AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests
   In accordance with the Council’s Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.

3. Minutes - To confirm as correct the minutes of the meeting held on 7 November 2012 (Pages 1 - 10)
   Please note that, due to the 19 December 2012 meeting inquorate, there is no need for the Committee to agree minutes.

EXTERNAL AUDIT

4. KPMG - Certification of Grants and Claims (Pages 11 - 24)

INTERNAL AUDIT

5. Composite Internal Audit Report - Quarter Two & Quarter Three 2012/13 (Pages 25 - 40)

6. Review of Key Anti-Fraud Policies & Strategies (Pages 41 - 116)
RISK MANAGEMENT


FINANCE

8. Budget Process 2013/14 (Pages 127 - 140)

SCRUTINY

9. Performance House - Quarter 2 2012/13 (Pages 141 - 163)

10. Debt Management Six Monthly update: Debt Management Performance and Write-Offs 2012/13 (Quarter 2) (Pages 165 - 183)


This report is presented to PAASC in response to recommendations agreed in the Scrutiny annual report presented to Assembly on 16th May 2012 regarding the Benefits service resulting from the review PAASC undertook in 2011/12.

12. Revenues and Benefits Service (Pages 191 - 199)

13. Corporate Plan 2013/14 and Community Strategy 2013 - 2016 (Pages 201 - 221)

14. Information Governance Update (Pages 223 - 230)

IN-DEPTH REVIEW OF ELEVATE EAST LONDON

15. Verbal Update From the Scrutiny Officer

BUSINESS ITEMS

16. Draft Work Programme & Date of Next Meeting (Pages 231 - 233)

ANY OTHER BUSINESS AND PRIVATE BUSINESS

17. Any other public items which the Chair decides are urgent

18. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted
Private Business

The public and press have a legal right to attend Council meetings such as the Public Accounts and Audit Select Committee, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). There is one such items at the time of preparing this agenda.

19. Composite Audit Report - Appendix 8 (Pages 235 - 236)

20. Any other confidential or exempt items which the Chair decides are urgent
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PUBLIC ACCOUNTS AND AUDIT SELECT COMMITTEE

Wednesday, 7 November 2012
(6.00 - 8.40 pm)

Present: Councillor A S Jamu (Chair), Councillor T Saeed (Deputy Chair), Councillor S Alasia, Councillor J Channer, Councillor G Letchford and Councillor M Mullane; Dr Ian Fifield

Also Present: Councillor E Carpenter, Councillor R Gill, Councillor L A Reason, Councillor N S S Gill, Councillor E Keller and Councillor H S Rai

44. Declaration of Members’ Interests

None.

45. Appointment of Independent Adviser to PAASC

The Public Accounts and Audit Select Committee (PAASC, “the Committee”) noted the appointment of Dr Ian Fifield as its Independent Adviser.

Dr Fifield was recruited via a competitive external interview process with The Lead Member (Councillor A S Jamu), the Deputy Lead Member (Councillor T Saeed), the Divisional Director Finance (Mr Jonathan Bunt), and the Scrutiny Officer (Mr Christopher Owens) sitting on the panel.

Dr Fifield brings a wealth of knowledge and experience to benefit the Committee. He is a full member of the Chartered Institute of Public Finance and Accountancy (CIPFA) an undergraduate degree in Business Economics and Accountancy, along with a postgraduate degree centred on the audit of municipal corporations. He has training and advisory experience and used to be a local government senior officer.

The Committee welcomed Dr Fifield and ratified his appointment.

46. Minutes - To confirm as correct the minutes of the meeting held on 27 September 2012

The minutes of the meeting held on 27 September 2012 were AGREED as an accurate record.

47. Budget options for 2013/14 relating to the Public Accounts and Audit Select Committee

The Lead Member outlined to all those present that the budget options have been proposed by the Cabinet and that the purpose of the meeting was for the Select Committee to consider the draft budget proposals, test their validity, and send comments – and the public’s comments – back to Cabinet which will meet in December to consider the feedback. It was noted that the Assembly (all 51 councillors) will meet in February 2013 to agree the budget.
The PAASC received a presentation from the Divisional Director Finance (DDF), setting out the context in which the budget savings proposals were being put forward and, summarising the relevant savings proposals.

It was highlighted that the budget shortfall results from a reduction in Local Government funding from Her Majesty’s Government (HMG), coupled with some additional pressures:

- Changing national policy including welfare reform and localisation of Council Tax benefit, changes to business rates, charging for Social Care, and statutory places for 2 year-olds (etc).
- Increasing demand on services from a growing population – almost 50% increase in 0-4 year-olds between the 2001 and 2011 census and a projected population increase of 20% between 2010 and 2020.
- A reduction in the freeze grant from HMG for not increasing Council Tax at 1% for 2013/14.

If all of the 2013/14 proposals are accepted the London Borough of Barking and Dagenham (LBBD, “the Council”) will have a £751k “buffer” in its budget. However, there will remain a budget gap of £7,471,000 in the 2014/15 financial year. Of the £23,000,000 in total savings the London Borough of Barking and Dagenham (LBBD, “the Borough”) need to make, the savings to be made within the departments which fall within PAASC’s remit amount to £3,125,000 between 2013/14 and 2015/16.

The Committee was concerned that the anticipated £28,000,000 of savings that could be made by Elevate East London (as stated at the outset of the joint venture) are not presented in the figures. Officers confirmed that these savings are already reflected in the figures and the budget gap has been adjusted accordingly. The savings are £3,000,000 in 2011/12, £4,000,000 in 2012/13, and £5,000,000 in 2014/15. Officers AGREED that these figures should be incorporated into all future budget paperwork.

The savings proposals were discussed:

(CEX/SAV/01) Reduction in the Chief Executive’s supplies and services and third party payments budgets.

The saving proposed is a £30,000 reduction in the Chief Executive’s office budget. The savings arise from budgets historically used to fund ad-hoc projects required by the Chief Executive.

The Deputy Leader of the Council (DLC) urged the Committee to support this straightforward 5.7% budget reduction. Councillor Carpenter, who was a guest at the meeting, asked if more savings could be found from this budget. The DLC outlined that the Cabinet has asked the Chief Executive to do just this, and more savings will be presented in 2014/15 for consideration.

The Committee supported the savings proposal.

(CEX/SAV/02) Reduction in Policy and Performance supplies and services budgets and deletion of one PO2 post.
This saving proposal would see a reduction of supplies and services spend by £60,000. This is made up of historically under spent equipment and administration budgets. The deletion of 1 Full Time Equivalent (FTE) post, a policy and performance officer, would save £42,000 including overheads. This is a £102,000 saving, 13.8% of the budget.

The Committee raised concerns about the level of cuts in this area and whether the remaining service was sustainable. The Group Manager Policy and Performance (GMPP) outlined that 30% of the overall budget is used to pay subscriptions to the Local Government Association (LGA) and London Councils. The Council’s membership of both of these organisations is under review.

The DLC affirmed that the Council does need a central policy and performance team, but that the central team could sustain this cut and have enough capacity to cover future work.

The Committee requested officers establish the total number of people under taking policy and performance (and/or related) work across the Council so a true picture of the Council’s capacity can be properly established. The DDF AGREED to undertake this work and report back to the Committee, noting that policy and performance activity will only be one part of a lot of staffs’ job descriptions. It is further exasperated by the difficulty in applying an absolute definition to this type of work.

The Committee supported the savings proposal.

(CEX/SAV/10) Further reductions to policy and performance functions across the Council and the possibility for a shared service.

This savings proposal would see a further £150,000 being identified in 2014/15 from a further review of policy, performance and research posts across the Council, including the deletion of the Group Manager Business Support and Improvement post from 2013/14. This is subject to exploring a shared service with Thurrock Council and identifying efficiencies across the teams in directorates providing similar strategic support functions around policy/strategy, performance, research, and data analysis.

The DLC reiterated the need to clearly define the policy and performance type roles. He outlined that the total budget for this area is £1,500,000, so finding a £150,000 saving is fairly modest.

After enquiries from the Committee, it was noted that more savings can be made from this area by amalgamating roles and teams. However, adapting the service should be done in stages. The Committee was asked to accept this round of cuts and informed that it is likely a further paper would be forthcoming in the next financial year’s round of savings.

The Committee reproached officers for omitting the risk rating from this savings proposal.
The Committee supported the savings proposal.

(CEX/SAV/05) Reduction in Communications and Marketing supplies and services budgets and increased income from external suppliers.

This savings proposal would see a reduction in supplies and services budget with increased use of digital media and communications combined with increased income generation from advertising on Council assets such as our fleet of vehicles, roundabouts, online advertising, and other sources. The total saving is £100,000.

It was noted that basing savings on projected income is problematic due to the fluctuating marketplace. The Committee agreed with this assessment, noting that previous similar proposals have tended to be revised down. The Committee and DLC were reassured by the Group Manager Marketing and Communications (GMMC) stating that, compared to the cash generated by other authorities, the figures in the proposal are fairly modest, but it is a prudent starting point officers are confident they are able to achieve. Soft market testing has been undertaken and strong interest has been expressed. It was noted that Luton achieves figures in the region of £200-250,000 whereas LBBD currently achieves £30-35,000. The Borough will have an income strategy for the first time in the very near future (if agreed by Cabinet).

The Committee was keen to protect front line services by making more cuts along these lines. They acknowledged that the Council must maintain a viable back office, but insisted that there should only be staff that are absolutely essential in these areas, to ensure resources are where they are needed – the front line. The DLC agreed with this sentiment.

The Committee supported the savings proposal.


This savings proposal would see the cessation of ‘The News’. This would lead to savings in print and distribution costs and a reduction in communications staff (four posts). The Council will promote the Council’s priority campaigns, services, and messages through press releases and through its increasingly active social media and digital mechanisms. The gross budget for this service is £380,000. However, due to the cash generated through advertising, the net saving would be £60,000.

It was noted that there is an ongoing Department for Communities and Local Government (DCLG) consultation on the issue of statutory notices. This Council hopes the outcome of this will be a relaxation in the current law to allow statutory notices to be placed online, rather than in print. This consultation ends in 2014 and the Council is obliged to continue the status quo until then.

The Committee raised concerns that by relying on social media and digital mechanisms older residents and the vulnerable might be excluded. Further to this,
small community groups rely on the News to publicise their events. The DLC agreed with this but reiterated that savings have to be made. The Committee remained unconvincing that the borough’s web presence is currently strong enough to replace the News. A member of the public informed the committee that the Council’s Twitter feed currently has 1,078 followers. The Committee directed the GMMC to provide the Committee with a report on the current usage statistics in relation to the website and any social media presence the Council has. The GMMC AGREED to undertake this request. It was noted that many residents are starting to access such information via smart phones, rather than computers. It was also noted that only 4 other boroughs have their own in-house newspapers and by 2013/14 the Secretary of State for Communities and Local Government, the Rt Hon Eric Pickles MP, has stated that there should be no council run papers published more than quarterly from 2013/14 onwards.

Councillor Carpenter asked the Committee to be mindful that, at £60,000, the News costs the Council less than £1 per household per year and it is liked by a majority of her constituents. Councillor Rai noted that the Post is not sent to every household in the borough like the News is and that it is not just the elderly and vulnerable that lack internet access. Councillor N Gill stated his preferred option was Option 2 (page 34 of the agenda pack). The DLC acknowledged that the News’ most attractive element is its high distribution. He went on to outline that Option 2 has its own pros and cons; if the publication frequency is reduced this would result in less income being generated and if statutory notices do go online, a large proportion of the News’ revenue stream would be lost. The DLC also highlighted the rapidly changing demographics and that 1/3 of the borough is comprised of young people, and accessing information online is fast becoming the norm.

The Committee supported the savings proposal.

(CEX\SAV06) Reduction of employee budgets and increase in income for Legal and Democratic Services.

This proposal would involve a £100,000 saving from Legal Services made up of £50,000 from the salaries budget, £30,000 income to be collected directly from schools and £20,000 income to be collected from other sources (e.g. Section 106 / community infrastructure levy / property management / courts). There would also be a saving of £46,000 from Democratic Services by reorganising the way the Council’s scrutiny function is delivered through the deletion of one Scrutiny Officer post. The total projected saving is for £146,000 in 2013/14.

The Committee outlined their support for the Legal Services portion of the proposal but that they could not back a further reduction in the Scrutiny function as councillors need to retain their power and effectiveness to hold the executive to account.

The DLC accepted that, constitutionally, strong and clear checks and balances need to be in place. He reminded the committee, however, that statutorily the Council was only obliged to have one Overview and Scrutiny committee, but the Council currently has five. The Head of Legal and Democratic Services (HLDS) stated that she is satisfied in the robustness of the proposals and that the Council
would still have an effective Scrutiny function if the savings were implemented. She informed the Committee that she has worked closely with the Designated Scrutiny Officer (DSO) to ensure the proposed changes were fit for purpose and in line with other council’s scrutiny provision. It was noted that, upon agreement from councillors, there would be two Scrutiny Officers servicing four committees, which is comparable to the current allocation of resources. The current draft proposals would see one overview and scrutiny committee, one health scrutiny committee (statutory), one crime and disorder committee (statutory), and one final committee with no defined remit so members could decide what to investigate without being bound by terms of reference as they currently are. The Audit Committee function would be removed and handed back from Scrutiny to Democratic Services, in line with best practice. There would also be more support from the departments in delivering the review reports.

The Committee supported the Legal Services saving of £100,000. The Committee did not support the Democratic Services saving of £46,000 and asked Cabinet to reconsider making this saving.

(CEX/SAV/12) Reduction in employee budget and further sharing of Legal Services with Thurrock Council.

This proposal would see a saving of £54,000 from the Legal Services salaries budget due to the removal of a Group Manager post and the sharing of the Head of Service post with Thurrock.

The Committee supported the savings proposal.

(CEX/SAV/09) Reduction in the Health and Safety Team (Human Resources)

This savings proposal would see a reduction in the size of the Health, Safety, and Welfare Team in Human Resources (HR) by deleting the manager post from April 2014. The total saving would be £56,000 in 2014/15.

The Cabinet Member for Adult Services and HR (CMASHR) outlined that, with the general downsizing of the Council, the Health and Safety team can be downsized too. However, due to operational issues, this should be delayed until the 2014/15 financial year – namely the end of the Enterprise contract and staff coming back “in house”.

The potential to share the health and safety function with Thurrock Council and East London Solutions was also discussed.

The Committee supported the savings proposal.

(CEX/SAV/08) Chief Executive’s Department

This savings proposal would see additional savings from the Chief Executive’s department covering Policy and Performance, Communications and Marketing, Human Resources, Legal and Democratic Services, and the Chief Executive’s
office for 2013/14. The total saving would be £622,000 in 2013/14.

The Committee was critical at the lack of information available for this proposal.

It was noted that LBBD has 19 Communications and Marketing staff and Thurrock has 13. Discussions how these two teams could work together are ongoing. The £622,000 is a fairly modest estimate, and officers and Cabinet hope the final figure could exceed £1,000,000. The Committee directed the DDF to report back to the Committee with detailed proposals when available. The DDF AGREED to undertake this request.

The Committee supported the savings proposal.

(FIN&RES/SAV/06) Efficiencies through the implementation of the Oracle R12 system.

This savings proposal would see a consolidation and reduction of posts at various levels I the Accountancy and Treasury teams through expected efficiencies and reduction in transactional level work following the implementation of Oracle R12. The savings would amount to £400,000 in 2013/14 and £200,000 in 2014/15.

The Committee affirmed that it expects close monitoring of the implementation of this system due to the knock-on issues that could be created if it goes wrong. The Committee directed the DDF to produce a report at the end of 2013 which assesses the success of the project and whether the £600,000 total efficiencies have been realised. The DDF AGREED to undertake this request.

The Committee supported the savings proposal.

(FIN&RES/SAV/10) Reduction in the assets and commercial services central budgets

Following the transfer of Technical Support, Property Services and the management of the Building Schools for the Future (BSF) project from the Council to Elevate, a number of budgets have become surplus to requirements. There has also been a review of supplies and services budgets, which has identified further savings.

The Committee supported the savings proposal.


It was noted that Emergency Planning is a joint service with the London Borough of Waltham Forest (LBWF). Half of the vacant Group Manager’s post is already charged to LBWF. A third partner, the London Borough of Havering (LBH) has entered the joint working arrangement on a pilot basis and it is likely that the combined service will now be managed by a Group Manager employed by LBH or LBWF. This will create a net saving of £10,000 in 2013/14.
The Committee supported the savings proposal.

(FIN&RES/SAV/12) Internal Audit – removal of special projects provision.

This savings proposal would see the removal of the special projects provision from April 2014 creating a saving of £26,000 in 2014/15.

It was noted that this budget was created three years ago to cover one off projects, such as the previously reported data breach incident. The budget is normally under-spent and funds, if needed, can be identified on an ad hoc basis from other budgets. This would not cause delays in the ability to swiftly react to events and the DDF is authorised to sign-off funds of this nature as long as they are below £100,000.

The Committee supported the savings proposal and recommended it be brought forward into the 2013/14 financial year.

(FIN&RES/SAV/13) Risk Management – staffing reductions

This savings proposal would see the deletion of a vacant Risk Management Officer post saving the Council £31,000 in 2013/14.

The Committee supported the savings proposal.

