p>BUSINESS RATES FRAUD (NDR) – CAFS were alerted to a potential fraud when the liable business rates individual refused to pay an outstanding debt.</p> <p>A commercial premise (shop) in Greyhound Road had a debt of £44,756 but was adamant that the liable person was the previous leaseholder of the shop. However, the Business Rates Department were concerned by the documentation provided to support this.</p> <p>Investigators tracked down the person, named in the correspondence as the leaseholder, and she confirmed that she had never met the owner of the premises, and had never been to the premises. Her husband has been an old leaseholder, but that was before the dates concerned.</p> <p>During the period of the investigation, the owner of the premises began to make contributions towards the repayments (£30,000), but the investigation had amassed evidence of intent to defraud the Council by avoiding debt.</p> <p>A summons was issued with three charges under the Forgery and Counterfeiting Act 1981 as well as three charges under the Fraud Act. This led to a pre-trial hearing at Southwark Crown Court where the owner of the premises pleaded guilty to four of the six counts, and therefore a trial was listed to hear counts 5 and 6, set for July 2017.</p> <p>In the run-up to the trial, there were several representations made between defence and the Council solicitors until the defendant accepted that he had been dishonest.</p> <p>On 27 July 2017 at Southwark Crown Court, the defendant was sentenced to 18 months' imprisonment, and order to repay the debt in full and costs of £7,368 within 12 months.</p>

2.	<p>PROCEEDS OF CRIME – In October 2016 CAFS investigated and successfully prosecuted a council tenant who was caught renting out her home in White City while living and working in the United Arab Emirates (UAE).</p> <p>During the investigation, officers searched the address but found no evidence of her living there. A warrant for her arrest was granted, and she was found re-entering the UK when she was arrested and two USB sticks seized.</p> <p>Forensic examination found the data stick held tenancy agreements between her and subtenants, and also gave useful leads regarding undeclared finances. This led officers to uncovered bank statements which showed credits under the description "rent," as well as incoming payments from Abu Dhabi.</p> <p>Having restrained these assets, the CAFS Financial Investigators served Proceeds of Crime papers upon sentencing where she was handed a 12-month prison sentence, suspended for two years, after admitting to illegal subletting.</p> <p>A confiscation order was awarded for £29,488.46 the amount deemed to be "criminal benefit," and in September 2017 the defendant paid the amount in full rather than face a custodial sentence.</p>
3.	<p>TENANCY FRAUD – CAFS were alerted to a potential fraud when allegations were received regarding subletting activity at a property in Da Palma Court.</p> <p>The investigation found evidence to suggest at least four individuals had been subletting the address from the tenant, who investigators discovered was living in Omagh, Northern Ireland.</p> <p>The tenant was asked to attend an interview under caution, but ahead of the meeting on 31 July 2017 the tenant returned the keys to the Council, and vacant possession was obtained with immediate effect. Following a short void period, the one-bedroom property has now been allocated to someone in genuine need of support and assistance.</p>

4.	<p>TENANCY SUCCESSION – A case was referred to CAFS to verify the succession application for a property in St. Stephens Avenue following the death of the tenant.</p> <p>An application to succeed the property was made by the son of the tenant, who said he had lived with his late father at the address since 1980. However, investigations traced the son to an address in Slough, where he was liable for council tax and registered to vote. Furthermore, financial enquiries established that the vast majority of transactions (i.e., ATM withdrawals) occurred in the Slough area.</p> <p>Visits to the address were unsuccessful, although officers did manage to gain entrance to the communal hallway where they found a pile of unopened letters all addressed to the son. He was asked on several occasions to attend an interview at the Town Hall but failed to attend any of the appointments.</p> <p>Finally, the application for succession was declined, and possession of the two-bedroom flat was obtained by the Council, unchallenged.</p>
5.	<p>TENANCY FRAUD – CAFS were alerted to a potential abandonment case via the Anti-Social Behaviour (ASB) Coordinator. ASB's intelligence showed that a one-bedroom flat in Clifton House, W12 had been the subject of a drugs enforcement operation in April 2017. During the search of the residency, three males were arrested, but the tenant was not at the property. He was later arrested at a Westminster address.</p> <p>Following the police action visits to the property were unsuccessful, and there were no signs of anyone returning to the property. CAFS was unable to trace the tenant to the address in Westminster but managed to obtain a mobile number.</p> <p>The tenant was contacted and verbally invited to attend an interview under caution. He stated that he had not lived at Clifton House for over a year but refused to give a forwarding. He refused to attend an interview but verbally agreed to return the keys and the Council received vacant possession one week later.</p>

6. TENANCY FRAUD – CAFS were alerted to a potential fraud when a suspicious Right to Buy application suggested the tenant also owned other properties.

An investigation commenced which found the tenant of the Riverside Gardens property also held tenancies in Wandsworth and Brent.

An unnotified visit to the Riverside address found a young Brazilian lady subletting the address. Officers were allowed to view the property by the subtenant would not provide a statement. After the visit, the tenant contacted the Council to make several complaints of harassment and officers forcing entry. It would also appear that at this time the tenant fell out with the subtenant which resulted in an altercation and the police being called to the property.


This series of events had an impact on the case because shortly afterward the subtenant contacted the investigator willing to provide witness statements and documentary evidence of subletting.

A notice seeking possession was served, and a possession hearing listed for 1 June 2017. Unfortunately, this date clashed with the wedding plans of the key witness, the subtenant, who was due to get married at Hammersmith Registry Office on the same day.

Following a series of long conversations between the investigator and the witness, she finally agreed to change the date in return for the Registry Office cancellation fees, and the new booking fees all being paid for by CAFS.

On 1 June 2017, the Council were granted outright possession, and this one-bedroom property has now been returned and allocated to someone in genuine need of support.

7.	<p>TENANCY FRAUD (Notting Hill Housing Group - NHHG) – An investigation begun in February 2017 following a referral from NHHG regarding one of their flats in Baths Court, Scott Road, W12Oxford Gardens, W10.</p> <p>The referral suggested that the property was being unlawfully sublet, and NHHG confirmed that, in the past year, there had been some leaks originating from this flat. However, they have struggled to make contact with the female tenant and instead they have had to liaise with the tenant's son.</p> <p>Initial enquiries established an alternative address for the tenant in Kent, which the tenant owned, and an un-notified visit was conducted to the property where officers found the son in residency. He initially confirmed that he was the tenant, but later refused to answer any further questions.</p> <p>Given the information uncovered by CAFS, recommendations were made to NHHG to issue a Notice to Quit and Notice Seeking Possessions which they did forthwith. Shortly after the papers were served, the tenant contacted NHHG and returned the keys on 3rd April 2017.</p>
8.	<p>TENANCY FRAUD (Notting Hill Housing Group - NHHG) – An investigation begun when housing officers reported that the tenant of an address in St. Olaf's Road, SW6, had not been seen for some time. Furthermore, they had also noted that there had been no requests for repairs since 2009 (often an indicator of potential non-residency).</p> <p>Visits to the property were unsuccessful, but the door to door enquiries with neighbours suggested that they knew the tenant by a different name than the one held on the NHHG tenancy agreement and files.</p> <p>The investigation traced a third party who had been linked to the address, and he suggested the tenant had emigrated to Australia. The investigation then revealed that the tenant had married an Australian national and was now living there. He had even renewed his UK passport while in Australia and had it delivered to a residential address also in Australia.</p> <p>Based on the evidence gathered by CAFS, NHHG served notices on the property, and before the court date was reached, keys were handed into NHHG offices, and vacant possession obtained immediately.</p>

<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p>6 December 2017</p>	
<p>INTERNAL AUDIT QUARTERLY REPORT FOR THE PERIOD 1 JULY – 30 SEPTEMBER 2017</p>	
<p>Report of the Director of Audit, Fraud, Risk and Insurance – David Hughes</p>	
<p>Open Report</p>	
<p>Classification: For Information Key Decision: No</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: David Hughes, Director of Audit, Fraud, Risk and Insurance</p>	
<p>Report Author: Geoff Drake, Senior Audit Manager</p>	<p>Contact Details: Tel: 0208 753 2529 E-mail: geoff.drake@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report summarises internal audit activity in respect of audit reports issued during the period 1 July to 30 September 2017 as well as reporting on the performance of the Internal Audit service.

2. RECOMMENDATIONS

- 2.1. To note the contents of this report.

3. REASONS FOR DECISION

- 3.1. Not applicable. No decision required.

4. PROPOSAL AND ISSUES

- 4.1. This report summarises internal audit activity in respect of audit reports issued during the period 1 July to 30 September 2017, and is for the Committee to note.

Internal Audit Coverage

- 4.1.1. The primary objective of each audit is to arrive at an assurance opinion regarding the robustness of the internal controls within the financial or operational system under review. Where weaknesses are found internal audit will propose solutions to management to improve controls, thus reducing opportunities for error or fraud. In this respect, an audit is only effective if management agree audit recommendations and implement changes in a timely manner.
- 4.1.2. A total of 16 audit reports were finalised in the second quarter of 2017/2018 from 1 July to 30 September 2017, including 3 Substantial Assurance and 12 Satisfactory Assurance reports.
- 4.1.3. The audit of Carers Hub Contract Management received Limited Assurance, with 1 high priority and 4 medium priority recommendations being raised. These recommendations were due for implementation in August 2017 and all have been reported as implemented. A follow up review will be undertaken by Internal Audit in due course.
- 4.1.4. A summary of the limited assurance report is set out in Appendix D.
- 4.1.5. Departments are given 10 working days for management agreement to be given to each report and for the responsible Director to sign it off so that it can then be finalised. There are no outstanding draft reports at the time of writing.

Outstanding audit recommendations

- 4.1.6. The Internal Audit service works with key departmental contacts to monitor the implementation of agreed recommendations.
- 4.1.7. There are no audit recommendations where the target date for the implementation of the recommendation has passed and they have either not been fully implemented or the auditee has not provided any information on their progress in implementing the recommendation, as shown at Appendix E. This compares to 7 outstanding as reported at the end of the previous quarter.

Implemented Recommendations

- 4.1.8. The table below shows the number of audit recommendations raised each year that have been reported as implemented. This helps to demonstrate the role of Internal Audit as an agent of change for the Council.

Year	Number of recommendations due	Number of recommendations implemented
2014/15	204	204
2015/16	250	250
2016/17	190	190

Internal Audit Service

4.1.9. Part of the Senior Audit Manager's function is to monitor the quality of Mazars' work. Formal monthly meetings are held with the Mazars Contract Manager and one of the agenda items is an update on progress and a review of performance against key performance indicators. The performance figures are provided for Quarter 2 of the 2017/18 financial year. The targets are set on a straight line basis across the year rather than being profiled based on delivery history. It is expected that the audit plans will be delivered by year end.

Performance Indicators 2017/18

Ref	Performance Indicator	Target	At 30 June 2017	Variance	Comments
1	% of deliverables completed	48%	25%	-23%	20 deliverables issued out of a total plan of 79. Behind target as audit plan allocated to Mazars is profiled to deliver more work towards the end of the financial year and a number of audits have been delayed or deferred.
2	% of planned audit days delivered	48%	29%	-19%	325 days delivered out of a total plan of 1104 days.
3	% of audit briefs issued no less than 10 working days before the start of the audit	95%	100%	+5%	18 out of 18 briefs issued more than ten working days before the start of the audit.
4	% of Draft reports issued within 10 working days of exit meeting	95%	100%	+5%	9 out of 9 draft reports issued within 10 working days of exit meeting.
5	% of Final reports issued within 5 working days of the management responses	95%	100%	100%	5 out of 5 final reports issued within 5 working days of the management responses.

Audit Planning

4.1.10. Amendments to the 2017/18 year Internal Audit plan are shown at Appendix C.

5. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES:

Appendix A - Audit reports issued 1 July to 30 September 2017

Appendix B - Summary of Outstanding Audit Reports

Appendix C - Amendments to 2017/18 audit plan

Appendix D - Summary of Limited Assurance Reports

Appendix E - Outstanding Recommendations

APPENDIX A

Audit reports Issued 1 July to 30 September 2017

We have finalised a total of 16 audit reports for the period of 1 July to 30 September 2017 to be reported to this Committee. We categorise our opinions according to our assessment of the controls in place and the level of compliance with these controls.