(FIN&RES/SAV/14) Reduction in Corporate Management Unit Budget (Finance)

This savings proposal would see a reduction in third party budgets used to fund one off corporate projects. It would save the Council £100,000 in 2013/14.

This budget has previously been used on a wide variety of projects, including the Athletics Arena (last financial year) and the refurbishment of Woodlands (this financial year). The remaining funds would be used to fund the borough’s credit union (£40,000), the sponsorship of Dagenham and Redbridge FC (£30,000) and East London Solutions (£40,000). It was noted that the sponsorship of Dagenham and Redbridge FC has many benefits including free tickets for schools, training for young people, promotion of the Borough’s health agenda, and building community links. It is a modest sum with a respectable return. Aside from Voluntary Grants, the Council undertakes no similar sponsorships. The CMASHR believed it demonstrates excellent strategic spending as it brings huge benefit to young people.

The Committee supported the savings proposal.

(FIN&RES/SAV/15) Deletion of a Project and Technical Officer Post.

This savings proposal would see the deletion of a post in the programme management team as a result of improved, streamlined, and automated business processes for programme management and board meetings administration. It
would save the Council £47,000 in 2013/14.

The Committee supported the savings proposal.

(FIN&RES/SAV/16) Assets and Facilities Management

This savings proposal would see staffing and associated budget savings following a restructure of the Assets and Facilities Management trams. It would save the Council £300,000 in 2013/14.

The Committee expressed misgivings about an external contractor and the cleaning staff becoming responsible for the opening and closing the building, and by inference building security. Councillor Keller, a guest at the meeting, used to previously be the Facilities Manager and outlined her displeasure at the proposal, noting that the proposal lacks detail and health and safety, and out of hours service were not assessed. Overall, the Committee was concerned that the risk to staff and the Council’s infrastructure would be too high, should this proposal progress.

The DDF informed the Committee that the facilities staff element of the £300,000 saving was only £17,000.

The DLC accepted the Committee’s concerned and proposed that the saving go ahead with the £17,000 facilities element removed for further consideration.

The Committee supported the savings proposal on the understanding the £17,000 Facilities saving is not progressed any further.

(FIN&RES/SAV/19) Closure of buildings as part of the office accommodation strategy.

This savings proposal would see building related savings from the planned closure or vacation of leased buildings within the office accommodation portfolio. This would save the Council £300,000 in 2014/15 and a further £280,000 in 2015/16.

It was outlined that the leases on Bridge House, Crown House, and Maritime House are due to expire shortly. Furthermore, the overdue maintenance bill for 2 and 90 Stour Road now exceeds £1,500,000 making prolonged use of these sites unfeasible, thus they should be vacated also. Future proposals could include Ripple Road and John Smith House.

The DLC informed PAASC that Cabinet is assessing the entire estate with a view to disposing sites that are now surplus to requirements. This will facilitate capital spending on, for example, Axe Street Leisure Centre.

The Committee supported the savings proposal.

(CORP/SAV/01) Increase fees and charges

It was outlined that the Council levies numerous fees and charges which are
usually in respect of discretionary services charged for at the point of delivery. This proposal would see an increase of 3% on all fees and charges that are within the Council’s control. Each income stream would go through robust market testing and benchmarking with other boroughs to ensure they are comparable and achievable. Some charges may need to be higher or lower than the standard 3% assumed. This would amount to £191,408 in 2013/14.

The Committee raised concerns at passing on the cost to the residents of the borough in a time when wages have been frozen. They felt that the arguments being used to justify the freeze in Council Tax are just as valid for freezing fees and charges.

The DLC stated that, historically, LBBD has low fees and charges. He asked the Committee to agree the saving in principle, noting the average increase would be 3%, but this would vary from case to case. The DDF informed the Committee that fees and charges are revised after the completion of the formal budget process, but it’s advisable to reflect anticipated changes in this revenue stream in the budget setting process.

Successful schemes such as the new pay and display were noted.

The Committee supported the savings proposal on the understanding the increase of 3% is an average and not a rule.

The Lead Member thanked the Committee, Cabinet Members, Officers, and the public for their contributions to the budget discussions.

48. Draft Work Programme & Date of Next Meeting

Noted.

49. Any other public items which the Chair decides are urgent

The Lead Member accepted a late report submitted under Agenda Item 7. The Lead Member agreed that it could be considered as a matter of urgency under the provisions of Section 100B(4)(b) of the Local Government Act 1972 in order not to delay the implementation of the in-depth review.

The DSO outlined that, to coincide with the approval of the first full-year annual report of the Elevate Joint Venture, the Cabinet has requested that a select committee undertake a review of the contract and the performance of the services delivered through it. The report (tabled) set out the terms of reference for the review, and sought approval for the proposed scope, timetable, and resources.

The Committee AGREED to undertake the in-depth review and directed the Scrutiny Officer to schedule it into the work programme.

The meeting closed at 20.40.
<table>
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<tr>
<th><strong>Title:</strong> Certification of Grants and Returns 2011/12</th>
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**Report of the External Auditor**

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<th><strong>Wards Affected:</strong> All</th>
<th><strong>Key Decision:</strong> No</th>
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<tr>
<th><strong>Report Author:</strong> KPMG</th>
<th><strong>Contact Details:</strong> Provided on page 2 of 9 of the report</th>
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**Accountable Divisional Director:** Jon Bunt – Divisional Director Finance

**Accountable Director:** Divisional Director Finance

**Summary:**

This report summarises the results of work on the certification of the Council’s 2011/12 grant claims and returns.

**Recommendation(s)**

That the Committee notes the contents of this report.

**Reason(s)**

As part of the actions of the Policy House theme “A Well Run Organisation.”
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Certification of grants and returns 2011/12

London Borough of Barking and Dagenham
January 2013
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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Philip Johnstone, who is the engagement leader to the Authority (telephone 0207 694 2091, e-mail philip.johnstone@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees (telephone 0161 236 4000, e-mail trevor.rees@kpmg.co.uk) who is the national contact partner for all of KPMG’s work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission’s complaints procedure. Put your complaint in writing to the Complaints Unit, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to: complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.
# Certification of grants and returns 2011/12

## Headlines

<table>
<thead>
<tr>
<th>Introduction and background</th>
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<tbody>
<tr>
<td>This report summarises the results of work on the certification of the Council’s 2011/12 grant claims and returns.</td>
</tr>
<tr>
<td>■ For 2011/12: 3 grants with a total gross value of £183m; and 2 returns with a total value of £68m have been certified for the Council.</td>
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<tr>
<td>■ For 4 of the grants and returns all of the work was undertaken by the Audit Commission before responsibility transferred to KPMG on 1 November 2012. For the remaining grant (Housing and Council Tax Benefits) the initial testing of cases had been completed by the Audit Commission; KPMG’s work was to complete the review of the initial testing; carry out the additional testing that was needed; and agree the Qualification Letter with the Council.</td>
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<tr>
<th>Certification results</th>
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<tr>
<td>Unqualified certificates were issued for 4 grants and returns but a qualification was necessary for 1 claim.</td>
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<tr>
<td>■ A qualification letter was required as part of certifying the Housing and Council Tax Benefits claim. This letter was significantly longer than previous years as a consequence of more test failures being identified.</td>
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<tr>
<th>Audit adjustments</th>
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<tr>
<td>No adjustments were necessary to 3 of the Council’s grants and returns as a result of the certification work this year.</td>
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<tr>
<td>■ 1 minor amendment were agreed to the Housing and Council Tax Benefits claim relating to non-HRA rebates.</td>
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<tr>
<td>■ A number of significant amendments were required to the cells covering consolidated rate of interest for the Housing Revenue Account Subsidy claim. However, there was no impact on the subsidy payable.</td>
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<th>The Council’s arrangements</th>
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<tr>
<td>The Council has adequate arrangements for preparing its grants and returns and supporting our certification work.</td>
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<tr>
<td>■ The Audit Commission made 2 recommendations relating to its work on 2010/11 claims. The Council has implemented one and partially implemented the other (details are set out on page 7).</td>
</tr>
<tr>
<td>■ The working papers received to support this year’s claims were generally sound. Responses to queries were received in a timely manner, although there were some delays on the National Non-Domestic Rates Return and we needed to do more work on pooling of housing capital receipts to allow the Council to obtain refunds for buying back dwellings from earlier years.</td>
</tr>
<tr>
<td>■ The Housing and Council Tax Benefit claim was submitted on 11 December 2012 (after the deadline of 30 November). This was mainly due to the late identification and notification of additional testing that was needed following review of the initial testing.</td>
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<tr>
<td>■ The Council out-sourced the compilation of the Housing and Council Tax Benefits claim in 2011/12. There is a risk that the out-sourcing of claim compilation could lead to a lack of clarity about responsibility for ensuring the claim is accurate.</td>
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<th>Fees</th>
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<td>The overall fee for the certification of grants and returns is higher than the original estimate.</td>
</tr>
<tr>
<td>■ The largest increases are in relation to the Housing and Council Tax Benefit claim (more additional testing needed) and the pooling of housing capital receipts claim (more work done to allow the Council to obtain refunds for buying back dwellings from earlier years).</td>
</tr>
</tbody>
</table>
Certification of grants and returns 2011/12

Summary of certification work outcomes

Detailed below is a summary of the key outcomes from the certification work on the Council’s 2011/12 grants and returns, showing where either audit amendments were made as a result of work undertaken or where there was a qualification to the audit certificate.

A qualification means that issues were identified concerning the Council’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Qualified certificate</th>
<th>Significant adjustment</th>
<th>Minor adjustment</th>
<th>Unqualified certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Council Tax Benefit Claim</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooling of housing capital receipts claim</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Revenue Account Subsidy claim</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Non-Domestic Rates Return</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teachers’ Pensions Return</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Overall, 5 grants and returns have been certified:

- 3 were unqualified with no amendment;
- 1 was unqualified but required amendment; and
- 1 required a qualification to the audit certificate and minor amendment.

Detailed comments are provided overleaf.
### Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Summary observations</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Housing and Council Tax Benefit Scheme</strong>&lt;br&gt;- The Council agreed to make two very minor amendments to the claim in relation to modified schemes and non-HRA rent rebates.&lt;br&gt;- The claim was subject to a qualification letter which was longer than last year’s. The issues raised were:&lt;br&gt;  - Testing errors relating to incorrect classification of claims and errors, and incorrect assessment of income. These errors required an explanation of the errors and potential impact on the claim for the 10 cells where the errors were identified;&lt;br&gt;  - Small differences in reconciliations between Academy (benefits system) and the claim amounts; and&lt;br&gt;  - The Housing and Council Tax Benefit claim was submitted on 11 December 2012 (after the deadline of 30 November). This was mainly due to the late identification and notification of additional testing that was needed following review of the initial testing.&lt;br&gt;  - The Council has out-sourced the compilation of the Housing and Council Tax Benefits claim in 2011/12. There is a risk that the out-sourcing of claim compilation could lead to a lack of clarity about responsibility for ensuring the claim is accurate.</td>
<td>£4</td>
</tr>
<tr>
<td>2</td>
<td><strong>Pooling of Housing Capital Receipts</strong>&lt;br&gt;- Significant additional work was undertaken on previous years’ claims to enable the Council to claim refunds for the cost of buying back dwellings in these earlier years.</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td><strong>Housing Revenue Account Subsidy</strong>&lt;br&gt;- A number of significant amendments were required to the cells covering consolidated rate of interest. There was however no impact on the subsidy payable which remained unchanged.</td>
<td>Nil (to subsidy payable)</td>
</tr>
</tbody>
</table>
The initial estimated fees for certifying 2011/12 grants and returns was £105,000. The actual fee charged was higher than planned. Explanations for the differences in fees for individual claims compared with 2010/11 are summarised below.

- **Housing and Council Tax benefit** – fee is higher because additional testing was needed compared with previous years due to more errors being identified.
- **Pooling of housing capital receipts** – fee is higher because significant additional work was undertaken on previous years’ claims to enable the Council to claim refunds for the cost of buying back dwellings in these earlier years.
- **HRA subsidy** – fee is higher because significant errors relating to consolidated rate of interest cells on the claim were identified and needed to be resolved.
- **NNDR** – fee is higher because there were delays in providing adequate responses to queries.
- **Teachers’ pensions** – fee is lower because the supporting working papers were significantly better.

The overall fee for the certification of grants and returns is higher than the original estimate due to additional work being required. However, the overall fee was still less than 2010/11.

### Breakdown of fee by grant/return

<table>
<thead>
<tr>
<th>Breakdown of fee by grant/return</th>
<th>2011/12 (£)</th>
<th>2010/11 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Council Tax Benefit Scheme</td>
<td>84,387</td>
<td>64,294</td>
</tr>
<tr>
<td>Pooling of housing capital receipts</td>
<td>12,042</td>
<td>7,864</td>
</tr>
<tr>
<td>HRA subsidy</td>
<td>3,678</td>
<td>3,114</td>
</tr>
<tr>
<td>NNDR</td>
<td>8,368</td>
<td>7,257</td>
</tr>
<tr>
<td>Teachers’ Pensions</td>
<td>5,373</td>
<td>6,391</td>
</tr>
<tr>
<td>Reporting/other claims no longer needing certification in 2011/12</td>
<td>6,000</td>
<td>34,932</td>
</tr>
<tr>
<td><strong>Total fee</strong></td>
<td><strong>119,848</strong></td>
<td><strong>123,852</strong></td>
</tr>
</tbody>
</table>
We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year’s audit.

### Priority rating for recommendations

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</td>
</tr>
<tr>
<td>2</td>
<td>Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</td>
</tr>
<tr>
<td>3</td>
<td>Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</td>
</tr>
<tr>
<td>Issue</td>
<td>Implication</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Data Quality</strong>&lt;br&gt;Testing highlights errors stemming from incorrect classification or treatment of errors on the benefits system for claim purposes.</td>
<td>The errors in classification and treatment could result in incorrect benefit payments; and for claim purposes could result in incorrect claim completion and in increased testing being required to meet the claim certification instructions.</td>
</tr>
<tr>
<td><strong>Claim compilation</strong>&lt;br&gt;The Council has out-sourced the compilation of the Housing and Council Tax Benefits claim.</td>
<td>There is a risk that the out-sourcing of claim compilation could lead to a lack of clarity about responsibility for ensuring the claim is accurate.</td>
</tr>
<tr>
<td><strong>Meeting the deadline</strong>&lt;br&gt;The certified claim was submitted after the deadline in 2011/12.</td>
<td>The Government Department will normally withhold part of the monthly payment when a claim is submitted late.</td>
</tr>
</tbody>
</table>
The Audit Commission made 2 recommendations in its 2010/11 Certification of Grants and Returns report. Where recommendations have not yet been implemented fully their current status is set out below.

<table>
<thead>
<tr>
<th>Prior year recommendation</th>
<th>Priority</th>
<th>Status as at November 2012</th>
<th>Management comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Council Tax Benefit Scheme</td>
<td>1</td>
<td>Not completed</td>
<td>Testing in 2011/12 has continued to identify errors.</td>
</tr>
<tr>
<td>1</td>
<td>Improve the processing of Benefits claims in order to minimise the level of errors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue</td>
<td>Implication</td>
<td>Recommendation</td>
<td>Priority</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Data Quality</strong></td>
<td>Testing highlights errors stemming from incorrect classification or treatment of errors on the benefits system for claim purposes.</td>
<td>The errors in classification and treatment could result in incorrect benefit payments; and for claim purposes could result in incorrect claim completion and in increased testing being required to meet the claim certification instructions.</td>
<td>1</td>
</tr>
<tr>
<td><strong>Claim compilation</strong></td>
<td>The Council has outsourced the compilation of the Housing and Council Tax Benefits claim.</td>
<td>There is a risk that the outsourcing of claim compilation could lead to a lack of clarity about responsibility for ensuring the claim is accurate.</td>
<td>2</td>
</tr>
</tbody>
</table>

- Systems have been updated to improve both frequency and quality of checks.
- Percentage of LA errors is a standard item of monthly client/contractor update meetings.
- Responsibility for ensuring the claim is accurate is the client's. The contractor has to ensure its systems are adequate to satisfy the client’s requirements.
- The Divisional Director of Finance will ensure there is sufficient expertise to fulfil this role appropriately, in conjunction with the Client Manager.
- Completion of the claim has been added as a standard item to the monthly client/contractor update meetings.
- Elevate(David Graaf) – December 2012
- Client Manager (Sheyne Lucock) – January 2013
<table>
<thead>
<tr>
<th>Meeting the deadline</th>
<th>The certified claim was submitted after the deadline in 2011/12.</th>
<th>The Government Department will normally withhold part of the monthly payment when a claim is submitted late.</th>
<th>Work with KPMG to ensure the claim is able to be certified before the deadline.</th>
<th>Completion of the claim has been added as a standard item to the monthly client/contractor update meetings. This should provide a added control sufficient to ensure deadlines are met, with the KPMG requirements clarified/confirmed timely in advance each year.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Client Manager (Sheyne Lucock) – January 2103</td>
</tr>
</tbody>
</table>
1. **Executive Summary of work undertaken in Quarters 2 & 3 2012/13**

1.1 Delivery of the 2012/13 Audit Plan is progressing, now that in-house posts within the Audit Team have been filled. Accordingly, it is currently projected that the Audit Plan will be delivered in full within available resources.

1.2 At the time of reporting, there is 3 outstanding audit recommendations not implemented by the agreed due date – reasons for this are set out in the Information Governance Update report elsewhere on the agenda.

1.3 Work undertaken by the respective anti-fraud, housing investigation and HB benefit teams continues to deliver positive outcomes. Notably, the Housing Investigation team have prevented the council having to pay out £10,400 of decant compensation payments to two tenants who were found not to be entitled. Also, an Anti-Fraud Learning package promoting the anti-fraud agenda is now available to all staff and Members via the Council’s e-learning platform I-Learn.

1.4 There are no issues of concern at the present time that will affect the Head of Audit’s overall opinion on the system of internal control.

2. **Current/Future Key Issues**

2.1 As part of the coalition Government’s Fraud and Error strategy that was launched in October 2010 and updated in February 2012, the Government is creating a single integrated fraud investigation service (SFIS) with statutory powers to investigate and sanction all benefit and tax credit offences which will combine relevant resources.
across Local Authorities (LA’s - Housing and Council Tax Benefits) HM Revenue & Customs (HMRC - Tax Credits) and Department of Work & Pensions (DWP - national benefits). Current proposals are that, once SFIS is introduced (recently revised to April 2014), Housing and Council Tax Benefit investigation services will remain employed by their respective LA’s and deliver investigations under SFIS policies and procedures. SFIS will therefore in its infancy be a partnership between DWP, HMRC and LA’s. In the future and with the impact of further welfare reform such as Universal Credit (UC), a review will be undertaken and a decision drawn as to whether SFIS should become a single organisation. Pilots in 4 areas; Corby, Glasgow, Hillingdon and Wrexham will enable formulation of a long term organisational model for SFIS to be consulted upon and agreed. Section 4.6 of this report includes brief details of proposed changes to the structure of the Housing Benefit Fraud Team in 2013/14.

2.2 The Audit Commission have released the results of the annual survey on detected fraud against Councils. The report ‘Protecting the Public Purse’ shows that 124,000 cases totalling £179m was detected in 2011/12 and urges Councils to maintain a Corporate Anti-Fraud capability, proportionate to risks faced. The publication is one tool used to determine the proactive and preventative work of the Corporate Anti-Fraud Team, to target our resources effectively. The report can be found at [http://www.audit-commission.gov.uk/sitecollectiondocuments/downloads/20121107-ppp2012.pdf](http://www.audit-commission.gov.uk/sitecollectiondocuments/downloads/20121107-ppp2012.pdf) and has been emailed to PAASC Members.

3. Summary of Internal Audit work

3.1 Internal Audit Strategy & Terms of Reference
The Internal Audit Strategy & Terms of Reference was considered by this Committee in March 2012.

3.2 Annual Audit Plan 2012/13
The Annual Audit Plan for 2012/13 was approved by this Committee in March 2012. The plan is flexible to respond to changing risks/priorities as they occur. At this stage of the plan year, there are no material changes to the plan other than a small reduction of plan days for schools (10 days) and managed audits (10 days) due to efficiencies in approach. These days have been added to contingency bar 5 days which have been re-allocated to meet a support request from management.

3.3 Progress Against Annual Audit Plan 2012/13
Members are kept up to date with progress in delivering the Audit Plan on a quarterly basis. The Audit Plan is profiled such that activity is skewed towards quarter 4 of the financial year, to enable audits of the core financial systems (managed audits) which support the External Audit to be based on sufficient in-year transactions. The position as at 31st December 2012 is set out in Appendix 1. Despite vacancies within the in-house audit team which have now been filled, it is anticipated that the Audit Plan will be delivered in full within available resources.

3.4 Outcomes from Internal Audit Work
Members are kept abreast of the key emerging issues from audit work. There have been 3 Limited Assurance reports issued since the last update to Members, summaries of which are set out in Appendix 2.

3.5 Implementation of Audit Recommendations
The position on the implementation of all Audit Recommendations as at 31st December 2012 is set out in Appendix 3. The table clearly shows those whose original target date has yet been reached (GREEN status i.e. there are no issues of concern and action plans are progressing as agreed at the time of the original report), those whose original target date has been reset, but that date has not yet been
reached (AMBER status i.e. something has occurred which has impacted on the action plan agreed at the time of the audit report, and which made implementation by the target date not possible, suggesting the need for closer management monitoring of progress) and those which have not been implemented by the reset target date (RED status i.e. the associated risk identified in the original report has not been addressed in a timely fashion). Red status recommendations will result in the responsible Senior Manager reporting to and attending PAASC to explain the reason for the slippage in implementation, the current position and setting out revised action plans to address the outstanding issues and manage the associated risks.

At the end of quarter 3, 3 recommendations relating to the same audit review of data quality had not been implemented despite the implementation date having been reset. Accordingly, the relevant manager has been asked to attend this meeting to set out the reasons behind this and how the ongoing risk is being managed. Details can be found within Section 5 of the Information Governance Report elsewhere on the agenda.

3.6 **Internal Audit Performance**

The Internal Audit service is delivered via a “mixed economy”, ensuring the council benefits from in-house knowledge, skill and experience. This is strengthened by external skill and experience delivered through the Council’s contract with Croydon council. This is provided at an economic rate, achieved through economies of scale, due to a number of London Boroughs taking up the contract arrangements and ensures the Council always has access to experienced auditors if the need arises.

The latest position on performance is set out in Appendix 4. Client satisfaction has fallen slightly below target as a result of 1 return amongst the small number of total returns received this year. Arising from this, we have no general concerns as this stage but will continue to monitor this indicator.

3.7 **Review of effectiveness of Internal Audit 2012/13**

The Accounts and Audit Regulations 2011 requires the Council to “at least once a year, conduct a review of the effectiveness of its internal audit” as part of good governance arrangements. At the PAASC meeting on 12th October 2011, Members received a detailed self assessment against the best practice checklist provided by CIPFA in its “Code of Practice for Internal Audit 2006” which is the generally prescribed methodology to achieve this requirement.

As indicated to Members in the year end Composite Internal Audit Report in June 2012, CIPFA and the Chartered Institute of Internal Auditors (IIA) have developed and consulted upon revised public sector internal audit standards. It is planned that these will replace the CIPFA standards in April 2013, and will become the accepted guidance against which to measure the effectiveness of Internal Audit in Local Government.

Having researched approaches in other Local Authorities, it has been decided to undertake a lighter touch review of effectiveness of Internal Audit for 2012/13 against the existing standards, given their imminent replacement.

From this, it has been determined that Internal Audit is effective, noting the following issues:

- **Training & Professional Development**
  All in-house audit staff are either professionally qualified and undertaking continuous professional development or are studying toward a recognised Accountancy/Audit qualification. However, we are still developing a skills and competencies framework against which to measure staff and identify training/skills gaps.
Principles of Reporting
All reports are quality assured before issuance and client feedback is positive as to accuracy, clarity and ease of understanding of audit reports. However, we continue to experience delays between issuance of draft and final audit reports. Risk is mitigated as work to address recommendations invariably commences upon receipt of the draft report and delays in finalising reports tend to be linked to further consultation as to the practical and timely implementation of the recommendations, especially in the current climate of reduced management resources.

This review has been reported to the Divisional Director of Finance.

4. Summary of Anti-Fraud Work

4.1 Key Policies
The Anti-Fraud Strategy & Policy and associated anti-fraud policies are reviewed & updated annually. The latest versions are reported elsewhere on this agenda for Members information.

4.2 Regulation of Investigatory Powers Act
The Regulation of Investigatory Powers Act came into effect in 2000 to regulate surveillance powers, thus ensuring robust and transparent frameworks were in place to ensure its use only in justified circumstances. Members asked for the number of times RIPA powers are invoked by this Council to be included in all Internal Audit Composite Reports and it is also cited as best practice that Members maintain an oversight of RIPA. The current statistics are set out in Appendix 5. As previously notified, with effect from 1st November 2012, RIPA authority will be restricted only to cases of suspected serious crime or offences involving sale of tobacco and alcohol to underage children and will require approval by a Magistrate. Current policies and procedures have been reviewed in the light of this albeit this Council has always used RIPA only where necessary and proportionate. In the light of the new legislation, a refresher/update course was held in early January 2013, aimed at key officers involved with the RIPA process.

4.3 Outcomes from Anti-Fraud Activity including Whistleblowing & Anti-Fraud Team Performance
Members receive quarterly updates on the work of the Corporate Anti-Fraud Team. The update for 2012/13 Quarters 2 & 3 is set out in Appendix 6. Note, to ensure efficient use of resources, whilst all cases are logged by the Corporate Anti-Fraud Team, referred cases will be assessed and the most appropriate method of investigation determined – either undertaken by the Corporate Anti-Fraud Team, other fraud team or by management. Key outcomes from closed cases are set out elsewhere on the Agenda under Private Business.

As part of preventative anti-fraud activities, a new e-learning package is now available via the Council’s I-Learn platform. The package introduces the basic concepts of fraud and corruption and provides guidance and support on individual’s responsibilities. The package includes a small exercise to enable testing of understanding of the concepts presented.

4.4 Update on the Council’s response to Blue Badge Fraud
At it’s meeting of 15th December 2010, PAASC received a detailed report on the Blue Badge scheme and the preventative and proactive measures in place to eliminate blue badge abuse. Arising from the discussions on the report, Members requested an update to be provided, notably to address the issue of repeat offenders.
The proper operation of the Blue Badge scheme requires joint working between the Mobility Services Section, part of Elevate, who control the issuance of Blue Badges and who maintain entries into a London wide database of reported lost, stolen and unreturned Blue Badges, and Parking Services who enforce proper usage of Blue Badges as part of their normal parking enforcement duties.

Although robust anti-fraud measures are in place, notably the vetting of applications and renewals and the matching of nationwide registered deaths to Badges in circulation as part of the biennial National Fraud Initiative data matching exercise, it is still difficult to give assurance that measures are adequate to identify and deal with repeat offenders. This is due to:

1) Technology issues meaning Civil Enforcement Officers (CEOs) do not have access to the London Wide database of lost, stolen and unreturned badges
2) A lack of a formalised policy of dealing with instances of Blue Badge misuse reported to Mobility Services
3) Inadequate record keeping of Blue Badge offences dealt with by CEOs and cases of Blue Badge misuse reported and dealt with by Mobility Services

As acknowledged at the time of the original report, a balance must be struck between taking action against those that misuse Blue Badges and publicising outcomes as a deterrent to others, against the potentially significant time and cost implications of taking such action. Accordingly, a targeted street operation, co-ordinated by the Corporate Anti-Fraud Team working in partnership with other Council Sections and the police, was undertaken to better evaluate the true scale of the problem of Blue Badge misuse in this borough, and thus inform the appropriate level of preventative response. Members have received the outcomes from this exercise and associated positive publicity obtained. We are now working with the Mobility Services & Parking Enforcement Teams to ensure their day to day procedures mitigate the greatest fraud risk identified (legitimate badges being used with the badge holder not being present, either with or without their knowledge), drawing on best practice to be gleaned from other Local Authorities in respect of sanctions and in the context of the relevant legislation and the Disabled Persons’ Parking Badges Bill which is currently going through Parliament.

4.5 Housing Investigation Team Investigations

Members are provided with a quarterly update on the outcomes from the work of the Housing Investigation Team (formally known as the Tenancy Audit Team). For 2012/13 Quarters 2 & 3, the Team have recovered 5 & 4 properties respectively and identified several other issues. Note in Quarter 3, in two cases, the tenants were in properties in blocks due for demolition and thus the Team have also saved the Council the compensation that would have been paid (£5200 per property) to the tenant in addition to them not being offered alternative council housing. Accordingly, it has been agreed with Housing Management that the Housing Investigation Team will be involved in reviewing all properties where the tenants are due to be decanted in the near future. The outstanding caseload is now at a manageable level, with additional resources in the team, utilising DCLG grant funding. The 2012/13 Quarter 2 & 3 detailed position is set out in Appendix 7.

4.6 Housing Benefit Investigations

The Main types of fraud investigated remain;

- Failure to declare a working partner
- Failure to declare additional income (wages, tax credits, student loans etc.)
- Failure to declare capital (property owned, savings, redundancy payments etc.)
- Not resident in a property
Contrived tenancies (whereby a customer has failed to declare either ownership of the benefit address or a relationship with the Landlord)

A decision is made as to whether to apply a sanction in line with the Council’s Prosecution Policy. A sanction could be a Prosecution (undertaken by the Council’s Solicitors), an Administrative Penalty, or a Formal Caution. Where appropriate, cases which are taken to court are publicised in line with the Council’s zero tolerance policy and to act as a deterrent. The Administrative Penalty sanction is the most financially beneficial to the Council.

**Quarter 2 Performance 1 October – 31 December 2012**

<table>
<thead>
<tr>
<th>Sanction Type</th>
<th>Qtr 2</th>
<th>Qtr 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Penalties:</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Formal Cautions:</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Prosecutions:</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total:</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Overpaid Housing and Council Tax Benefits*:</td>
<td>£42k</td>
<td>£27k</td>
</tr>
</tbody>
</table>

*All fraud overpayments are recoverable.

The Investigation Team target for 2012/13 is 80 Sanctions. At the end of Q3, the total sanctions achieved comprising of Prosecutions, Administrative Penalties and Formal Cautions was 50.

**Compliance Casework**

During 12/13 the Investigation Team will conduct enquiries into Compliance cases for Housing and/or Council Tax Benefit whilst opening this investigative approach to Council Tax and other areas.

Compliance cases would be such that have failed the public interest tests determining that a Sanction or Prosecution should not be applied, therefore not substantiating fraud, but where immediate attention to a claim or account would be required following an investigation.

A case could fail to satisfy a public interest test for a number of reasons, such as taking into consideration the customer's age or health.

Accordingly, the Investigation Team successfully resolved Compliance discrepancies; and as a result had uncovered overpayments in Housing and Council Tax Benefits in excess of £80k.

**Civil Penalties**

On 1 October 12, the Department for Work and Pensions (DWP) introduced new Civil Penalties for cases of Claimant Error (Compliance).

What are Civil Penalties?

**Civil Penalties:** A new penalty of £50, introduced for claimants who incur an overpayment caused by:

Either (a) negligently making incorrect statements and failing to take reasonable steps to correct the error

Or (b) failing, without reasonable excuse, to provide information or to disclose changes in their circumstances.
The penalty will only be for cases of claimant error. If the claimant is successfully prosecuted for a fraud, offered an administrative penalty or a formal caution they cannot then be issued with a Civil Penalty for the same offence.

The Civil Penalty will only apply if the overpayment is incurred wholly after the date of commencement of the legislation, which is from 1 October 12.

In each case, the action or inaction would have had to result in an overpayment of benefit before a Civil Penalty can be considered. The rate of £50 has been set by The Social Security (Civil Penalties) Regulations 2012.

All Civil Penalties administered following a successful Compliance Investigation will be income to the Authority.

**Team Changes:**
It is planned for the Benefit Fraud Team to be restructured from 2013/14. The number of Senior Investigators will be reduced from four to two. There will continue to be one Intelligence Officer and it is currently proposed that the fraud manager post will be deleted and the Fraud Team will fall under a new a management structure within a new team comprising of Fraud, Subsidy and Grants and Benefits Outreach.

5. **Legal Implications**

Implications completed by: (Eldred Taylor-Camara, Legal Group Manager)

5.1 This report provides information to Members for noting and does not require decision. The relevant legal provisions relating to the Council’s work around assurance and fraud are set out in the body of the report and accordingly there are no further legal comments to add.