No.	Audit Plan	Audit Title	Director / Sponsor	Audit Assurance
1	2016/17	Your Voice Survey	Mark Grimley	Satisfactory
2	2016/17	Contract Management - Carers Hub	Mike Boyle	Limited
3	2016/17	Regeneration Governance	Jo Rowlands	Satisfactory
4	2016/17	Housing Stock Transfer Programme	Jo Rowlands	Substantial
5	2016/17	Joint Venture	Jo Rowlands	Satisfactory
6	2016/17	HRD Budget Management	Kath Corbett	Satisfactory
7	2016/17	Public Health Supplier Resilience	Mike Robinson	Satisfactory
8	2016/17	Public Health Commissioning Governance	Mike Robinson	Satisfactory
9	2016/17	HMO Licensing	Nick Austin	Satisfactory
10	2017/18	Flora Gardens - Primary School	Clare Chamberlain	Substantial
11	2017/18	Melcombe - Primary School	Clare Chamberlain	Satisfactory
12	2017/18	The Good Shepherd RC - Primary School	Clare Chamberlain	Satisfactory
13	2017/18	Jack Tizard School	Clare Chamberlain	Satisfactory
14	2017/18	Leisure centres	David Page	Satisfactory
15	2017/18	Parking Enforcement *	Mahmood Siddiqi	Substantial
16	2017/18	Residents Parking Permits *	Belinda Black	Satisfactory

* Undertaken by the RBKC in-house audit team.

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 few material 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.

Internal Audit reports in issue more than two weeks

There are currently no reports in issue more than two weeks at time of reporting.

Amendments to 2017/18 Audit Plan

	Department	Audit Name	Nature of Amendment	Reason for amendment
1	Corporate Services	Moving on Programme Management	Addition	Added due to high inherent risk
2	Regeneration, Planning & Housing Services	Planning Performance – GDC return	Addition	Requested by management
3	Public Health	Public Health Commissioning (Part 2)	Removed	Removed from plan due to supplication with Commissioning governance audit.
4	Corporate	MSP Pensions Compliance	Removed	Initially requested by management but then withdrawn as not needed.
5	Public Health	Joint Commissioning	Removed	Deferred to 2018/19

Summary of Limited and Nil Assurance Reports

Ref	Audit and Scope	Details	Assurance/Risk
1	<p>Carers Hub Contract Management</p> <p>The objectives of this review were to assess and evaluate the controls in the following areas:</p> <ul style="list-style-type: none"> • Contract Formalities • Schedule of Works • Contract Variations and Service Improvements • Contract Monitoring and Performance Management • Payments • Budget Monitoring • Value for Money • Contractor Compliance and Workforce Development 	<p>The Carers' Hub is a Westminster City Council led contract which has been provided by the supplier Carers Network since 2013. The services provided under this contract include, but are not limited to:</p> <ul style="list-style-type: none"> • Provision of carer advice, information and guidance; • Provision of carer support; • Conducting carer assessments; • Support to the Council to ensure retention of carers; • Provision of carer legal advice; and, • Provision of a carer telephone hotline. <p>The contract was awarded to Carers Network in November 2013 with the duration of the contract taking the delivery of the service by the contractor to November 2015. The contract included an option for extending the contract by 18 months and this was utilised by the Council, extending the contract period to 30 April 2017. The annual value of the contract is £384,944.</p> <p>One high and four medium priority recommendations were raised as follows:</p> <ol style="list-style-type: none"> 1) Adult Social Care should ensure that the Carers' Hub service provided by the Carers Network is legally binding through a signed contract or extension, and this should be retained. For any future contracts, a timetable should be put in place to provide sufficient time to instigate any reviews, procurement process or waivers before the contract expires. 2) The contract should be reviewed on a periodic basis to ensure the Councils' and services' needs continue to be met. 3) Key Performance Indicators (KPIs) for the contractor should be established and agreed with the contractor. Adult Social Care should evidence the review of performance reports through email correspondence to the contractor, confirming the adequacy of the reports and highlighting actions to complete or performance issues (if any). 4) Budget monitoring should be undertaken on a monthly basis by the budget holder, with action taken to investigate and rectify any unexpected variances. Adult Social Care should confirm that the payments made are in accordance with the signed extension letter (once obtained). 5) Adult Social Care should periodically obtain assurance that Carers Network staff have the required qualifications and skills to work with clients at the Carers' Hub. 	<p>Limited</p>
<p>Management Comment</p>			
<p>The procurement process for the new service has been completed and the contract, which has been signed, has been awarded to the Carers Network. Monthly contract management meetings have been established and these will continue for the lifetime of the contract.</p>			

Summary of Outstanding Recommendations

There are no recommendations outstanding where the target date for implementation has passed and either the recommendation has not been fully implemented, or the auditee has failed to provide information on whether it has been implemented.

Final Internal Audit Report

***Adult Social Care – Carers’ Hub (Carers
Network) Contract Management***

July 2017

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1 Introduction

As part of the internal audit plan for 2016/17, agreed by the Audit Pensions and Standards Committee, we are due to undertake an internal audit of the management of the Carers' Hub contract with Carers Network.

Adult Social Care is a shared service across the London Borough of Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Westminster City council. Although this is a shared service, the contracts for services delivered by external providers are assigned a contracting authority with some contracts specific to one Borough and some covering all three boroughs. A new Contract Management Framework has been developed for the tri-borough and is due for full adoption in December 2016.

The Carers' Hub is a Westminster City Council led contract which has been provided by the supplier Carers Network since 2013. The services provided under this contract include, but are not limited to:


- Provision of carer advice, information and guidance;
- Provision of carer support;
- Conducting carer assessments;
- Support to the Council to ensure retention of carers;
- Provision of carer legal advice; and,
- Provision of a carer telephone hotline;

The contract was awarded to Carers Network in November 2013 with the duration of the contract taking the delivery of the service by the contractor to November 2015. The contract included an option for extending the contract by 18 months and this was utilised by the Council, extending the contract period to 30 April 2017. The annual value of the contract is £384,944.

A tender process is underway to procure a new contract for the service and this is due to be awarded in February 2017 with the contract formally commencing in May 2017 for a period of three years (with the option to extend for a further two years).

2 Executive Summary

2.1 Assurance Opinion

	Nil	Limited	Satisfactory	Substantial
Audit Opinion				

2.2 Recommendations Summary

The following table highlights the number and categories of recommendations made. The Action Plan at Appendix 1 details the specific recommendations made, as well as the agreed management actions to implement them.

Area of Scope	Adequacy	Effectiveness	Recommendations Raised		
			High	Medium	Low
Contract Formalities			1	0	0
Schedule of Works			0	1	0
Contract Variations and Service Improvements			0	0	0
Contract Monitoring and Performance Management			0	1	0
Payments			0	*	0
Budget Monitoring			0	1	0
Value for Money			0	**	0
Contractor Compliance and Workforce Development			0	1	0
Total			1	4	0

*A recommendation in relation to this area has been included within Budget Monitoring area.

** A recommendation in relation to this area has been included within the Schedule of Works area.

Please refer to the Appendix 2 for a definition of the audit opinions and recommendation priorities.

3 Summary of Findings

In Internal Audit's opinion, **Limited Assurance** can be given to Members, the Chief Executive and other officers, meaning that weaknesses and omissions in the system of controls are such as to put the system objectives at risk, and the level of non-compliance puts the system objectives at risk.

The key findings and an assessment of controls are summarised below:

Design of and compliance with controls to address the key risks identified

- Three contracts are in place for the Carers' Hub service, covering LBHF, RBKC and WCC.
- The contract for Carers' Hub was originally signed on 5 December 2013 (LBHF), 2 August 2010 (RBKC), and 25 January 2008 (WCC). A hard copy of these contracts is retained by the Adult Social Care team in Hammersmith and Fulham.
- Each of these contracts had an initial duration of three years and have since expired.
- Whilst key decision reports have been provided evidencing the approval and justification for the contract extensions by the Cabinet Member for Adult Social Care and Public Health in May (WCC) June (RBKC), and October 2015 (LBHF), there was no documentation showing how Adult Social Care had periodically reviewed the contract and its terms prior to this, given that the RBKC and WCC contracts had expired for a significant period of time before cabinet approval.
- Metrics for reviewing the quality of work undertaken by the contractor are outlined within the contract such as number of clients dealt with, number of complaints and the percentage of staff trained.
- Performance monitoring reports are produced on a quarterly basis; however performance targets have not been established. Due to this, we were unable to confirm whether contractor performance is to the required standard.
- We examined invoices from Carers' Hub for the last three months and confirmed the monthly payments for each borough. The monthly invoice was £19,133.00 for LBHF, £8,333.33 for RBKC, and £32,078.67 for WCC. This was in line with the Service Specifications provided. However, we were unable to obtain the signed extension and associated terms and conditions to verify if these payments were still for the correct amount.
- The contract stipulates that payments should be made to the contractor within 30 days of invoicing. From a sample of nine payments (three for each borough), in all nine cases the payment was made within the allocated timeframe.
- Although payments are for a fixed rate each month, we were unable to confirm that budget monitoring is undertaken to ensure that payments are made in accordance with the expected contract spend.
- Currently, no assurance is obtained that employees used by Carers' Hub hold the necessary qualifications for the service. In addition, the quality of the staff who deliver the service is not monitored by the Council to ensure that the service they provide is adequate and sufficient to meet the needs of clients.

4 Acknowledgements

We would like to thank the following members of staff for their time and assistance during the audit:

- Head of Complex Needs – Older People
- Strategic Commissioner

Appendix 1: Management Action Plan

1. Formal Contract

Priority	Issue	Risk	Recommendation
High	<p>The most recent contracts provided for Carers' Hub commenced on 5 December 2013 (LBHF), 2 August 2010 (RBKC), and 25 January 2008 (WCC). We requested contract renewal/extension agreements; however, there no evidence could be provided that a signed document between the Council and Carers Network to agree the extension of the service had been completed.</p> <p>We were also unable to confirm that the Carers' Hub contract held with RBKC had been signed as this page was not included in the version provided. In addition, the appendices including the service specification, pricing schedule and quality standards were not available at the time of audit.</p>	<p>Where a legally binding contract or extension for the Carers' Hub service is not in place and where complete contract documentation is not retained, there is a risk that the terms and conditions of the contract cannot be enforced. Additionally, the contractor could halt its service abruptly and face limited or no legal or financial repercussions.</p>	<p>Adult Social Care should ensure that the Carers' Hub service provided by the Carers Network is legally binding through a signed contract or extension, and this should be retained.</p> <p>For any future contracts, a timetable should be put in place to provide sufficient time to instigate any reviews, procurement process or waivers before the contract expires.</p> <p>Extensions should be formally agreed prior to contracts expiring.</p>
Management Response			
<p>A new contract with a new set of terms and conditions and service specification with related Key Performance Indicators will be in place from 1 August 2018 for each of the 3 boroughs, Westminster City Council, Royal Borough of Kensington and Chelsea and Hammersmith and Fulham.</p> <p>Commissioners will ensure that all contract documentation is signed by the service contractor and all associated appendices including the service specification, pricing schedule and quality standards from part of the contract documentation. It should be noted that each individual carers services contract has a contract terms of three years with two further one-year contract extensions and these will be formally agreed with the service contractor in formal correspondence where applicable. The contractor will be assessed in relation to the delivery of services detailed in the service specification and the KPI and outcomes detailed within the Performance Management Framework. Each Council has the option to terminate the contract with three months' notice if the contractor fails to deliver these requirements.</p> <p>For future audit purposed the new contracts will be given an indicative CAP-E contract number and the contract and all extensions will be loaded against this once they have been signed and all designated internal and external officers will be able to view all relevant documentation.</p>			

Responsible Officer	Deadline
(Interim) Strategic Commissioner	31/08/2017

2. Contract review

Priority	Issue	Risk	Recommendation
Medium	<p>The contract for Carers' Hub was originally signed on 5 December 2013 (LBHF), 2 August 2010 (RBKC), and 25 January 2008 (WCC).</p> <p>Each of these contracts had an initial duration of three years and have since expired.</p> <p>Whilst key decision reports have been provided evidencing the approval and justification for the contract extensions by the Cabinet Member for Adult Social Care and Public Health in May (WCC) June (RBKC), and October 2015 (LBHF), there was no documentation showing how Adult Social Care had periodically reviewed the contract and its terms prior to this, given that the RBKC and WCC contracts had expired for a significant period of time before cabinet approval.</p>	<p>Where the contract is not reviewed, there is a risk that the needs and objectives of the Council(s)/service change, resulting in the service provided by the contractor no longer meeting those requirements.</p>	<p>The contract should be reviewed on a periodic basis to ensure the Councils' and services' needs continue to be met.</p>
Management Response			
<p>As stated during the audit process, a through engagement and consultation process was undertaken in the commissioning of the new service which has shaped KPI and service outcomes for the new contracts starting on 1 August 2017. During this process, carers concluded that there should be the continuation of a central Carers' Hub within the borough delivering information, advice and support, and that the service should be based on an outreach model that provides support in the communities and facilities in which carers already spend their time.</p>			
Responsible Officer			Deadline
(Interim) Strategic Commissioner			31/08/2017