6. **The following people were consulted in the preparation of this report:**
   - Section 151 officer
   - Annette Cardy – Elevate (HB Section of report)

7. **The following documents were used in the preparation of this report:**
   - Internal Performance Management information and Housing Benefit Investigations update
### Progress against Annual Audit Plan to end of Qtr 3 2012/13

#### APPENDIX 1

#### Completion of 2012/13 Audit Projects as at 31st Dec 2012

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Unplanned/ Respond to issues</th>
<th>Deferred/ Not Required</th>
<th>Revised Total</th>
<th>Final</th>
<th>In draft</th>
<th>Review</th>
<th>Fieldwork</th>
</tr>
</thead>
<tbody>
<tr>
<td>System/Compliance Audits</td>
<td>26</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Schools Probit</td>
<td>8</td>
<td>0</td>
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<td><strong>2</strong></td>
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</tbody>
</table>

- **38%** Final
- **26%** In draft
- **9%** Review
- **6%** Fieldwork
- **21%** Not Started
<table>
<thead>
<tr>
<th>Audit Title</th>
<th>Responsible Officer</th>
<th>Days</th>
<th>Status</th>
<th>TOR Date</th>
<th>Draft Issued Actual</th>
<th>Final Issued Actual</th>
<th>Level of Assurance</th>
<th>Recommendations</th>
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<td>Prior Year Report Completion</td>
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<tr>
<td>Housing Benefits</td>
<td>J Bunt</td>
<td>20</td>
<td>TOR</td>
<td>02/01/13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Ledger</td>
<td>J Bunt</td>
<td>15</td>
<td>TOR</td>
<td>02/01/13</td>
<td></td>
<td></td>
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<tr>
<td>Loans and Investments</td>
<td>J Bunt</td>
<td>10</td>
<td>TOR</td>
<td>02/01/13</td>
<td></td>
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<tr>
<td>Cash Receipting &amp; Bank Reconciliations</td>
<td>J Bunt</td>
<td>10</td>
<td>TOR</td>
<td>02/01/13</td>
<td></td>
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<tr>
<td>General Income</td>
<td>J Bunt</td>
<td>15</td>
<td>TOR</td>
<td>02/01/13</td>
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<td>Pensions Administration</td>
<td>J Bunt</td>
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<td>J Bunt</td>
<td>15</td>
<td>TOR</td>
<td>02/01/13</td>
<td></td>
<td></td>
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<td>Council Tax</td>
<td>J Bunt</td>
<td>15</td>
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<td>TOR</td>
<td>02/01/13</td>
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<tr>
<td>Payroll</td>
<td>J Bunt</td>
<td>10</td>
<td>TOR</td>
<td>02/01/13</td>
<td></td>
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<td>National Non-Domestic Rates</td>
<td>J Bunt</td>
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<td>TOR</td>
<td>02/01/13</td>
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<tr>
<td>Project Management</td>
<td>J Bunt</td>
<td>20</td>
<td>DRAFT</td>
<td>17/07/12</td>
<td>22/11/12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Governance</td>
<td></td>
<td>30</td>
<td>FIELD</td>
<td>01/10/12</td>
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<td>Procurement</td>
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<td>Section 106</td>
<td>J Grint</td>
<td>15</td>
<td>FINAL</td>
<td>20/04/12</td>
<td>16/08/12</td>
<td>29/10/12</td>
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<tr>
<td>Delegated Authority/ Succession Tenancies</td>
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<td>Grievance &amp; Disciplinary handling</td>
<td>M Rayson</td>
<td>20</td>
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<td>Elevate – Client Monitoring of Income (Non-Principal) Systems</td>
<td>J Bunt</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Elevate – Client monitoring of IT</td>
<td>J Bunt</td>
<td>20</td>
<td>FIELD</td>
<td>03/08/12</td>
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<td>Leasehold Buy Backs</td>
<td>J Grint</td>
<td>10</td>
<td>FINAL</td>
<td>20/03/12</td>
<td>20/06/12</td>
<td>06/07/12</td>
<td>Substantial 1 3 1</td>
<td></td>
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<tr>
<td>Regeneration - Jobs &amp; Skills /Economic Development Projects outcomes</td>
<td>J Grint</td>
<td>20</td>
<td>FIELD</td>
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<td>Children’s Servs – Transitions/Direct Payments</td>
<td>C Martin</td>
<td>40</td>
<td>TOR</td>
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<td>Registrars Service</td>
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<td>21/12/12</td>
<td>14/12/12</td>
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<td>M McEleney</td>
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<td>17/09/12</td>
<td>22/11/12</td>
<td>21/12/12</td>
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<td>Compliance – CRB</td>
<td>M Rayson</td>
<td>20</td>
<td>FIELD</td>
<td>28/09/12</td>
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<tr>
<td>Compliance - Cash handling procedures</td>
<td>J Bunt</td>
<td>20</td>
<td>FIELD</td>
<td>30/09/12</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Audit Title</td>
<td>Responsible Officer</td>
<td>Days</td>
<td>Status</td>
<td>TOR Date</td>
<td>Draft Issued Actual</td>
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<td>Level of Assurance</td>
<td>Recommendations</td>
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<td>Compliance - Mobile Phone Ownership</td>
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<td>Compliance - I Proc</td>
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<td>Non-Assurance/Consultancy Work</td>
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<tr>
<td>• Oracle R12</td>
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<td>• Repairs Contract - Procurement</td>
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<td>• Repairs Contract Client Function</td>
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<tr>
<td>• Materials/Small Item Assets Storage</td>
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<td></td>
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<tr>
<td>• Public Health</td>
<td></td>
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<td>Cash Arrangements – Adults Services (new)</td>
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<td>Support and Advice</td>
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<td>10</td>
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<td>Management Time, Follow Ups &amp; Contingency</td>
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<td>95</td>
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<tr>
<td>All Saints RC Comprehensive</td>
<td>H/Teacher</td>
<td>6.5</td>
<td>FINAL</td>
<td>22/11/2012</td>
<td>05/12/2012</td>
<td>Limited</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Barking Abbey Comprehensive</td>
<td>H/Teacher</td>
<td>7.5</td>
<td>DRAFT</td>
<td>14/12/2012</td>
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<tr>
<td>Dagenham Park Comprehensive</td>
<td>H/Teacher</td>
<td>7.5</td>
<td>FINAL</td>
<td>15/11/2012</td>
<td>28/11/2012</td>
<td>Substantial</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Eastbrook Comprehensive</td>
<td>H/Teacher</td>
<td>6.5</td>
<td>FINAL</td>
<td>29/10/2012</td>
<td>09/11/2012</td>
<td>Limited</td>
<td>1</td>
<td>5</td>
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<tr>
<td>Eastbury Comprehensive</td>
<td>H/Teacher</td>
<td>6.5</td>
<td>FINAL</td>
<td>25/10/2012</td>
<td>13/11/2012</td>
<td>Substantial</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Jo Richardson Community School</td>
<td>H/Teacher</td>
<td>6.5</td>
<td>FINAL</td>
<td>31/10/2012</td>
<td>16/11/2012</td>
<td>Limited</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Robert Clack Comprehensive</td>
<td>H/Teacher</td>
<td>6.5</td>
<td>FINAL</td>
<td>14/11/2012</td>
<td>27/11/2012</td>
<td>Substantial</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Sydney Russell Comprehensive</td>
<td>H/Teacher</td>
<td>7.5</td>
<td>FIELD</td>
<td>11/11/2012</td>
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<td></td>
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<tr>
<td>School Follow Ups</td>
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<td></td>
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<td></td>
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<tr>
<td>Total Audit Days</td>
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</tbody>
</table>
Summary of Limited Assurance Audit Reports:

<table>
<thead>
<tr>
<th>Report</th>
<th>Responsible Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>Jonathan Bunt</td>
</tr>
</tbody>
</table>

**Summary**

Accounts Payable system processes remain predominantly unchanged since the last audit and the key weakness is the continued non-compliance in the raising of purchase orders in accordance with the Council’s Financial regulations despite the roll out of I-Proc. The limited assurance is likely to remain as efforts continue to promote the use of Purchase Orders – the implementation of Oracle R12 should provide impetus to the improving situation. A small number of additional recommendations were made to address other issues identified and aid improvement of the system.

<table>
<thead>
<tr>
<th>Report</th>
<th>Responsible Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Income</td>
<td>Robin Payne</td>
</tr>
</tbody>
</table>

**Summary**

The review examined the systems for the administration and collection of the borough’s Penalty Charge Notices (PCN) and Permit income.

Our opinion was based upon fieldwork undertaken in February & March 2012. The situation at that time represented a major advance from the position of April 2011 when an ongoing improvement plan was agreed by Parking and Internal Audit – acting in a consultancy role - at a time when new management were already aware of a number of fundamental control weaknesses. The audit acknowledged significant improvements in the control framework that had been achieved and there has been further progress since. For example, Cabinet approved policies have been implemented; reconciliation issues have been addressed; validation processes have been incorporated within the online payment & scan coin payment systems; service level agreements relating to debt collection with Elevate are in place and currently under review to include an agreed bailiff collection performance target; and successful joint working with the Finance Division has assured accounting for ‘Off Street’ and ‘On Street’ income is properly identified and any surpluses are applied in accordance with statutory regulations. A couple of residual issues are being worked on, relating to the IT systems and Benchmarking, for which the target implementation date has yet to be reached.

<table>
<thead>
<tr>
<th>Report</th>
<th>Responsible Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barking Market</td>
<td>Maureen McEleneey</td>
</tr>
</tbody>
</table>

**Summary**

The review sought to evaluate the controls around the income collection arrangements of Barking Market in the light of a previous fraud in the area. Although a number of control improvements had been made, there were other control weaknesses identified, notably as at result of the extension of the market to Monday trading - for which clienting arrangements had not been revised, but also; delays in receipting of income, making wage payments out of income and thus failing to bank in full, lack of evidence of independent verification of records held by the contractor and lack of operating procedures, financial modelling of income projections & an approved pricing policy. Line management of the service has recently changed and managers have responded positively to the audit recommendations.
Overview of the Implementation of Audit Recommendations ………APPENDIX 3

Detailed analysis of position Quarter 2 & 3 2012/13

The table below sets out the current position on a departmental basis:

<table>
<thead>
<tr>
<th></th>
<th>Adults &amp; Community Services</th>
<th>Children’s Services</th>
<th>Housing &amp; Env.</th>
<th>Finance &amp; Resources</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>B/F Total Number of Recommendations outstanding as at June 2012.</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>22</td>
<td>29</td>
</tr>
<tr>
<td>New recommendations added in Period Jul - Dec</td>
<td>0</td>
<td>12</td>
<td>27</td>
<td>23</td>
<td>62</td>
</tr>
<tr>
<td>Recommendations Implemented and cleared after risk based audit follow up or no longer valid in Period Jul - Dec</td>
<td>0</td>
<td>15</td>
<td>13</td>
<td>25</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total Number of Recommendations Outstanding as at 31st Dec 2012</strong></td>
<td>0</td>
<td>4</td>
<td>14</td>
<td>20</td>
<td>38</td>
</tr>
<tr>
<td><strong>OF WHICH:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Recommendations where original target date not yet due (GREEN)</td>
<td>0</td>
<td>2</td>
<td>12</td>
<td>5</td>
<td>19</td>
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<tr>
<td>Number of Recommendations where original target date reset and not yet due (AMBER)</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Number of Recommendations not implemented by reset target date (RED)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>OF WHICH:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of high risk Recommendations not implemented by reset target date (RED)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**High Risk Recommendations**
Key focus is now placed on high risk recommendations and the residual risks of their non-implementation.

![High Risk Recommendations Where Implementation has Slipped as percentage of Recommendations Raised](image-url)
## Purpose Target Performance & RAG Status What it measures

### Input Indicators (Economy)
This indicator is currently under review

### Output Indicators (Efficiency)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>Status</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Audit Plan completed</td>
<td>&gt;80% draft by 31/3</td>
<td>Too early to report 12/13 position</td>
<td>Delivery measure</td>
</tr>
<tr>
<td>Audit plan completed.</td>
<td>100% draft at 31/5</td>
<td>Too early to report 12/13 position</td>
<td>Delivery measure</td>
</tr>
<tr>
<td>Percentage of High Risk Recommendations not addressed within timescales</td>
<td>&lt;5%</td>
<td>As at 30th Sep 2012, 3% high risk recommendations had not been addressed within the reset timescale set (GREEN)</td>
<td>Delivery measure</td>
</tr>
</tbody>
</table>

### Satisfaction Indicators (Effectiveness-Adding value)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>Status</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet standards of CIPFA Code of Practice</td>
<td>Substantial assurance or above from annual Peer review</td>
<td>PAASC reviewed and agreed substantial effectiveness of Internal Audit Oct 11 (GREEN)</td>
<td>Compliant with professional standards</td>
</tr>
<tr>
<td>Triennial review by External Audit</td>
<td>Substantial</td>
<td>Audit Commission undertook a triennial review in August 2009 and reported Substantial Assurance (GREEN)</td>
<td>Compliant with professional standards</td>
</tr>
<tr>
<td>Overall Client Satisfaction</td>
<td>&gt; 85%</td>
<td>83.3% (4 returns) (AMBER)</td>
<td>Customer satisfaction</td>
</tr>
</tbody>
</table>
(a) **Directed Surveillance**

The number of directed surveillance authorisations granted during the Quarter Jul – Sep 2012 and the number in force at 30\textsuperscript{th} Sep 2012

3 granted. 1 in force at 30\textsuperscript{th} Sep 2012

The number of directed surveillance authorisations granted during the Quarter Oct – Dec 2012 and the number in force at 31\textsuperscript{st} Dec 2012

Nil granted. Nil in force at 31\textsuperscript{st} Dec 2012

(b) **Communications Information Requests**

The number of authorisations for conduct to acquire communications data (e.g. mobile phone data)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>NIL</strong></td>
<td>2</td>
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</tbody>
</table>
Outcomes from Anti-Fraud Activity & Anti-Fraud Team Performance....APPENDIX 6

Quarter 2 2012/13 - ending 30 September 2012

<table>
<thead>
<tr>
<th></th>
<th>Fraud Referrals</th>
<th>Whistleblowing</th>
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<tr>
<td>B/fwd Number of cases Outstanding</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>New Cases referred in Period</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Cases accepted for CAFT investigation</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Cases referred to others</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cases closed In Period</td>
<td>5</td>
<td>1</td>
</tr>
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</table>

**Ongoing Number of Investigations:**

<table>
<thead>
<tr>
<th></th>
<th>Fraud Referrals</th>
<th>Whistleblowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation by Corp Anti Fraud Team</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Investigation by Other Fraud Teams/Management</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>

Quarter 3 - 2012/13 - ending 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>Fraud Referrals</th>
<th>Whistleblowing</th>
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</thead>
<tbody>
<tr>
<td>B/fwd Number of cases Outstanding</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
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<td>3</td>
<td>0</td>
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<tr>
<td>Cases accepted for CAFT investigation</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Cases referred to others</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cases closed In Period</td>
<td>8</td>
<td>0</td>
</tr>
</tbody>
</table>

**Ongoing Number of Investigations:**

<table>
<thead>
<tr>
<th></th>
<th>Fraud Referrals</th>
<th>Whistleblowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation by Corp Anti Fraud Team</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Investigation by Other Fraud Teams/Management</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
### Outcomes from Tenancy Audit Work

<table>
<thead>
<tr>
<th></th>
<th>2012/13 Quarter 2</th>
<th>2012/13 Quarter 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Cases (at Period End)</td>
<td>48</td>
<td>41</td>
</tr>
<tr>
<td>Reactive Cases Completed</td>
<td>49</td>
<td>48</td>
</tr>
<tr>
<td>Properties Recovered</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Successions Prevented</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Savings (Former Tenants Arrears repaid, Single Person Council Tax Discounts removed, RTB, Decant saved)</td>
<td>£1,648</td>
<td>£13,235</td>
</tr>
<tr>
<td>Other Potential Fraud prevented/passed to appropriate agencies</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Referral to Others</td>
<td>12</td>
<td>13</td>
</tr>
</tbody>
</table>

#### Properties Recovered by Month

![Bar Chart: Properties Recovered by Month](chart)

- **Month**: Jan-’12, Feb-’12, Mar-’12, Apr-’12, May-’12, Jun-’12, Jul-’12, Aug-’12, Sep-’12, Oct-’12, Nov-’12, Dec-’12
- **No. of Props**: 0, 1, 1, 1, 4, 2, 2, 2, 1, 1, 2, 3
Title: Review of Key Anti-Fraud Policies & Strategies

Report of: GROUP MANAGER (INTERNAL AUDIT & CORPORATE ANTI-FRAUD)

Open: For Discussion

Wards Affected: None

Key Decision: No

Report Author: David Greenfield

Contact Details:
Tel: 020 8227 2896
E-mail: david.greenfield@lbld.gov.uk

Accountable Divisional Director: Jonathan Bunt

Accountable Director: Jonathan Bunt

Summary:
In order to ensure proper arrangements to administer the Council’s financial affairs, the Council has adopted key policies to combat fraud and irregularity. To further strengthen their importance as part of robust governance, these policies were approved by Cabinet in January 2012 with a recommendation that they be reviewed annually and taken back to Cabinet if any significant changes occur. In the light of only minor revisions to the Policies after review, the Policies are presented to PAASC to note and comment upon.

Recommendation(s):
Members are asked to note the Council’s updated Anti-Fraud Policies

Reason(s):
This supports the delivery of the Members Policy House objective of achieving “a well run organisation”

1. Introduction

1.1. The Internal Audit & Anti-Fraud Group maintain a suite of anti-fraud policies to support the Council’s zero tolerance approach to fraud, thus maintaining proper arrangements for the Council’s finances.

1.2. To further strengthen their importance as part of robust governance, these policies were approved by Cabinet in January 2012. Cabinet agreed that the policies be reviewed annually but only significant changes need be reported back to Cabinet.

1.3. The Policies have been reviewed and this report sets out the latest versions, a summary of the purpose of the reports and a brief summary of minor changes made.

1.4. The policies apply to the Council, and as part of our strategy on raising fraud awareness will be promoted with others such as Elevate, contractors and schools.
2. Purpose of the Policies

2.1 A brief description of each policy is set out in the table below. The latest version of each policy is set out in the Appendices to this report.