3. Performance monitoring

Priority	Issue	Risk	Recommendation
Medium	<p>Performance reports are provided on a monthly basis detailing:</p> <ul style="list-style-type: none"> • Organisation; • Quality, Compliance and Safety; • Staffing; • Service User Data; • Outputs and Targets; • Outcomes; and • Additional Information. <p>However, it was established that there are no KPIs set out by the Council as a benchmark for assessing performance.</p> <p>Furthermore, whilst performance reports are received, there was no evidence that these were being appropriately monitored.</p>	<p>Where KPIs are not set and where performance is not monitored, there is a risk that poor performance is not identified and corrective action not taken.</p>	<p>Key Performance Indicators (KPIs) for the contractor should be established and agreed with the contractor.</p> <p>Adult Social Care should evidence the review of performance reports through email correspondence to the contractor, confirming the adequacy of the reports and highlighting actions to complete or performance issues (if any).</p>
Management Response			
<p>The Performance Management Framework for the Carers Support Service has been agreed with the contractor.</p> <p>With regards to the contract monitoring schedule, Adult Social Care have a new contract monitoring framework which was implemented in December 2016. This allows a strategic assessment of contracts to take place and helps identify appropriate contract and performance management methods for each service. Using this tool commissioning have assessed these services as operational meaning that they will be subject to quarterly monitoring and, as a minimum, twice annual monitoring visits, this process will be used as a basis of assessing service provision in line with service user needs. Carers will be involved in the monitoring and evaluation of services within each borough.</p> <p>In addition, the new contractor has been given the Performance Management Framework for Carers Services within each borough.</p>			
Responsible Officer			Deadline
(Interim) Strategic Commissioner			31/08/2017

4. Payments and Budget Monitoring

Priority	Issue	Risk	Recommendation
Medium	<p>Although payments are for a fixed rate each month, we were unable to confirm that budget monitoring is undertaken to ensure that payments are made in accordance with the expected contract spend.</p> <p>We also examined invoices from Carers' Hub for the last three months and confirmed the monthly payments for each borough. The monthly invoice was £19,133.00 for LBHF, £8,333.33 for RBKC, and £32,078.67 for WCC. This was in line with the Service Specifications provided; however, we were unable to obtain confirmation of the signed extension and terms and conditions to verify if payments were still for the correct amount.</p>	<p>Where budget monitoring is not undertaken on a monthly basis, there is a risk that variances are not identified and investigated in a timely manner.</p> <p>Where contract payments are not formally agreed, there is a risk that the Council is not obtaining value for money.</p>	<p>Budget monitoring should be undertaken on a monthly basis by the budget holder, with action taken to investigate and rectify any unexpected variances.</p> <p>Adult Social Care should confirm that the payments made are in accordance with the signed extension letter (once obtained).</p>
Management Response			
<p>Budget monitoring is undertaken on a risk based approach. Commissioners have agreed that the carers budget will be undertaken on a quarterly basis by the budget holder, in line with the outcomes of the contract classification tool that has informed the strategy towards contracts within the department. Action will be taken to investigate and rectify any unexpected variances as and when they occur.</p> <p>It should be noted that currently, budget monitoring is performed minimally on a quarterly basis to ensure that the payments for the quarter have gone out. It is done in conjunction with the quarterly monitoring of joint health related carers expenditure which is reported to each relevant Clinical Commissioning Group. The finance teams continue to ensure that payments to the contractor are made in accordance with the contract terms, and a timetable/schedule of payments is indicated to the Budget Holder (Lead Commissioner) through 'Agresso - our managed system', where payments are regularised. Purchase orders have and will be set up for the full financial year 2017/18 and the contractor will invoice Adults against these on a quarterly basis.</p> <p>A timetable of payments is being established for the new contracts starting on the 1 August 2017.</p>			




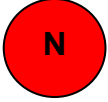
Responsible Officer	Deadline
(Interim) Strategic Commissioner	31/08/2017

5. Contractor staff assurance

Priority	Issue	Risk	Recommendation
Medium	<p>Assurance is not gained by the Council that the employees used by the Carers Network hold the necessary qualifications to work with clients at the Carers' Hub.</p> <p>In addition, the quality of the staff who deliver the service is not monitored by the Council to ensure that the service they provide is adequate and sufficient to meet the needs of clients.</p>	<p>Where staff qualifications are not checked or assurance is not obtained from the contractor regarding this, there is a risk that unqualified employees are hired resulting in reputational risk to the Council, where vulnerable clients may be put at risk.</p>	<p>Adult Social Care should periodically obtain assurance that Carers Network staff have the required qualifications and skills to work with clients at the Carers' Hub.</p>
Management Response			
<p>The new contractor will be asked to provide assurance that employees are qualified to deliver the appropriate support relevant to the services that they are being asked to deliver.</p>			
Responsible Officer			Deadline
(Interim) Strategic Commissioner			31/08/2017

Appendix 2: Definition of Assurance Opinions and Recommendation Priorities

In order to help put the audit opinion and recommendation priority ratings in context the following tables detail the current ratings used by Internal Audit.

Rating	Description
 Su	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no material errors or weaknesses were found.
 Sa	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.
 L	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.
 N	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.

Priority	Description
High	Recommendation addresses fundamental weaknesses, which seriously compromise the effective accomplishment of the system's objectives. Risks presented by the control weaknesses could be damaging in the short term. The management action required should be implemented as soon as possible, certainly within 0-3 months.
Medium	Recommendation addresses serious weakness, which affect the reliance to be placed on the system. Risks presented by control weaknesses could be damaging in the medium term. Management action is required within 0-6 months.
Low	Recommendation addresses minor weaknesses, or suggests a desirable improvement. Risks presented by control weaknesses are unlikely and inconsequential. Management action is recommended to address concerns within 0-9 months.

Appendix 3: Audit Scope, Limitations and Inherent Risks

This audit was a full risk based review of the arrangements for ASC Contract Management – Carers’ Hub (Carers Network) and included the following areas:

Ref	Audit Area - Description	Comments on Coverage / Area Objectives
1	Contract formalities	<p>There is a signed contract for the provision of the service. Staff involved in the management of the contract have easy access to the contract and are aware of its content.</p> <p>Staff involved in the management of the contract have been made aware of the new governance arrangements and responsibilities under the new Contract Management Framework.</p>
2	Schedule of works	<p>An agreed schedule of works (service specification) and defined quality standards have been developed and these are available to both Council staff and the contractor.</p> <p>The schedule and quality standards are reviewed on a periodic basis.</p>
3	Contract variations and Service Improvements	<p>All variations to the contract are formally approved and agreed by both parties prior to the service being undertaken by the contractor.</p> <p>Service improvements are in line with the strategic commissioning priorities and there is adequate communication between both parties to agree on the improvements.</p> <p>Service improvements are approved by a Senior Officer and are reflected in the contract documentation.</p>
4	Contract Monitoring and Performance Management	<p>There are metrics in place to measure contractor performance and these are suitable to measure against the objectives of the contract. The Council confirms that the contractor is working to the agreed standards and specification defined within the contract.</p> <p>Appropriate action is taken to address poor performance, including exercising penalty clauses or incentives detailed within the contract.</p> <p>Relationships with the contractor are developed and monitored to maximise the effectiveness of the services delivered.</p>
5	Payments	<p>Payments are made accurately, completely and in a timely manner according to the contract terms and conditions. Any applicable additions, deductions and variations are accounted for.</p> <p>All payments are authorised by a Senior Officer prior to processing payment to the contractor.</p>