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Policy</th>
<th>Brief Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anti-Fraud &amp; Corruption Strategy &amp; Policy</td>
<td>Sets out the Council’s commitment to reducing opportunities for fraud and corruption across all council services and taking the strongest possible action against those who seek to defraud the Council. Includes guidance on what to do if an employee suspects fraud.</td>
</tr>
<tr>
<td>2</td>
<td>Prosecution Policy</td>
<td>Sets out the Council’s approach to seeking redress/sanction against those who seek to defraud the Council, linking to the Disciplinary rules where the perpetrator is a member of staff.</td>
</tr>
<tr>
<td>3</td>
<td>Money Laundering Policy</td>
<td>Sets out the Council’s commitment to ensuring compliance with the requirements of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 &amp; 2012 and Chartered Institute of Public Finance and Accountancy (CIPFA) guidance for Local Authorities on Money Laundering.</td>
</tr>
<tr>
<td>4</td>
<td>Whistleblowing Policy</td>
<td>In accordance with the Public Disclosure Act 1998, sets out how officers can raise serious or sensitive concerns about other members of staff, suppliers, or people who provide services without fear of harassment, victimisation or bullying as a result of them raising concerns.</td>
</tr>
<tr>
<td>5</td>
<td>Regulation of Investigatory Powers Policy</td>
<td>Sets out rules and procedures for undertaking and gaining authorisation for covert surveillance in accordance with the RIPA Act 2000 (as amended by the Protection of Freedoms Act 2012) and Human Rights Act 1998.</td>
</tr>
<tr>
<td>6</td>
<td>Bribery Act Policy</td>
<td>Sets out the Council’s commitment to the prevention, deterrence and detection of bribery and to raise awareness with relevant officers linking with the already in place Employee Code of Conduct and rules on accepting gifts and hospitality.</td>
</tr>
</tbody>
</table>

3. Changes to the Policies

3.1 The following changes have been made to the policies:

- Responsibilities have been re-assigned arising from the departure of the Corporate Director of Finance & Resources;
- The Money Laundering policy has been reviewed in light of the Money Laundering Regulations 2012;
- The RIPA policy has been updated to reflect the new requirements of the Protection of Freedoms Act 2012.

4. Legal Implications
4.1 This report provides information to Members for noting and does not require decision. There are no further legal comments to add.

5. The following people were consulted in the preparation of this report:
   - Section 151 officer
   - Annette Cardy – Elevate (HB Fraud)

6. The following documents were used in the preparation of this report:
   - Cabinet Report 17 January 2012
Internal Audit

Fraud & Corruption Policy & Strategy
(Incorporating Housing Benefit Fraud)
January 2013

<table>
<thead>
<tr>
<th>Date Last Reviewed:</th>
<th>January 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved by:</td>
<td>PAASC</td>
</tr>
<tr>
<td>Date Approved:</td>
<td>30 January 2013</td>
</tr>
<tr>
<td>Version Number:</td>
<td>1.1</td>
</tr>
<tr>
<td>Review Date:</td>
<td>January 2014</td>
</tr>
<tr>
<td>Document Owner:</td>
<td>Group Manager – Internal Audit &amp; Anti-Fraud</td>
</tr>
<tr>
<td>Post Holder:</td>
<td>David Greenfield</td>
</tr>
</tbody>
</table>
The Council’s commitment to the Fraud Corruption Policy

London Borough of Barking & Dagenham, “the Council” carries out its responsibilities and delivers high quality services to the local community. The immense variety of service provision places the Council at risk of loss from fraud and corruption perpetrated both internally and externally. The Council operates a zero tolerance policy to Fraud and Corruption and considers the Fraud and Corruption Policy and Strategy to be an integral part of our approach.

What are the aims and requirements of the Policy?

Where Fraud or Corruption is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the Fraud and Corruption Policy and Strategy. It will be investigated fully and the Council will prosecute all offenders where appropriate including, Members, employees, contractors, agency staff, consultants, suppliers and partners.

Who is governed by this Policy?

The Fraud and Corruption Policy and Strategy applies to all staff including and not limited to temporary staff, sessional staff, consultants and contractors. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes and sheltered accommodation as well as anyone who seeks to commit fraud against the Council.

Executive Summary

The Fraud and Corruption Policy and Strategy makes clear the Council’s commitment to reducing opportunities for fraud and corruption and taking the strongest possible action against those who seek to defraud the Council. There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.
<table>
<thead>
<tr>
<th>Title</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud &amp; Corruption Policy &amp; Strategy</td>
<td>4</td>
</tr>
<tr>
<td>Fraud &amp; Corruption Policy</td>
<td>4</td>
</tr>
<tr>
<td>The anti fraud culture and deterrence</td>
<td>4</td>
</tr>
<tr>
<td>Prevention – Managing the risk of fraud</td>
<td>5</td>
</tr>
<tr>
<td>Detection &amp; Investigation</td>
<td>8</td>
</tr>
<tr>
<td>Fraud &amp; Corruption Strategy</td>
<td>9</td>
</tr>
<tr>
<td>Definitions</td>
<td>12</td>
</tr>
<tr>
<td>Further support, tools and guidance.</td>
<td>13</td>
</tr>
<tr>
<td>Appendix 1 Housing Benefit Policy &amp; Strategy</td>
<td>14</td>
</tr>
<tr>
<td>Appendix 2 Fraud response plan</td>
<td>18</td>
</tr>
</tbody>
</table>
Fraud & Corruption Policy & Strategy

Fraud & Corruption Policy

The council is responsible for the proper administration of its finances. This not only includes direct income and expenditure but also monies that is administered on behalf of the Government, our clients and for which the Council is the responsible accountable body. Anyone committing fraud, both inside and outside the organisation, attack all of these sources of income and expenditure and our valuable assets.

The Council aims to set high standards of service provision and is committed to upholding the reputation of the Authority and maintaining public confidence in its integrity and expects that Members (Elected councillors) and staff at all levels will adopt the highest standards of propriety and accountability and will lead by example.

The Authority also expects that individuals and organisations that come into contact with the Authority e.g. the public, suppliers and contractors, will act with integrity and without intent or actions involving fraud and corruption.

To achieve its aims and objectives the Council will therefore take a firm stance against any individual, group or organisation committing acts constituting theft, fraud, corruption, financial irregularity or malpractice or other form of wrongdoing, whether it is attempted against, from or within the Council.

In fulfilling its responsibilities to protect the public funds it administers against fraud and corruption the Authority recognises the responsibilities placed upon it by statute and will actively promote this Fraud and Corruption Policy and Strategy which is designed to:

- Promote standards of honest and fair conduct
- Encourage prevention of fraud and corruption
- Maintain strong systems of internal control
- Promote detection
- Pursue a zero-tolerance policy and bring to justice all persons who commit acts of fraud or corruption against the Council
- Recover any losses incurred by the Council

In addition to the following, specific matters in respect of Housing Benefits Fraud are set out in Appendix 1.

The Anti Fraud Culture and Deterrence

The culture of the organisation is one of honesty, openness and opposition to fraud and corruption. Members play a key role in maintaining and promoting this culture.
Specifically the Standards Committee is responsible for promoting high standards of conduct by Members, employees, its contractors and partners.

Members have a duty to ensure that Council assets are adequately safeguarded from fraud and abuse and to ensure that the Council’s powers, duties and responsibilities are exercised in an open fair and proper manner to the highest standards of probity.

The Members and employees are an important element in the Council’s stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with a Council activity.

Members of the public are also able to report concerns to appropriate Council officers or relevant external agencies such as the Police, External Audit, and the Local Government Ombudsman.

The Public Interest Disclosure Act 1998 provides protection for those who voice genuine and legitimate concerns through the proper channels. In this connection the Council has adopted a Whistleblowing Policy to ensure a defined route to bring alleged instances of fraudulent, unlawful or otherwise improper conduct to the Council’s attention. As well as the Whistleblowing Officer, this can involve the Monitoring Officer, Fraud Teams, or the employee’s line manager or Divisional Director or, if more appropriate, an officer external to the individual’s department.

The underlying message is that this Council will not tolerate fraudulent and corrupt activity. A pound lost through fraud and corruption is a pound that is stolen from Barking and Dagenham residents and reduces the amount available to spend on delivering services to residents.

A proactive programme of work will be agreed and published each year, using a risk-based approach to prioritise areas inherently at risk from fraud, outcomes from which will be publicised as appropriate.

New employees will receive fraud and corruption awareness training as part of their induction programme. Fraud awareness programmes will be targeted at all staff in the form of presentations, workshops and newsletters.

Additionally, this strategy and policy will also be available to all employees, contractors and partners and link to associated policies and guidance, for example:

- Employee Code of Conduct
- Disciplinary Rules
- Whistleblowing Policy
- Bribery Policy
- Money Laundering Policy
- Fraud Prosecution Policy
Fraud, theft and corruption are costly in terms of financial loss and reputational risk. The risk of loss can be reduced through robust preventive measures. The Council has a number of key processes and procedures which can assist in the prevention of fraud and corruption that include:

- Internal Control systems
- Standing Orders & Financial Regulations
- Employee Code of Conduct
- Disciplinary Rules
- Members Code of Conduct

The Divisional Director of Finance has been delegated, through the Council’s Standing Orders and Financial Regulations powers to control and regulate the Council’s finances. These include the promotion of systems and practices to minimise the risk of fraud and corruption. An important part of the control framework is the maintenance of an effective internal and external audit of the Council’s finances that operate to the “best practice” standards defined in the Accounts and Audit Regulations (2011).

Managers

The effective eradication of fraud starts with managers. It is the responsibility of all Council managers to ensure that they manage the risk of fraud within their respective work areas.

Managers are expected to be fully conversant with fraud risks (internal and external) relevant to their service areas. Some services will be predominantly at risk of attack from external sources, for example, Council tax, Housing and Renovation grants.

When considering the risk of fraud, managers must take the following steps:

**Identify the risk areas**

Managers must establish which parts of the service are most vulnerable to fraud e.g. letting or managing contracts, handling cash, allocating or distributing grants, ordering equipment, paying invoices, validating documentary evidence in support of claims for benefits etc. Other risks include assessing declared staff interests and considering whether such interests conflict with the Council’s interests or would undermine public confidence in the Council.

**Allocate responsibility for the risk**

Managers must identify who has responsibility for managing each risk and ensure that the officer concerned has adequate training, support and expertise to manage the risk effectively.

**Identify the need for revised controls**

Managers must evaluate the adequacy of existing controls and establish what further controls or changes to existing controls are required to reduce or eliminate the risk of fraud. For this, managers should refer to audit reports, internal investigation
findings, value for money review findings, External Audit reports or findings from other external inspections. This will help ensure that there is full compliance with the Regulatory Framework, Standing Orders, local procedures and any relevant legislation.

**Implement the revised controls effectively**

Managers must ensure that the revised controls are cost effective and that written procedures are updated informing staff and customers of any changes that affect them. Staff will need to be trained in the use of revised controls and procedures. Managers must also identify any continued weaknesses and adjust as necessary.

**Evaluate the effectiveness of controls**

After a reasonable period of time managers should assess the effectiveness of the controls and evaluate whether the risk of fraud has been eliminated or reduced.

For advice on managing risk, evaluating possible conflicts of interest, or the development or evaluation of controls contact the Internal Audit or Risk Management Sections.

Any system weaknesses identified as a result of Fraud Investigations will be reported to the relevant service manager as well as the Group Manager (Internal Audit & Anti Fraud) and addressed through an agreed action plan. The relevant Service Manager will be responsible for implementing the action plan. Internal Audit will have a monitoring role, addressing failures to implement recommendations to the relevant Divisional Director in addition to reporting major system failures, remedial action plans and instances of non-compliance to the Public Accounts & Audit Select Committee.

**Contractors**

It is expected that the Council’s contractors and partners will have adequate controls in place to minimise fraud. We will however, provide fraud awareness training to our community partners as deemed necessary to help them implement robust controls to protect the funds they administer.

Contractors and partners are also expected to have adequate recruitment procedures in place covering requirements under the Immigration and Nationality Act, Criminal Records Bureau checks and stringent vetting in relation to employment history and references. This expectation will form part of all contract terms and conditions.

**Employees - Recruitment and Conduct**

It is recognised the majority of staff are conscientious and hard working and whose conduct is beyond reproach. However, where it becomes evident fraud and corruption has taken place, action will be taken in accordance with the Council’s Disciplinary Rules. Fraud and corruption are specific instances of gross misconduct
and will therefore be treated very seriously and likely to involve criminal or civil proceedings as appropriate.

The Council recognises that a key preventative measure is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of their propriety and integrity. Temporary and agency employees will be treated in the same way.

Staff recruitment is required, therefore, to be in accordance with the Council’s recruitment and selection policies and, in particular, written references regarding known honesty and integrity of potential employees must wherever practicable be obtained before employment offers are made. Criminal records will be checked and disclosed prior to appointment in accordance with the Council’s Safer People for Safer Services Policy

Employees of the Council are expected to follow the Employees’ Code of Conduct and any other Code related to their personal Professional Body.

Employees must comply with their statutory obligations regarding pecuniary interest in Contracts relating to the Council or fees and rewards other than proper remuneration. They are also required to declare any interests which they have that may conflict with the impartial performance of their duties.

**Members (Elected Councillors)**

Members are expected to conduct themselves in a way that is beyond reproach, above suspicion and fully accountable by acting in a manner that sets an example to the community they represent and employees who implement their policy objectives.

Malpractice of any sort will not be tolerated and where evidence indicates malpractice has occurred, a report will be made to the relevant Body.

Members are required to operate within:

- The Council Constitution
- National Code of Conduct
- Local Code of Conduct

These matters are specifically brought to the attention of Members and include the declaration and registration of potential areas of conflict between Members’ Council duties and responsibilities and any other areas of their personal or professional lives.

The Standards Committee will advise and train Members on matters relating to the Members’ Code of Conduct. The Committee will monitor the operation of that Code.

**Detection and Investigation**

This section should be read in conjunction with the Fraud Response Plan (Appendix 2).
The array of preventative systems, particularly internal control systems within the Council, has been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud it is often the alertness of employees, Members and the public to indicators of fraud and corruption that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

Employees must report any suspected cases of fraud and corruption to the appropriate manager, or, if necessary, direct to the appropriate Fraud Investigation Team. The Fraud Response Plan appended to this policy provides guidance on what to do when an individual suspects fraud and corruption (other than benefit fraud) has or is taking place.

Reporting cases in this way is essential to the Fraud and Corruption Strategy and makes sure that:

- suspected cases of fraud and corruption are investigated properly
- there is a standard process for dealing with all suspected cases of fraud and corruption; and all connected persons and the Council's interests are protected

The Fraud Investigation Teams are at the forefront of the Council's fight against fraud and will examine all allegations of theft, fraud and financial malpractice, corruption and behaviour likely to adversely impact on the finances or integrity of the Council, its Members and employees. This extends to allegations against organisations funded by the Council or those with whom the council has a contract.

It is expected that the Council's partners will provide full and unrestricted access to their financial records relating to the council finances and the co-operation of their staff with any investigation. In addition, personnel records of any person suspected of involvement in fraud against the council will also be made available to the Fraud Investigation Teams.

The Council will utilise the additional powers of Police to obtain evidence or recovery of funds or where the matter cannot be pursued in-house, for example, serious organised crime and money laundering.

Referral to the Police will be undertaken in consultation with the Divisional Director of Finance and in accordance with the Council's Prosecution Policy. In cases involving Members, the Standards Committee would determine the issue of Police involvement.

Complaints of misconduct under the Members Code of Conduct will be dealt with in accordance with the Standards Committee's Local Assessment arrangements.

Combining with Others
We will utilise all methods available to detect fraud. Arrangements are in place to actively participate in the Audit Commission’s National Fraud Initiative (NFI). We will also continue to develop and support initiatives that involve the exchange of information and systematic data matching between the Council and other agencies on national and local fraud and corruption activity in relation to Local Authorities.

These agencies include:-

- Police
- Department for Works and Pensions
- HMRC
- UK Border Agency
- Pensions Service
- JobCentre Plus
- Inland Revenue

**Sanction and Redress**

The strongest available sanctions will be applied to all who commit fraud against the Council, its clients or the public purse. This may include disciplinary action, prosecution and civil proceedings or a combination of all three.

This also applies to employees who defraud or steal from the Council’s clients. Disciplinary action will also be taken against staff found to have committed fraud against other Local Authorities, or any other agency administering public funds.

Contractors or partner organisations will be expected to take appropriate action against the individual(s) concerned. The ability to request removal of staff will be written into contract terms.

The decision to recommend any of all of the above sanctions will be made on a case by case basis, having regard to the Disciplinary Rules and Prosecution Policy in place at the time.

Sanctions imposed in relation to cases of fraud involving Members will be imposed by the Standards Committee in accordance with powers bestowed under the Standards Committee (England) Regulations 2008.

**Fraud and Corruption Strategy**

To create a culture and organisational framework - through a series of comprehensive and inter-related procedures and controls - which minimises the risk and impact of fraud or corrupt acts against the Council, whether internally or externally perpetrated.

Where fraud and corruption does occur, to fully investigate all cases and, where proven, take a zero tolerance approach through appropriate use of the full range of available sanctions and penalties.

The Strategy is based on the following principles of best practice:
Links to Corporate Objectives

The vision for the Borough is **building a better life for all** with the key aims of:

- Raising household incomes
- School and post-16 education
- Housing and estate renewal

The priority themes of the Council as shown in the “Policy House” are:

- Better together - We all want our borough to be a place we can be proud of
- Better homes - More people want to live in our borough
- Better health and well-being - With the Olympics on the horizon we want our Borough to be a healthier, fitter place
- Better future - We want a borough that believes in opportunity underpinned by the theme, ‘a well-run organisation’

This Policy and Strategy ensures resources are correctly applied in the provision of high quality services and initiatives that deliver these Corporate Objectives.

Resources

A Corporate Anti Fraud Team will be maintained, to investigate all issues of suspected fraud and irregularity other than housing benefit fraud and to promote the anti-fraud agenda of the Council through proactive and preventative activities.

A Housing Investigation Team will investigate allegations of abuse concerning council housing and seek to recover council properties, for example where it is determined the registered tenant is not in residence as defined by the tenancy agreement, with the aim of delivering housing units back to proper use, and prevent misuse of the Social Housing Stock.

The authority for Fraud Investigators to investigate is enshrined in the Council’s Constitution, Financial Rules.

Internal Audit will, within the context of the Divisional Director of Finance statutory powers, have authority for internal audit purposes to:

- Enter at all reasonable times in to any Council premises or onto Council land
- Have access to all records, documents and correspondence relating to operations or transactions of the Council
- Require and receive such explanations as are necessary concerning any matters under examination
• Require any employee of the Council to produce cash, stores or any other property of the Council in her/his custody

Sufficient Benefit Fraud Investigators will be appointed to undertake investigation of referrals of suspected fraud and Visiting Officers whose duties will be to visit benefit customers to check the details of their claim obtaining any necessary supporting documentation in accordance with the DWP Verification Framework.

Housing Benefit Fraud Investigators will be appointed as “Authorised Officers” who have the power of entry and inspection under section 110A of the Social Security Administration Act 1992. “Authorised Officers” must be right and proper persons and be issued with a certificate of appointment which will last for no more than one year at a time.

“Authorised Officers” will use their powers in connection with a claim for Housing Benefit and or Council Tax Benefit to enter business premises of landlords, agents or employers to inspect relevant documents and to interview persons found on the premises.

The “Authorised Officers” will also use their powers to write and request information from prescribed persons or businesses.

Any abuse of these powers will result in the “Authorised Officers” being subjected to disciplinary procedures.

Training

The Council will ensure that all Fraud Investigators are fully trained, appropriately qualified and are continually kept up to date with respective relevant legislative changes.

Publicity

Publicity will be used appropriately to discourage those who might seek to commit fraud both generally and in instances of specific outcomes from individual cases, to highlight the existence and work of the Anti-Fraud Teams and to promote the zero-tolerance approach.

All successful prosecutions for benefit fraud will be reported within internal and external media.

Fraud Hot Line

The Council has in place dedicated fraud and whistleblowing telephone hotlines and email addresses to enable members of the public to report concerns about possible fraudulent activity. All calls will be followed up by appropriate Fraud Investigators and all information supplied will be treated as private and confidential.

Case Management
Fraud Investigation Teams will maintain electronic records (e.g. case management system) to assist with the proper management, monitoring and recording of cases subject to investigation.

**Considerations for Anti-Fraud Officers**

When investigating fraud, Investigators and Visiting Officers will work to professional standards and in accordance with codes of practice as well as applying the Council's policies on equal opportunities and customer care. They will at all times apply appropriate procedures to maintain confidentiality. They are expected to comply with the Council's Code of Conduct specific to their activity.

Additionally, they will operate within the guidelines of:

<table>
<thead>
<tr>
<th>The Police and Criminal Evidence Act 1984,</th>
<th>In undertaking an investigation Council officers will observe the Police and Criminal Evidence Act Codes of Practice. The customer will be advised of their rights and evidence will be obtained and secured in accordance with the Act. These Codes of Practice will also be observed when taking statements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Human Rights Act 1998</td>
<td>Officers, when dealing with a suspected fraud, will comply with the requirements of the Human Rights Act.</td>
</tr>
<tr>
<td>Data Protection Act 1998</td>
<td>The Council will act in accordance with the current data protection legislation and any advice issued by the Information Commissioner. It is registered with the Commissioner that data may be used for the prevention of crime and the prosecution of offenders. It will use exemptions under the legislation to protect those organisations and individuals who may be asked to supply information to the Council in its investigation of fraud.</td>
</tr>
<tr>
<td>Whistleblowing Policy &amp; Public Interest Disclosure Act 1998</td>
<td>The Council has set out a policy of whistleblowing in accordance with the Public Interest Disclosure Act. In accordance with this policy Council employees and elected members are expected to inform the Council of any concerns about suspected malpractice by colleagues. The Council will follow the procedures set out in the policy when responding to such concerns.</td>
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**Definitions**

**What is theft?**
Under the section 1 of the Theft Act 1968 “A person is guilty of theft if: he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.”

Examples of theft include stealing any property belonging to the council or which has been entrusted to it (i.e. client funds); including cash, equipment, vehicles and data and can also include the stealing of property belonging to our staff or members whilst on council premises.

Under section 24A of the Theft Act 1968, a person is also guilty of theft where ‘they dishonestly retain a wrongful credit’. For example where they do not report and repay an overpayment of salary or advance.

**What is fraud?**

The Fraud Act 2006 introduced into statute the first legal definition of fraud.

For the purposes of this strategy, fraud is defined as the intentional distortion of records for gain; corruption as the offering or acceptance of inducements designed to influence official action; financial malpractice as theft of funds or assets from the Council or its clients and intentional, unauthorised breaches of financial regulations; and misuse of official position as employees or their friends, relatives or acquaintance benefiting inappropriately from exercise of duty.

Fraudulent acts may arise from:

**Systems Issues** - i.e. where a process/system exists which is prone to abuse by either employees or members of the public e.g. Housing Allocations.

**Financial Issues** - i.e. where individuals or companies have fraudulently obtained money from the Council. Examples include falsification of expense claims, theft of cash and alteration of records to conceal deficiencies, falsification of invoices for payment, failure to account for monies collected.

**Equipment Issues** - i.e. where Council equipment is used for personal reasons, for example personal use of council vehicles.

**Resource Issues** - i.e. where there is a misuse of resources for example theft of building materials or working in a private capacity during contracted hours or whilst sick.

**What is corruption?**

In contrast, corruption has been defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person contrary to the proper conduct of their duties.

Examples of areas where corruption can occur include tendering and awarding of contracts, appointment and reward of external consultants, awarding permissions, planning consents and licenses.
Types of inducement include cash, “free” holidays, “free” professional services and advice, provision of goods or materials, “free” entertainment such as tickets to sporting events.

This area is covered in greater depth by the Bribery Act Policy.

Further Support, Tools & Guidance

The latest version of the Fraud & Corruption Policy & Strategy and all of our documents can be obtained from either contacting the Group Manager – Internal Audit directly or by visiting our intranet pages:

Anti Fraud Information

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

david.greenfield@lbld.gov.uk
1. STATEMENT OF INTENT

The Council is committed to providing Housing Benefit & Council Tax Benefit to its eligible residents promptly and accurately following the receipt of all necessary supporting information.

It will do all it can to ensure that customers receive the benefits to which they are entitled. It will encourage the take up of benefits by those people who are eligible.

The Council is also aware that some people will attempt to obtain benefit to which they have no entitlement or continue to receive benefit for which they are no longer eligible. It is therefore committed to a robust anti fraud stance in order to protect public funds and to ensure that benefits are delivered only to those who have entitlement to them.

When a fraud has occurred it will consider taking sanctions against the customer dependent upon their personal circumstances and the gravity of the case. Decisions will be taken in accordance with the Council's Prosecution Policy.

2. DUTIES AND CONSIDERATIONS OF BENEFIT OFFICERS

The Council is also committed to prevent benefit fraud by staff therefore all new staff employed in benefits and fraud administration will be rigorously vetted before being offered employment. Any issues that arise subsequently will be dealt with under disciplinary procedures.

The Council requires all officers involved in benefits and fraud administration to report:

- details of any property they are renting to tenants
- any claims for benefit in which they may have an interest

An interest is defined as a claim for benefit where the officer is

- the landlord or agent
- the customer or partner of the customer
- is a dependent or non dependant of the customer

If an officer involved in the administration of benefits or fraud has knowledge of a claim where the customer is a close family member as described by the Housing Benefit and Council Tax Benefit General Regulations, that officer must report the facts.

Interest in a benefit claim must be recorded in the Register of Employee Disclosures and Interests in accordance with agreed procedures. Officers will undertake regular checks on all properties recorded in this register to ensure that no benefit payment
has been made in relation to these properties without the prior knowledge of Managers.

Any officer found to be involved in any offence involving any claims for benefit from the Department for Work & Pensions or any local authority will be disciplined under the disciplinary procedures in addition to any prosecution that may occur.

Where any officer investigating a fraud is believed to have abused their powers an investigation will take place with a view to disciplinary action being taken.

Gifts and hospitality offered to employees as a consequence of their role as an employee must be reported to their line manager and recorded in the Register of Gifts and Hospitality in accordance with agreed procedures.

3. DUTIES AND CONSIDERATIONS OF ELECTED MEMBERS

The Council requires all elected members to report details of:

- any property they are renting to tenants
- any claims for benefit in which they may have an interest

An interest is defined as a claim for benefit where the member is:

- the landlord or agent
- the customer or partner of the customer
- is a dependant or non dependant of the customer

Interest in a benefit claim must be recorded in the Council's Register of Interests in accordance with agreed procedures. Officers will undertake regular checks on all properties recorded in this register to ensure that no benefit payment has been made in relation to these properties without the prior knowledge of Managers.

Gifts and hospitality offered to a member as a consequence of their role as an elected member must be recorded in the Register of Gifts and Hospitality in accordance with agreed procedures.

4. DATA MATCHING EXERCISES

The Council will use the Department for Work & Pensions Housing Benefit Matching Service (HBMS) which checks benefit claim data for duplication and inconsistencies with data held by other authorities, the Pensions Service and Jobcentre Plus.

The Council will participate in the National Fraud Initiative (NFI) administered by the Audit Commission which allows comparison of Housing Benefit data against other data sources to identify inconsistencies requiring further investigation.

The Council will also run data matching exercises against its own records but will consult with recognised trade unions prior to data matching payroll data of staff and members.
At all times the Council will act in accordance with its understanding of the law and guidance issued by the Information Commissioner, the Department for Work & Pensions and the Audit Commission.

5. VERIFICATION OF HOUSING BENEFIT & COUNCIL TAX BENEFIT CLAIMS

To discourage and prevent fraud from taking place the Council have adopted the Department for Work & Pensions Verification Framework.

The information on the Benefit claim form will be verified by Benefits staff with all supporting documentation photocopied by the relevant officer and endorsed with their name and signature before the original document is returned to the customer.

The DWP Customer Information System (CIS) which is a web enabled application that all Benefit Officers have access to will be used by designated officers to validate information concerning the payment of Income Support or Jobseekers Allowance by that agency.

If fraud is suspected further enquiries will be made which may include contacting third parties and interviewing under caution those suspected in accordance Police and Criminal Evidence Act.

Although all claims for benefit will come under close scrutiny the Council is committed to paying benefit accurately and speedily within recognised time scales. Advice and assistance will be given to customers when applying for benefit to maximise take up.

6. BENEFIT CLAIM FORM

The Council will ensure that its application form for Housing Benefit and Council Tax Benefit includes questions and instructions in plain language. The form will make clear to the customer that giving false information could result in the customer being prosecuted. It will also state that the Council may cross check information on the form with other Departments within the Council, other agencies, other Councils and the Rent Officer Service.

The Council will put in place systems which will help the customer to make their claim for benefit and remind them of the need to advise the Council promptly of any change in circumstances. This will include those customers whose ethnicity or disability presents particular difficulties.

The Housing Benefit & Council Tax Benefit claim form will reviewed and amended regularly to ensure it remains helpful to customers when applying for benefit.

7. OVERPAID BENEFIT TO CUSTOMERS

If benefit has been obtained from the Council where there was no entitlement, for example due to a false claim or a failure to disclose a change in circumstances, the Council will consider the particulars of the individual case. If it is deemed that the customer could reasonably have known they were being overpaid benefit the Council will consider prosecution in accordance with the Prosecution policy.
Where appropriate the Council will consider applying either an administrative penalty equal to 30% of the overpayment or issuing a local authority caution as alternatives to prosecution.

If it is considered not to be in the public interest to apply a relevant sanction the Council will still seek to recover the overpaid benefit in accordance with the Council’s overpayment policy.

8. OVERPAID BENEFIT TO LANDLORDS

Payments of benefit are often made directly to landlords on behalf of customers. If a landlord falsifies a claim or assists a customer to falsify a claim they are guilty of an offence and will normally be prosecuted by the Council in accordance with the Prosecution policy.

Landlords who receive benefit directly are obliged to report any change in their tenant's circumstances. Failure to do so may result in more benefit being paid directly than is actually due.

The Council will make landlords aware of their duty to report a known change of circumstances and that failure to do so is an offence. If the Council believes that an offence has been committed it will consider prosecution and will recover any overpaid benefit either from future direct payments to the landlord or by civil recovery through the Courts.

The Council will expect its Fraud Investigators to use their powers of inspection to obtain information from landlords. These powers will be used reasonably and in compliance with the regulations.

9. "DO NOT REDIRECT MAIL"

The Council will use the "do not redirect mail" service provided by the Post Office to prevent benefit payments being redirected to other addresses.

10. PROACTIVE CAMPAIGNS

The Council will undertake at least two specific benefit fraud campaigns each year either alone or in partnership with another authority or organisation.
Appendix 2 Fraud Response Plan

The London Borough of Barking and Dagenham is committed to developing a culture of honesty and zero tolerance to fraud and corruption.

The purpose of this document is to demonstrate and set out the procedures to be followed where theft, fraud or corruption (other than Benefit Fraud) is suspected or detected. It is part of the Council’s overall fraud and corruption policy & strategy. It therefore applies to all Members (elected Councillors) and all personnel whether staff of the London Borough of Barking and Dagenham, consultants, agency staff or contractors.

It also provides a framework for responding that enables evidence to be gathered and collated in a way which facilitates an informed initial decision and ensures that any evidence gathered will have been lawfully obtained and will be admissible if the matter proceeds to criminal or civil action.

This document is not an investigation procedure for staff. If you suspect fraud it is vital that you follow the guidance in this plan and report your suspicions to the Corporate Anti-Fraud Team. Neither does this document provide guidance on fraud prevention. It is quite simply a brief guide on “what to do if you become aware of fraud” and tells you how the Council will respond to suspected or actual occurrences of fraud.

Roles & Responsibilities In Respect Of Fraud and Corruption

All staff and Elected Members have duties under the Council’s Corporate Governance arrangements to prevent and detect occurrences of fraud and have a responsibility to ensure compliance with relevant legislation in discharging these duties.

The Group Manager (Internal Audit & Anti-Fraud) will maintain a log of all reports, detail actions taken and conclusions reached and report periodically to Members of the Public Accounts & Audit Select Committee.

The Group Manager (Internal Audit & Anti-Fraud) will ensure a consistent approach to the conduct of any investigations into matters reported and that proper records of each investigation are kept from the outset, including accurate notes of when, where and from whom evidence was obtained, and by whom.

Where a member of staff is to be investigated, the relevant Chief Officer and Departmental Human Resources Officer will be informed. Normally, the member of staff’s line manager will also be informed unless this is deemed to be inappropriate given the circumstances of the case.

If a suspicion is reported to a manager, s/he must pass that suspicion on to the Corporate Anti-Fraud Team immediately. Any delay could compromise subsequent investigations.

What should staff do if they suspect fraud or corruption?
Employees are often the first to become aware that there is something seriously wrong within the Council. If you suspect or become aware of fraud or any other illegal act perpetrated by an employee, or other individual(s) against the Council, there are several avenues through which your concerns should be reported.

Initially your concerns should be brought to the attention of your line manager. Alternatively, the matter may be raised with the Corporate Anti-Fraud Team who can advise or discuss the matter informally.

You can also report concerns via the Fraud telephone Hotline and/or dedicated email address.

If you feel unable to express concerns openly and wish to report concerns in confidence, you may do so in accordance with the Council’s Whistleblowing Policy without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

When you become aware that there may be a problem you should:

- Make an immediate written note of your concerns, details of any telephone or conversations you have heard or documents you have seen, and note the date, time, and names of the people involved. These notes should be signed, timed and dated. Timeliness is important because the longer you delay writing up the notes, the greater the chances of recollections becoming distorted and the case being weakened.

- Pass any documents that would normally come into your possession immediately to Corporate Anti-Fraud Team if this can be done without alerting suspicions; this should include any relevant emails.

You should not:

- Ignore the concerns or be afraid of raising them. You will not suffer recriminations from your employer as a result of voicing a reasonably held suspicion.

- Approach individuals yourself or convey your suspicions to other staff, except those authorised to deal with the matter. There may be an innocent explanation that resolves your concerns. If you have any doubts about who to consult, speak to the Corporate Anti-Fraud Team first.

- Investigate the matter yourself. There are special rules relating to the gathering of evidence for use in criminal cases. Attempts to gather evidence by persons who are unfamiliar with these rules may jeopardise or undermine the case.

- Discuss it with anyone else after you have reported your suspicions.
What should a member of the public or a partner organisation do if they suspect fraud or corruption?

The Council encourages members of the public who suspect fraud and corruption to contact the Group Manager (Internal Audit & Anti-Fraud) in the first instance. Suspicions or identified instances of fraud, corruption or other wrongdoing against the Council can be reported via a confidential hotline number.

How will allegations of fraud and corruption be dealt with by the Council?

The Corporate Anti-Fraud Team operates independently of other Council services but will pool resources with other stakeholders such as the Internal Audit, Housing Investigation and Benefit Fraud Teams to provide a joined up approach to prevention, detection, investigation and prosecution of fraud and corruption within the council.