Ref	Audit Area - Description	Comments on Coverage / Area Objectives
6	Budget Monitoring	<p>The service is delivered within agreed financial constraints and any variances are identified promptly through regular budget monitoring.</p> <p>The impact of any variances is assessed fully and valid corrective action is identified, agreed and implemented in a timely manner.</p>
7	Value for money	Monitoring mechanisms are in place to ensure that the contract provides value for money and opportunities for cost efficiencies are explored.

Inherent Risks

The risks listed below are potential inherent risks which are common for any system/organisation of this type:

- Poor contractor performance persists with no corrective or enforcement action taken;
- Payments are made for work not undertaken to a satisfactory standard, or at all;
- The contractor does not deliver value for money for the Council; and
- The resources available, including staff and infrastructure, are not adequate to deliver the activities and sessions required
-

Limitations to the Scope of the Audit

The following limitations to the scope of the audit were agreed when planning the audit:

- The work will be undertaken using a risk based approach and testing will be on a sample basis to verify compliance;
- The records maintained by third parties to the Council will not be reviewed and are outside of the scope of this audit;
- The audit review does not provide absolute assurance that material error, loss or fraud does not exist; and,
- This audit work will provide assurance over the contract management processes but will not provide an opinion on the procurement process or the effectiveness of the contract itself.

The internal audit approach was developed through an assessment of risks and management controls operating within the agreed scope. The following procedures were adopted:

- Identification of the role and objectives of each area;
- Identification of risks within each area which threaten the achievement of objectives;
- Identification of controls in existence within each area to manage the risks identified;
- Assessment of the adequacy of controls in existence to manage the risks and identification of additional proposed controls where appropriate; and,
- Testing of the effectiveness of key controls in existence within each area.

Management should be aware that our internal audit work was performed in accordance with the Public Sector Internal; Audit Standards which are different from audits performed in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Similarly, the assurance gradings provided in our internal audit report are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

Our internal audit testing was performed on a judgemental sample basis and focussed on the key controls mitigating risks. Internal audit testing is designed to assess the adequacy and effectiveness of key controls in operation at the time of the audit.

Please note that, in relation to the agreed scope, whilst our internal audit will assess the efficiency and effectiveness of key controls from an operational perspective, it is not within our remit as internal auditors to assess the efficiency and effectiveness of policy decisions.

Appendix 4: Timetable and Distribution List

Stage	Date
End of Fieldwork	04/04/2017
Draft Report Issued	19/04/2017
Responses Received	14/07/2017
Final Report Issued	17/07/2017

Audit Team
Client Engagement Manager
Senior Auditor
Auditee
Strategic Commissioner
Client Sponsor
Mike Boyle – Tri Borough Director for Strategic Commissioning and Enterprise

Report Distribution List
Strategic Commissioner
Copy Recipients of Report
Mike Boyle – Tri Borough Director for Strategic Commissioning and Enterprise

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Recommendations for improvements should be assessed by management for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

This report is prepared solely for the use of Audit Committees and senior management of the London Borough of Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Westminster City Council. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p>6 December 2017</p>	
<p>Annual Governance Statement Action Plan and Outstanding Recommendations for External Audit</p>	
<p>Report of the Director of Audit, Fraud, Risk and Insurance</p>	
<p>Open Report</p>	
<p>Classification: For Information Key Decision: No</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: David Hughes, Director of Audit, Fraud, Risk and Insurance</p>	
<p>Report Author: Geoff Drake, Senior Audit Manager</p>	<p>Contact Details: Tel: 0208 753 2529 E-mail: geoff.drake@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report summarises Progress on implementing recommendations arising from the 'External Audit Report 2016/17' and the Annual Governance Statement.

2. RECOMMENDATIONS

- 2.1. To note the contents of this report.

3. REASONS FOR DECISION

- 3.1. Not applicable. No decision required.

4. INTRODUCTION AND BACKGROUND

- 4.1. In September 2017 the Council's External Auditors (KPMG) issued their 'External Audit Report 2016/17'. The report contained five recommendations for implementation by management and two recommendations from the 2015/16 report that were not fully implemented.

- 4.2. The Council's 2016/17 Annual Governance Statement (AGS) also contained one issue carried over from the previous year that required action by management. Action plans are a necessary result of the AGS and should provide sufficient evidence that the individual significant control weaknesses taken from the AGS will be resolved as soon as possible, preferably in-year before the next statement is due.
- 4.3. Failure to act effectively on the significant control issue would increase the exposure of the council to risk. As these issues are considered to be significant, the action plans and the progress made in implementation will be periodically reported to the Audit, Pensions and Standards Committee to agree and then to monitor progress.

5. PROPOSALS AND ISSUES

5.1. Update on External Audit Recommendations

- 5.1.1. Three recommendations arising from the External Audit Report 2016/17' have now been reported as implemented.
- 5.1.2. Progress in implementing the remaining recommendations can be found in Appendix A.
- 5.1.3. Internal Audit has not verified the information provided and can therefore not give any independent assurance in respect of the reported position.

5.2. Update on Annual Governance Statement recommendations

- 5.2.1. The table attached as Appendix B shows the progress reported by the responsible managers in implementing recommendation carried forward into the 2016/17 Annual Governance Statement.
- 5.2.2. Unless otherwise stated, Internal Audit has not verified the information provided and can therefore not give any independent assurance in respect of the reported position.

6. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES:

Appendix A	External Audit Recommendations Update
Appendix B	Annual Governance Statement Update

External Audit Recommendations Update

Recommendation/Areas of Improvement	Initial response and timescale	Responsible Officer	Update to Audit, Pensions and Standards Committee
<p>R1 - Approval of Exit Payments (Priority 2)</p> <p>During our testing, we identified two individuals for which the documentation of the adjudication panel approving their redundancy could not be located. Moreover, receiving redundancy letters for a number of individuals proved difficulty as there was no central co-ordination and storage of key documents.</p> <p>There is a risk currently that the Authority is unable to demonstrate that the controls surrounding the approval of exit payments are operating effectively.</p> <p>Recommendation: A central storage of important documents relating to exit packages and other sensitive matters should be developed and the importance of using this central storage should be reaffirmed to key officers. The monitoring officer could act in an oversight role for this.</p>	<p>Agreed</p> <p>We will review our arrangements for filing and storing important documents relating to exit packages and other sensitive matters. We will ensure that the correct procedure is reaffirmed to key officers.</p> <p>By when: December 2017</p>	<p>Interim Director for HR</p>	<p>On track for completion by planned date</p>
<p>R2 - Accruals identification/calculation - (Priority 2)</p> <p>During our testing of creditor accruals, we identified two accruals which had been made even though the expense had not yet been incurred by the Authority. The values in question were not material to the financial statements</p> <p>Moreover, the backing for accruals submitted by the services was not always accompanied by detailed supporting evidence of working, making obtaining audit evidence together with the internal scrutiny of the corporate finance team, challenging.</p>	<p>Agreed</p> <p>Existing guidance for raising accruals will be reviewed, updated as necessary and re-issued to the services. This guidance will specify the level of evidence required to support accruals. Corporate Finance will monitor compliance by the services with this guidance</p> <p>By when: December 2017</p>	<p>Strategic Finance Director</p>	<p>IN PROGRESS – ON TRACK</p> <p>Corporate Finance are currently finalising the closing timetable and guidance for 2017/18. The revised guidance will include detailed guidance on accruals.</p>

Recommendation/Areas of Improvement	Initial response and timescale	Responsible Officer	Update to Audit, Pensions and Standards Committee
<p>Recommendation: Detailed guidance should be issued to the services regarding what expenditure should be accrued and the level of evidence required to support these accruals.</p>			
<p>R3 - IT Control Deficiencies- Leavers and User Access (Priority 2)</p> <p>During our audit of the IT environment at BT Managed Services, we identified a large number of leavers who had not been removed from the IT system promptly after the leaving date. Similarly, the majority of new users, who are not on temporary contracts, to the system are entered with an expiry date of 2099, rather than a fixed end date, meaning many user access rights will continue indefinitely.</p> <p>Whilst further testing identified that none of these individuals accessed the ledger inappropriately after their leaving date, there is a risk to the Authority that leavers can inappropriately access the ledger after they have left the Authority. The lack of end date means that there is no fixed process whereby BT is encouraged to monitor user access regularly.</p> <p>Recommendation: The importance of removing leavers from the IT system should be reaffirmed to BT Managed Services and a routine check is developed to identify any leavers who might still inappropriately have access to Agresso. New users should be given an expiry date after 12 months so that user access does not continue indefinitely where this is not appropriate.</p>	<p>Agreed</p> <p>The shortfall in required practices will be notified to BT and supported by the issue of the appropriate contract warning notices. The Council will work with BT to increase the performance monitoring in this area, and will introduce checks and controls to confirm resolution by BT.</p> <p>By when: March 2018</p>	<p>Interim Director for HR</p>	<p>IMPLEMENTED</p> <p>This matter has been raised with BT who have responded that there was an issue with the trigger process which alerted the team to revoke system access for leavers. This issue has now been fixed and alerts are now visible. For added confidence the BT HR team will issue a weekly leavers report for cross referencing until they are assured the process is running smoothly.</p>
<p>R4 - IT Control Deficiency- Change Documentation (Priority 3)</p> <p>During our testing of changes to the IT environment, we identified that there was one instance where the relevant change request and approval minutes could not</p>	<p>Agreed</p> <p>The shortfall in required practices will be notified to BT and supported by the issue of the appropriate contract warning notices. The Council will work with BT to increase the performance</p>	<p>Strategic Finance Director</p>	<p>IN PROGRESS – ON TRACK</p> <p>This matter has been raised with BT who have requested further information to investigate the instance reported by KPMG. Corporate Finance have requested this information from KPMG and</p>

Recommendation/Areas of Improvement	Initial response and timescale	Responsible Officer	Update to Audit, Pensions and Standards Committee
<p>be located. The reason for this is that the change was relatively old and the contractor who processed it had left BT's employment.</p> <p>Whilst a description of the change did not indicate that the change to the IT environment was inappropriate, there is a risk that the council cannot gain comfort over the appropriateness of its change control procedure if sufficient documentation is not held.</p> <p>Recommendation: Storage of change documents related to IT change requests should be reinforced to key officers.</p>	<p>monitoring in this area, and will introduce checks and controls to confirm resolution by BT.</p> <p>By when: March 2018</p>		<p>will subsequently provide this to BT to complete their investigation.</p>
<p>R5 - Monitoring of Savings Plans (Priority 3)</p> <p>The approach for monitoring the performance of savings plans in the MTFs is generally via the in month budgetary control processes, where the performance on each cost centre is monitored, rather than the performance of the individual savings plans.</p> <p>Due to the size of savings plans in 2016/17, this level of monitoring was appropriate. However, many of the savings plans for 2017/18 are of a much larger size and strong performance in one saving plan could heavily distort the reporting of others meaning poor performance of certain savings plans is not identified.</p> <p>Recommendation: As savings plans increase in size, reporting should be developed such that there is a more granular approach to monitoring savings plans. This would allow performance of individual savings plans to be more closely monitored and expedient mitigating actions taken where under performance identified.</p>	<p>Agreed</p> <p>In 2016/17 departments provided a monthly summary of performance against their savings performance with exception reporting on those that were 'red' rated. This was captured as part of the monthly Corporate Revenue Monitoring reports. For 2017/18 a separate report has been produced which focuses on the delivery of each individual saving.</p> <p>By when: Completed</p>	<p>Strategic Finance Director</p>	<p>N/A – Completed.</p>

Recommendations not yet fully implemented from the 2015/16 audit

Recommendation/Areas of Improvement	Original response and timescale	Responsible Officer	Update to Audit, Pensions and Standards Committee
<p>Recommendation 1 (Priority 1)</p> <p>The Council should consider how to obtain assurance over the control environment at BT. This can be achieved through the commissioning of an ISAE 3402 as noted above or specific internal audit work undertaken at BT.</p> <p>The resulting report should be reviewed by management and any areas for local consideration should be actioned accordingly.</p> <p>Partially Implemented</p> <p>There is still no segregation of duties of transactions initiated at BT. However, Internal Audit have undertaken a series of reviews at BT Managed Services and have raised a number of recommendations to management. In order to gain more assurance also the KPMG audit team has also conducted a visit of the managed service provider to gain an understanding of the control environment at BT.</p>	<p>We will investigate and consider options as to how we can obtain increased assurance over the control environment at BT. This may include an internal review of controls, an externally certified review, or a combination of both. Management will review any findings and ensure that any areas for local consideration are actioned accordingly.</p> <p>By when: March 2017</p>	<p>Strategic Finance Director</p>	<p>SUPERSEDED</p> <p>Given the current commercial discussions with BT this was not progressed. To address this recommendation the KPMG external audit team included a visit to BT Managed Services as part of the 2016/17 external audit programme. Their finding and recommendations were included in the ISA260 report and an update to any Managed Services related recommendations included above.</p>
<p>Recommendation 2 (Priority 1)</p> <p>Once the cleansing of membership data is complete and all parties are agreed that this is the case, LBH&F should ensure that a detailed assurance exercise is undertaken. This exercise will need to be more detailed than an audit and could be externally procured or completed by Internal Audit.</p> <p>LBH&F should also ensure that it is able to routinely reconcile appropriate information between BT managed services systems and SCCs pensions administration systems. This would provide assurance throughout the year that all contributions are being collected by LBH&F</p>	<p>The Council will ensure that a detailed assurance exercise is put in place to tackle the historical casework backlog inherited from Capita as well as the proposals for cleansing inherited data on the pensions administration system where required. The aim will be to complete the work within a one year period starting on 1 October 2016, although it is recognised that some aspects could take longer if any complicating factors arise.</p> <p>The Council agrees that the reconciliation of pension contributions between BT Managed</p>	<p>Bi-Borough Director of HR</p>	<p>The pensions cleanse is completed on time by SCC, led by HRD in RBKC</p>

Recommendation/Areas of Improvement	Original response and timescale	Responsible Officer	Update to Audit, Pensions and Standards Committee
<p>and passed to the Pension Fund.</p> <p>Ongoing</p> <p>The data cleanse process of information inherited from Surrey County Council is still ongoing and is expected to be completed in September 2017.</p> <p>There are still delays in receiving timely information from BT, including a delay in receiving the membership data for the year end accounts which has still not been received. Management at Surrey County Council are continuing to work with BT to develop a live interface between the Altair System used at Surrey and Agresso but the live interface is not yet fully operational.</p>	<p>Services and the Pension Fund needs to be more robust and transparent. The Pensions and Treasury Service is leading on the review of the current processes and will put satisfactory arrangements in place before the end of the current financial year.</p> <p>The Council will commence a reconciliation of appropriate scheme member information between BT Managed Services and Surrey County Council before the end of the current financial year.</p> <p>By when: Reconciliation processes will be place by 31 March 2017 with the majority of the casework to be cleared by 30 September 2017"</p>		

2016/17 Annual Governance Statement Action Plan

Entry	Responsible Officer	Action Plan	Progress To date
<p>BT Managed Services Contract Delivery</p> <p>The Managed Services Framework Agreement was procured by Westminster City Council in 2013 to provide transactional Human Resources, including payroll, finance services and a Shared Service help desk for the London Borough of Hammersmith and Fulham, the Royal Borough of Kensington and Chelsea and the City of Westminster Councils, each under their own contract. The programme overran its original delivery date of 1 April 2014 but commenced provision of a limited number of activities in April 2015. Since this point BT have continued to deliver some staged improvements to their solution, however they are yet to deliver to the required contracted standard. It is therefore the focus to ensure that BT deliver an acceptable level of service to enable finance, HR and payroll to function effectively.</p> <p>Officers and members from the Council have held regular meetings with BT to review plans to improve performance, including making sure measures were taken to ensure internal controls operated.</p> <p>Work is on-going with BT to address the issues raised in this statement and additional resources are being applied by the Council to resolve the issues as soon as possible.</p>	<p>Interim Director</p>	<p>This progress report deals with the resolution of the challenges that have arisen with respect to the delivery of the Managed Services Programme since go-live on 1st April 2015. The decision to go live with the system was taken in the knowledge that the SERCO contract with Westminster could not be extended and there was no resource available to update the H&F and RBKC systems such that they could be relied on after March 2015. It was recognised that this was not an ideal position and it has given rise to significant problems. A programme stabilisation plan has been created around the workstreams and the programme governance arrangements that existed before go live including risks and issues management and stage gate reviews. Programme reporting and programme assurance have been strengthened. A summary of the deliverables for each workstream is given below is given below.</p> <ol style="list-style-type: none"> 1. Finance – this workstream is tasked with ensuring that the all finance processes and core data are fully operational and stable (Purchase to Pay; Record to Report, Order to Cash, Fixed Assets, Income Manager, Access and Authorisations, Planning and Forecasting). 2. Organisation structure – a corrected organisation structure supported by 	<p>Subject to the exit plan for BT and implementation of an alternative system.</p>

Entry	Responsible Officer	Action Plan	Progress To date
		<p>appropriate online forms, standard operating procedures and establishment reporting.</p> <ol style="list-style-type: none"> 3. Human Resources – This workstream is tasked with the delivery of stable HR processes, the resolution of system configuration issues and enabling reporting and alerts. 4. Payroll – Key deliverables for this workstream are stabilisation of pay impacting incidents, improving self-service accuracy, rationalisation of payroll codes, resolution of pension issues and 3rd party pension provider access, enabling effective reporting for both councils and schools, resolving payroll deductions and overpayments and complete payroll reconciliation. 5. Organisation readiness – this workstream is responsible for the analysis of training needs, the delivery of training programmes, e-learning and reference materials and supporting the transition of council personnel to self-sufficiency, including communication of progress to all staff. 6. Schools and academies – delivering self-service access to Agresso for key personnel in schools, providing accurate and stable payroll processes, ensuring effective management of starters and leavers and providing accurate and timely reports and management information. 7. Service management and governance – this workstream is responsible for the management of the contract and implementation of all contractual service management deliverables, reporting and management information, oversight of the BT 	

Entry	Responsible Officer	Action Plan	Progress To date
		<p>Shared Service Centre improvement and incident recovery plan and on-going quality assurance and performance monitoring as well as supporting the transition to business as usual and putting in place the Intelligent Client Function</p> <p>8. Solution and environment assurance – this workstream is focussed on ensuring effective environment, system and data control, confirmation that what has been delivered is what was specified, reconciliation and integrity assurance, improving system performance, documentation and the simplification of the access and authorisations model.</p> <p>9. Interfaces – is tasked with developing and implementing mechanisms to send and receive data files from source systems to target systems (so that key council service areas can exchange data with Agresso), including the creation of translation tables, transformation rules and secure transport protocols.</p>	