When allegations are received from staff or the public the Corporate Anti-Fraud Team will establish at an early stage the action to be taken by the Council; this may depend on the nature of the allegation. The matters raised may be investigated internally; however, allegations of wrongdoing involving a criminal act may shape the way the investigation is handled and by whom.

Within ten working days of a concern being received, the responsible officer will write to the complainant:

- Acknowledging that the concern has been received
- Indicating how they propose to deal with the matter
- Giving an estimate of how long it will take to provide a final response; and
- Informing whether or not any further investigations will take place

If it appears that a criminal act has occurred or where there is sufficient evidence of fraud or corruption, the Police will be involved in accordance with the Council's Prosecution Policy. In most cases, referral to the police will be the normal course of action.

All staff must cooperate fully with police or any other form of external enquiry.

Where the police are unable to progress a criminal prosecution, e.g. because the burden of proof is insufficient to convince the Crown Prosecution Service to proceed, legal opinion will be sought as to the expediency of civil action particularly in relation to recovering losses.

If it appears not to be a criminal matter, an internal investigation will be undertaken to:

- Determine the facts
- Consider if the allegation should be dismissed or
- What action should be taken against any staff found culpable
- Consider what may be taken to recover any losses to the Council which could include civil action
• Identify whether the Council’s system controls or procedures need to be improved

If the outcome of an investigation is that action should be taken against an employee, the Corporate Anti-Fraud Team will advise the appropriate service manager and/or Divisional Director and liaise with the Human Resources section to determine whether disciplinary action is appropriate for:

• misconduct i.e. negligence or error of judgement
• gross misconduct, i.e. dishonesty

A fraud log will be completed detailing every action taken during the investigation, this will include the dates and times that each action undertaken was carried out.

How we gather and deal with evidence

The Corporate Anti-Fraud Team will normally manage investigations and will be responsible for gathering evidence and will seek to establish whether there is any physical evidence that fraud has occurred and collect such evidence, recording the time and place that the evidence was obtained.

Where there are reasonable grounds for suspicion, the police will be involved at an early stage however the Group Manager (Internal Audit & Anti-Fraud) may still undertake part or all of the investigation on behalf of the police. All employees MUST co-operate with the investigation process.

If appropriate, and in accordance with Human Resources policies and with their agreement, suspension of officers will be considered to ensure unfettered progress of investigations. It should be noted that suspension is a neutral act and in no way implies guilt of the officer.

Failure to co-operate will itself constitute a disciplinary offence.

It is important, from the outset, to ensure that evidence is not contaminated, lost or destroyed. Wherever possible original documents should be retained, secured and handled as little as possible. Under no circumstances should they be marked in any way. Computer data must also be secured and should not be viewed by anyone who is not appropriately trained.

All evidence will be obtained lawfully, properly recorded and retained securely in accordance with the Police and Criminal Evidence Act 1984 and the Criminal Procedure and Investigations Act 1996.

The outcomes of internal investigations will be reported to the Public Accounts & Audit Select Committee.

Conducting interviews

Interviews will be conducted in a fair and proper manner and in accordance with the Council’s Disciplinary Rules.
As much documentary evidence as possible will be gathered before any interviews are conducted. If it is established there are any witnesses to the events the Corporate Anti-Fraud Team will seek to interview witnesses and obtain written statements. File notes of all actions and discussions will be maintained. The veracity of the information provided by witnesses and or other evidence documentary or otherwise will determine whether the employee should be interviewed.

Where there is a possibility of subsequent criminal action, the police will be consulted and interviews may be conducted under caution in compliance with the Police and Criminal Evidence Act 1984 which governs the admissibility of evidence in court proceedings.

**Closing the investigation**

The investigation will be concluded by deciding whether there is a case to answer and by making recommendations as to appropriate action in a written report to the relevant manager and Divisional Director as well as improvements to systems and procedures.

Management will seek advice from Human Resources to establish the correct procedure to progress the matter through the Council’s disciplinary framework.

For acts of dishonesty, false accounting, gross negligence, deception, or theft, employees can expect to be dismissed.

Employees found to have committed fraud against other organisations responsible for the administration of public funds will be considered to have brought this Council into disrepute and can expect to be dismissed.

All matters investigated will be dealt with in accordance with the Council’s Human Resources Disciplinary Rules and Code of Conduct for Employees.
Internal Audit

The Fraud Prosecution Policy
(Incorporating Housing Benefit Fraud)
January 2013

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<td>PAASC</td>
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<tr>
<td>Document Owner:</td>
<td>Group Manager – Internal Audit &amp; Anti-Fraud</td>
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<td>Post Holder:</td>
<td>David Greenfield</td>
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The Council's commitment to the Prosecution Policy

The London Borough of Barking & Dagenham is committed to the protection of public funds through its action against fraud and has adopted a zero tolerance approach to fraud and wrong doing perpetrated against it. The Council will seek application of the strongest possible sanctions against those found to have perpetrated fraud against it.

What are the aims and requirements of the legislation?

The aim of this prosecution policy is to deter fraud against the Council including fraudulent benefit claims.

This policy sets out the range of sanctions that may be applied where fraud and wrongdoing is identified and the circumstances relevant to their application.

Who is governed by this Policy?

This policy applies to claimants of Housing or Council Tax benefit, council employees, contractors and members of the public found to have committed fraud and other wrongdoing against the Council.

Disciplinary action will also be taken against Council employees found to have made fraudulent benefit claims.

Executive Summary

The London Borough of Barking & Dagenham is committed to the protection of public funds through its action against fraud. Where a claimant of Housing Benefit or Council Tax benefit has been accused of committing a fraud against the Council and the Fraud Investigation Team have enough evidence to sustain prosecution the Council will employ any or all of three sanctions available to it.

Where other types of fraud and wrong doing are identified the Council will employ disciplinary action in (the case of Staff), civil action or criminal sanctions or a combination of all three in parallel.
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Fraud Prosecution Policy

The London Borough of Barking and Dagenham is committed to preventing fraud and corruption wherever possible. All allegations of fraud and corruption will be taken seriously.

Where fraud and corruption is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the fraud and corruption strategy. It will be investigated fully and the London Borough of Barking and Dagenham will prosecute all offenders where appropriate including Members, employees, contractors and external partners, in accordance with this policy.

This procedure will be operated in conjunction with the London Borough of Barking and Dagenham’s disciplinary procedures and all employees will be subject to disciplinary action as well as any prosecution process.

Where there is clear evidence that a fraudulent or corrupt act has been committed, the following will be taken into account before a case is considered for prosecution.

- The seriousness of the case
- The level of evidence available
- The level of money or misappropriated assets involved
- Whether the public interest will be served

In assessing a case for prosecution, the following tests will be applied:

- **The Evidential Test:** To ensure sufficiency of evidence to provide a realistic prospect of conviction
- **The Public Interest Test:** To determine whether or not it would be in the public interest to proceed

A prosecution will usually be pursued unless there are public interest factors tending against prosecution which clearly outweigh those tending in favour. To pass the public interest test, Fraud Investigators will balance carefully and fairly the public interest criteria as detailed in ‘The Crown Prosecution Service’s Code for Crown Prosecutors 2010’ against the seriousness of the offence.

The public interest criterion includes:

- The likely sentence (if convicted)
- Whether the offence was committed as a result of genuine mistake or misunderstanding
- Any previous convictions and the conduct of the defendant

The Council will in most instances prosecute where the fraud perpetrated:

- was not a first offence
- was planned
• was undertaken by an officer in a position of authority or trust and he or she took advantage of this, or
• involved more than one person

The full tests the council will apply in considering a case for prosecution are set out in Appendix 1.

**General Fraud Sanctions & Redress**

Applicable sanctions differ between general fraud and benefit fraud in accordance with legislation, as follows.

With respect to a prima facie case of fraud, an appropriate combination of the following three sanctions may be applied.

- **Disciplinary Action** - Application of this sanction is normally internal disciplinary action but may involve a referral to the relevant professional organisation from which professional disciplinary action could ensue
- **Civil Action** – to recover money, interest and costs where it is cost effective and desirable for the purpose of deterrence, it may be decided that civil redress is the most appropriate course of action. In such instances the council’s legal services team will utilise civil law to recover any losses
- **Criminal Sanction** - fines, imprisonment, and compensation orders

Where it is decided that a criminal prosecution is to be pursued, the Group Manager (Internal Audit & Anti-Fraud) will be consulted and will brief the Divisional Director of Finance and Chief Executive as appropriate. However, the option to prosecute may also be determined by the police in some instances.

Managers should not notify the police directly, except in an emergency in order to prevent further loss, or where it is necessary for the police to examine an area before it is disturbed by staff or members of the public.

In instances where an investigation reveals either;

- numerous cases of fraudulent activity
- significant value, or
- breaches of the employee code of conduct and/or disciplinary rules

The option of pursuing a series of sanctions (parallel sanctions) may be chosen.

The individual or parallel sanctions that are to be applied will be the decision of the Corporate Anti-Fraud Team following consultation with the Group Manager (Internal Audit & Anti-Fraud).

In instances where parallel sanctions are applied, for example, internal disciplinary and criminal sanctions, the Corporate Anti-Fraud Team will carry out an investigation
with a view to criminal prosecution, whilst simultaneously conducting an internal investigation under the Disciplinary Procedure.

The Corporate Anti-Fraud team will provide sufficient evidence to Human Resources in order that an internal investigation and disciplinary hearing can be taken forward with respect to the evidence given. The advantage of this approach is that all appropriate action is taken at the earliest opportunity.

The Council believes fair and effective prosecution is essential in order to protect public funds and deter fraudulent activity.

Irrespective of the sanctions pursued for general fraud, the council will use all measures available to it to recover any money lost due to fraudulent activity.

In respect to criminal sanctions, this will be sought through the application for a Compensation Order to the Courts. This Order will not only outline the losses sustained by the council through fraud but also the investigation costs.

In respect of Internal Disciplinary, the council has a responsibility following the outcome of its investigation, to initiate an appropriate procedure aimed at recovering all monies identified as being lost or misappropriated through fraud.

The mechanism by which misappropriated monies are to be repaid will normally be established and agreed prior to any sanction being applied, and may be managed through utilisation of procedures such as deduction from salary or debtor invoicing.

Where the above mechanisms fails to recover any monies owed to the council, following advice from Legal Services, the Corporate Anti-Fraud Team will consider the option of civil redress.

Civil redress is available to the council in all instances where initial attempts to recover the loss, such as deduction from salary or debtor invoicing, have failed. In such instances, if considered appropriate, Legal Services will make an application either to the Small Claims or County Court - depending on the value to be recovered.

Other Redress - the council will also seek recovery of losses from pension entitlements where appropriate.

**Housing Benefit Fraud Sanctions & Redress**

The Council has the power to impose three forms of sanction on those whom it believes have committed benefits offences. Prosecutions will be reserved for those cases which in the opinion of the Council are the most serious. These will be followed by Administrative Penalties and Local Authority Formal Cautions.

**Factors Influencing Sanctions for:**

- Closure of the case with No further Action
• A Formal Caution
• An Administrative Penalty
• Prosecution

Closure of the Case with No Further Action

The Authority would consider using its discretion to close the case with no further action being taken by an Investigation Officer, although any overpayment would still be recovered if the circumstances in which the fraud arose are relatively minor, e.g.

• to the best of the council’s knowledge the claimant has never previously offended and
• there was no planning involved in the process and
• there was no other person involved in the fraud and
• the overpayment is low

A Formal Caution

If the circumstances in which the fraud arose are more serious, e.g.

• it is known the claimant had previously offended, but no Formal Caution has been previously recorded or 14 months have elapsed since the last Formal Caution
• Mitigating factors determine the need to consider a Formal Caution Penalty
• there was little or no planning involved in the process
• there were no other persons involved in the fraud
• An admission has been made

the Authority would consider issuing a Formal Caution.

What a Formal Caution is

Unlike the administrative penalty, a caution can only be issued when a customer has admitted an offence. It cannot be issued if the customer refutes or denies the charge. The case should again be at prosecution standard if a caution is to be issued. If a caution is refused the Authority will refer to Prosecution Tests and decide upon suitability and cost effectiveness to prosecute.

To reflect the seriousness the Authority places on this course of action, a Caution will be administered by an Officer of no less seniority than a Senior Investigation Officer

An Administrative Penalty

If the circumstances in which the fraud arose are fairly serious, e.g.

• to the best of the Council’s knowledge the claimant had never previously offended
• the person had not previously been issued with a Formal Caution or Administrative penalty in the last 14 months
• Mitigating factors determine the need to consider an Administrative Penalty
• The Penalty amount does not usually exceed £3000

the Authority would normally consider issuing an Administrative Penalty.

**What an Administrative Penalty is**

Section 115A of the Social Security Administration Act 1992, as amended by Section 15 of the Social Security Fraud Act 1997, allows an Authority to apply a penalty equal to 30% of the total overpayment. The claimant has 28 days in which to change their decision. If a penalty is not accepted or is withdrawn, the Authority may consider prosecution. The Authority will refer to the prosecution tests and decide upon the suitability and cost effectiveness to prosecute. Consequently, all cases considered for penalties, must be at prosecution standard.

The offer of a penalty should happen at a special interview.

**NOTE: Officers involved in the Interview under Caution, will not conduct the Administrative Penalty interview.**

**Prosecution**

If the circumstances in which the fraud arose are very serious, e.g.

• it is known the claimant had previously offended or a Formal Caution/Administrative Penalty has been recorded in the last 14 months
• there was planning involved in the process
• there were other persons involved in the fraud
• the overpayment is of a high amount

the Authority would normally consider referring the case for prosecution.

It may still be appropriate to prosecute someone who has not been paid any benefit but where the attempt to defraud was so serious as to justify a prosecution.

**Publicity**

Anti-Fraud officers will seek to publicise cases identified for prosecution, with the aim to deter others and thereby to prevent further frauds. The final decision to publicise will rest with the Council’s Press and Publicity Section.

**Further Support, Tools & Guidance**

The latest version of the Fraud Prosecution Policy and all of our documents can be obtained from either contacting the Group Manager – Internal Audit directly or by visiting our intranet pages:

**Anti Fraud Information**

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

[david.greenfield@lbld.gov.uk](mailto:david.greenfield@lbld.gov.uk)
Appendix 1

Tests the council will apply in considering a case for prosecution: to be applied in considering a case for prosecution.

The Evidential Test

In deciding whether to refer a case for prosecution, the following tests will be considered:

- Is there sufficient evidence for a realistic prospect of a prosecution?
- Can the evidence be used in court?
- Could the evidence be excluded by the court e.g. because of the way it was gathered or the rule about hearsay?
- Is the evidence reliable?
- Is its reliability affected by such factors as the defendant’s age, intelligence or level of understanding?
- What explanation has the defendant given? Is the court likely to find it credible in the light of the evidence as a whole?
- Is the witness’s background likely to weaken the prosecution case? e.g. does the witness have any motive that may affect his or her attitude to the case?
- Are there any concerns over the accuracy or credibility of a witness?
- How clear is the evidence?
- Has there been any failure in investigation?
- Has there been any failure in benefit administration including delay?
- Is prosecution in the public interest?

The Public Interest test

In making a decision, the following factors should also be considered:

- Whether a conviction is likely to result in a significant sentence or a nominal penalty
- Whether the offence was committed as a result of genuine mistake or misunderstanding
- Cost effectiveness of taking the case to court
- Any abuse of position or privilege i.e. a member of staff or Councillor
- Whether the claimant is suffering from either significant mental or physical ill health
- Any social factors
- Any voluntary disclosure
- Any previous incidences of fraud
- The evidence shows that the defendant was a ringleader or an organiser of the offence
- There is evidence that the offence was premeditated i.e. the claim was false from inception
- There are grounds for believing that the offence is likely to be continued or repeated, e.g. by a history of recurring conduct
• The offence, although not serious in itself, is widespread in the area where it was committed
**The Council's commitment to the Money Laundering Policy**

London Borough of Barking & Dagenham, “the Council” takes a zero tolerance approach to fraud and corruption and as such will be taking a proactive approach to the prevention, detection and reporting of suspected money laundering incidents.

**What are the aims and requirements of the legislation?**

The legislation has the aim to enable suspicious transactions to be recognised and reported to law enforcement agencies to deter and disrupt such practices.

**Who is governed by this Policy?**

The Money Laundering Policy applies to all staff including and not limited to temporary staff, sessional staff and contractors. A failure to comply could be damaging to the finances and reputation of the Council.

**Executive Summary**

This Money Laundering Policy sets out the Council’s commitment to ensuring compliance with the requirements of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 & 2012 and Chartered Institute of Public Finance and Accountancy (CIPFA) guidance for Local Authorities on Money Laundering.
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Money Laundering Policy

Our policy is to do all we can to prevent wherever possible the Authority and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. It is every member of staff’s responsibility to be vigilant.

What is Money Laundering?

Money Laundering is the term used for a number of offences involving the proceeds of crime. It is the process by which the identity of “dirty” money (i.e. the proceeds of crime and the ownership of those proceeds) is changed so that the proceeds appear to originate from legitimate “clean” sources.

Some areas of the Council’s activities are thought to be particularly vulnerable to attempts to launder money. It can simply involve receiving payment for goods or services with “dirty” money – usually cash. For the purposes of the new legislation it now includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.

What is the legal definition?

Money Laundering is defined as:

- concealing, disguising, converting, transferring or removing criminal property from England, Wales, Scotland or Northern Ireland
- being involved in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property
- when a person knows or suspects that money laundering activity is taking place (or has taken place), or becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, they must disclose this as soon as practicable or risk prosecution

What is the legislation?

The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 & 2012 places specific obligations on persons who are involved in “relevant business”. Offence under the Proceeds of Crime Act and Money Laundering Regulations can attract penalties of unlimited fines and up to 14 years imprisonment.
How can suspicious activity be identified?

Employees dealing with transactions which involve income for goods and services (or other income), particularly where large refunds may be made or large amounts of cash are received, will need to consider issues such as:

For new customers:

- is checking their identity proving difficult?
- is the individual reluctant to provide details?
- is there a genuine reason for using the services provided?
- is the customer attempting to introduce intermediaries to either protect their identity or hide their involvement?
- is the customer requesting a large cash transaction?
- is the source of the cash known and reasonable?

For regular and established customers:

- is the transaction reasonable in the context of the service provider’s normal business?
- is the size or frequency of the transaction consistent with the normal activities of the customer?
- has the pattern of the transaction changed since the business relationship was established?

What are the areas at risk of Money Laundering?

Some areas of the Council’s activities are thought to be particularly vulnerable to attempts to launder money. Where a need is identified by the risk assessment, advice will be provided to line managers to enable them to provide more targeted training. This may be provided using in-house resources, or through courses and seminars run by external agencies.

Possible examples relating to the Council include:

- Conveyancing, including Housing Right-to-Buy transactions
- Housing Benefit fraud
- Payments in excess of £10,000 e.g. business rates, business rents, hall hire etc.
- Refunds of large overpayments to accounts e.g. as above, plus: Council Tax, hire fees etc.
- Suspiciously low tenders
Generally, for the types of transactions the Council is involved with which are at risk in relation to Money Laundering, for example the sale of a capital asset, the risk is mitigated because these transactions will be with large, well known companies who will be represented by their solicitors who have their own professional duties regarding the Money Laundering Regulations. Conversely, where we have similar transactions with un-represented individuals or bodies this is an area of greater risk and our response will need to reflect this.

**Reporting of Money Laundering concerns**

The Council has nominated the Divisional Director of Finance as the main point of contact for money laundering issues and to act as the nominated Money Laundering Reporting Officer. Staff should report any suspicions to the Divisional Director of Finance immediately as they arise.

Suspicions may be reported informally by telephone or email and the responsible officer will seek to establish the facts of the case and determine whether a formal referral to the National Criminal Intelligence Service (NCIS) is appropriate.

The Money Laundering Reporting Officer, or their delegated officer, will consult with staff as appropriate in order to investigate the matter.

**Further Support, Tools, Training & Guidance**

The latest version of the Money Laundering Policy and all of our documents can be obtained from either contacting the Group Manager – Internal Audit directly or by visiting our intranet pages:

**Anti Fraud Information**

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

**david.greenfield@lbbd.gov.uk**
Internal Audit

Whistleblowing Policy

January 2013

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The Council’s commitment to the Whistleblowing Policy

The Council wishes to encourage and enable employees to raise serious concerns of fraud or irregularity within the Council rather than overlooking a problem or ‘blowing the whistle ‘outside.

What are the aims and requirements of the legislation?

This policy has been put in place to make sure that if you want to come forward and raise any concern of fraud or irregularity within the remit of this policy, you can do so with confidence and without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

Who is governed by this Policy?

The Whistleblowing policy applies to all staff including and not limited to temporary staff, sessional staff and contractors. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes and sheltered accommodation.

Executive Summary

This Whistleblowing Policy sets out the Council’s commitment to ensuring compliance with the requirements of the Public Interest Disclosure Act 1998.
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Whistleblowing Policy

Our policy is to promote a culture of openness and a shared sense of integrity throughout the Council by inviting employees to act responsibly in order to uphold the reputation of the Council and maintain public confidence.

What is Whistleblowing?

Whistleblowing encourages and enables employees to raise fraud or irregularity concerns within the Council rather than overlooking a problem or “blowing the whistle’ outside.

Members of staff may be the first to spot anything that is seriously wrong within the Council. However, they might not say anything because they think this would be disloyal, or they might be worried that their suspicions are not justified. They may also be worried that they or someone else may be victimised.

That is why we have produced this Whistleblowing policy to help staff, including agency workers and contractors to contact us with their concerns.

We are committed to being open, honest and accountable. For this reason concerns/disclosures of malpractice and impropriety are taken very seriously. We want you to be able to raise any serious concerns you have.

We expect our employees and other organisations working for or with the Council to bring to our attention any issues of concern, malpractice or other wrongdoing in accordance with the Employee Code of Conduct.

This policy has been put in place to make sure that if you want to come forward and raise any concern, you can do so with confidence and without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

Who is covered by this Policy?

All staff (including those designated as casual, temporary, agency, authorised volunteers or work experience), and those contractors working for the Council on Council premises, for example, agency staff, builders, drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes and sheltered accommodation.

What types of action are covered by the Policy?

The policy is intended to deal with serious or sensitive concerns about wrongdoings such as the following:
• Misuse of Council funds
• Other fraud or corruption
• Bribery
• Clients, children or students, particularly children and adults in our care, being mistreated
• Improper or unauthorised use of Council money
• An unlawful act
• Any danger to health and safety
• The environment being damaged (for example, by pollution)
• A person abusing their position for any unauthorised use or for personal gain
• A person deliberately not keeping to a Council policy, an official code of practice or any law or regulation
• A person failing to meet appropriate professional standards
• A person being discriminated against because of their race, colour, religion, ethnic or national origin, disability, age, sex, sexuality, class or home life
• Other wrongdoing including instances where attempts have been made to conceal or cover up wrongdoing

Your concern may be about members of staff, people who work directly for the Council, suppliers, or people who provide services to the public for us.

**What is not covered by the Policy?**

You cannot use this policy to deal with serious or sensitive matters that are covered by other procedures, for example:

• Staff complaints about their employment. These complaints are dealt with through our Grievance or Bullying and Harassment Policies and Procedures
• Customers’ complaints about our services. These complaints are dealt with through our Corporate Complaints Procedure
• Allegations against councillors. Such allegations should be sent in writing to: The Monitoring Officer, London Borough of Barking and Dagenham, Civic Centre, Dagenham, Essex, RM10 7BN. Write "Private and Confidential" on your envelope. A complaint form and other information is available on line at [http://www.lbbd.gov.uk/CouncilandDemocracy/Complaints/Pages/ComplaintsMembers.aspx](http://www.lbbd.gov.uk/CouncilandDemocracy/Complaints/Pages/ComplaintsMembers.aspx)

• Also, you cannot use this policy to raise issues that have already been settled through other procedures, for example, matters previously resolved under the Council’s Disciplinary Rules procedure

**Protecting you**

If your allegation is true, you have nothing to fear. But we understand that deciding to blow the whistle is not easy.
If you raise a concern which you believe is true, we will take appropriate action under the Public Interest Disclosure Act 1998 to protect you from any harassment, victimisation or bullying.

We will do our best to protect your identity and keep your concerns confidential if this is what you want.

There may be occasions when you will need to provide statements of evidence in order for us to conclude the investigation. In this case we will not reveal your name or position without your permission or unless we have to do so by law, for example, if the evidence is required in Court then your anonymity may be subject to the decision of the Courts.

If you work for the Council, you should also know that any allegation you make will not influence, or be influenced by, any unrelated disciplinary action against you or any redundancy procedures that may affect you.

**Anonymous allegations**

Because we will protect you (as explained previously), we encourage you to give your name when you make an allegation. Concerns raised anonymously tend to be far less effective and if, for example, we do not have enough information, we may not be able to investigate the matter at all.

If you feel that you cannot give your name, our Whistleblowing Officer will decide whether or not to consider the matter. This will depend on:

- the seriousness of the matter
- whether your concern is credible; and
- whether we can carry out an investigation based on the information you have provided

**Untrue Allegations**

If you make an allegation which you believe is true, but it is not confirmed by our investigation, we will not take any action against you.

However, if the investigatory process finds you have made an allegation which you know is untrue; we will take appropriate disciplinary or legal action against you.

**How to raise a concern**

If you work for the Council you should first raise your concern with your immediate supervisor, manager or group manager (but obviously this will depend on the seriousness and sensitivity of the matter, and who is suspected of the wrongdoing).
If you are not comfortable reporting the matter to your direct line manager or group manager because it is too serious or sensitive, or because the line manager is involved, you may also raise concerns with your Divisional or Corporate Director.

Concerns that involve financial malpractice should always be raised with the Corporate Anti Fraud Team.

If you prefer, or you do not work for the Council, you can contact the Whistleblowing Officer and Corporate Anti Fraud Team direct in any of the following ways:

- By phoning the Whistleblowing line on 020 8227 2541. You can leave a confidential voice-mail message 24 hours a day

- By writing to the Whistleblowing Officer, Head of Legal & Democratic Services, London Borough of Barking and Dagenham, Civic Centre, Dagenham, Essex. RM10 7BN. Write 'Private and Confidential' on your envelope

- By sending an e-mail to: whistleblowing@lbvd.gov.uk
  To maintain confidentiality you are advised not to copy other people into your message to the whistleblowing mailbox

If you are putting your concerns in writing it is best to give the Whistleblowing Officer as much information as possible - including any relevant names, dates, places and so on. A form is available on the intranet to help you provide information that will be helpful in following up your concerns.

You should also provide:

- The reason why you are concerned about a situation
- Background information
- What you personally witnessed or extent to which you have experienced the problem

If possible you should provide documentary evidence.

The earlier you raise a concern, the easier it will be to take effective action.

Although you will not have to prove beyond the shadow of a doubt that your allegation is true, you will have to show the Whistleblowing Officer or designated officer that there are reasonable reasons for your concern.

The earlier you raise a concern, the easier it will be to take effective action.

**Help for you**

You may want to discuss your concern with a friend or colleague first. You may then find it easier to raise a concern if others share the same experiences or concerns.
Your trade union representatives can also give you general support and advice, or act for you if this would help. This could be useful, particularly if you do not want the Whistleblowing Officer to know who you are. We will encourage the trade unions to support any member of staff who raises a concern with them.

**How we respond to your concerns**

Within 10 working days of you raising a concern, the Whistleblowing Officer or designated investigator will:

- acknowledge that we have received your concern
- explain how we will handle the matter; and
- tell you what support is available to you

It is difficult to set further timescales as they depend on the nature of the allegation and the type of investigation we need to carry out.

The way we deal with the concern will depend on what it involves. If we need to take urgent action, we will do this before carrying out any investigation.

We will first make enquiries to decide whether we should carry out an investigation and, if so, how we should go about it. Throughout all our enquiries and any investigation, our main concern will be to put the interests of the public first.

Your concern may be investigated by council management, our internal audit investigators, or we may refer it to:

- the police
- other agencies (for example, if it involves the abuse of children or vulnerable adults it may be referred to the relevant Director of Services)
- our external auditor; or
- an independent investigator

If your concern or allegation can be handled under any other procedure or policy, we will pass it on to the relevant person and let you know.

We may be able to settle some concerns without carrying out an investigation but by taking action agreed by you.

The amount of contact you have with the Whistleblowing Officer or designated investigator will depend on the nature of your concern, the potential difficulties involved, and whether or not the information you have given us is sufficiently clear.

If you need to have a meeting, you can be accompanied by a friend or a representative from a trade union or professional association. Meetings with the Whistleblowing Officer or designated investigator will normally take place in his or
her office but can be arranged elsewhere, but not in your home unless there are exceptional circumstances.

We will take steps to reduce any difficulties you may experience as a result of raising a concern. For instance, if you need to give evidence in criminal or disciplinary proceedings, we will arrange for you to get advice on the procedure.

If the investigation finds that misconduct and/or gross misconduct has occurred, disciplinary action may be initiated in accordance with the Council's Disciplinary procedures.

In all cases we will seek to apply the most appropriate sanction against employees considered to be guilty of malpractice. This includes commencing disciplinary action, which may lead to dismissal, and, in the case of unlawful wrongdoing may also involve criminal proceedings.

We will usually update you on the progress of investigations and inform you of the closure of an investigation within 5 working days of completion, however, the nature and outcome of any disciplinary action taken will remain confidential.

Who is responsible for this Whistleblowing policy?

The Whistleblowing Officer is a senior officer in the Council who can take an independent view of any concerns raised. That officer keeps a confidential record of all concerns raised and the outcomes and gives the Public Accounts and Audit Select Committee a summary of all cases without revealing any specific details.

What if a concern involves the officer involved in the Whistleblowing procedure?

If a concern involves the Whistleblowing Officer, the matter should be referred to the Chief Executive, whose contact details can be found on the council’s Internet site at http://www.lbbd.gov.uk/AboutBarkingandDagenham/CouncilDepartments/ChiefExecutives/Pages/ChiefExecutivesOffice.aspx

If a concern involves the Chief Executive, the matter should be referred to the Leader of the Council (or the Deputy Leader if the Leader is not available).

If there are exceptional circumstances which make reporting your concern uncomfortable, you can also obtain advice from the Chair of the Standards Committee.

How you can take a matter further

We hope you will be satisfied with any action we take. If you’re not, and you want to take the matter outside the Council, you could contact:

- our external auditor; contact details on the council website
- your local Citizens’ Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation; or
- the police
Independent advice

You can get independent advice or support from an organisation called Public Concern at Work. Their address is:
Public Concern at Work
3\(^{rd}\) Floor, Bank Chambers
6-10 Borough High Street
London
SE1 9QQ
Phone: 020 7404 6609
E-mail: whistle@pcaw.co.uk

Further Support, Tools & Guidance

The latest version of the Whistleblowing Policy and all of our documents can be obtained from either contacting the Group Manager – Internal Audit directly or by visiting our intranet pages:

Anti Fraud Information

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

david.greenfield@lbhd.gov.uk
Internal Audit

The Policy and Code of Practice of The Regulation of Investigatory Powers (RIPA)

January 2013
Purpose

London Borough of Barking & Dagenham, “the Council” considers the RIPA Policy as being necessary to the proper conduct of crime prevention activities that involve use of covert directed surveillance. The Council has compiled a RIPA Code of Practice in accordance with the RIPA Act 2000 (the 2000 Act) as amended by the Protection of Freedoms Act 2012 (the 2012 Act) detailing the procedures necessary to comply with legislative requirements.

Staff found to have breached the Acts and the Council’s Code of Practice are deemed to have breached the Council’s staff Code of Conduct and liable to disciplinary action.

Related Documents

This policy sets out the Council’s approach to covert surveillance and the use of covert human intelligence sources. In particular, it details the checks and balances in place to ensure that any use of covert techniques is lawful, necessary and proportionate.

Who is Governed by this Policy & Strategy?

The RIPA Policy covers all council staff and those working on behalf of the Council who are engaged in prevention and detection activities which involve the use of surveillance.

Executive Summary

Local authorities can undertake surveillance and access communications data under the framework of the 2000 Act regulating how local authorities use directed surveillance and covert human intelligence sources. Regulations relating to directed surveillance were amended by the 2012 Act to limit coverage to the purpose of preventing or detecting a criminal offence where the potential punishment is a maximum term of at least 6 months of imprisonment or involving potential offences involving underage sales of tobacco and alcohol.

These rules set high standards for all public authorities that use these powers to undertake a range of enforcement functions to ensure they can keep the public safe and bring criminals to justice, whilst protecting individuals’ rights to privacy.

The London Borough of Barking & Dagenham has a strategy for tackling fraud and corruption, which covers reporting and investigation. In some circumstances the borough may wish to use surveillance techniques. RIPA defines the types of surveillance activities to be regulated, which must be subject to a formal written procedure for both authorisation and conduct.
This policy describes the Council’s procedures for use of RIPA to be compliant with the 2000 & 2012 Acts and associated Code of Practice.

In line with the Code of Practice issued by Central Government associated with the 2012 Act, LBBD will use covert surveillance regulated by RIPA where it is proportionate and necessary to do so, in the investigation of serious criminal offences.

Note, RIPA provides regulation for directed surveillance but this does not prohibit the Authority from undertaking directed surveillance without RIPA authorisation. However, this will only be undertaken utilising the same standards and thresholds for ensuring proportionality and necessity to ensure individual’s rights are protected.
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The Regulation of Investigatory Powers Policy

The Regulation of Investigatory Powers is concerned with the regulation of surveillance by public authorities in the conduct of their legitimate business. Surveillance is an unavoidable part of modern public life, but was not the subject of formal statutory control until 2000. The 2000 Act was enacted to regularise that position and to ensure that, in conducting surveillance, public authorities have regard to The Human Rights Act 1998 and to Article 8 of the European Convention on Human Rights – the right to a private and family life.

The use of surveillance is an interference with rights protected by Article 8 of the European Convention on Human Rights and is prima facie a violation of those rights unless the interference is in accordance with the law, is in pursuit of one or more of the legitimate aims established by Article 8(2) and is “necessary in a democratic society.”

The Council is defined as a Public Authority to which the 2000 Act applies by virtue of Section 1 of the Local Government Act 1999. The forms of surveillance that it is entitled to authorise are covert directed surveillance and the use of Covert Human Intelligence Sources (informants), known as CHIS.

The London Borough of Barking & Dagenham has approved a strategy for tackling fraud and corruption, which covers reporting and investigation and to which, in some circumstances, the borough may wish to use surveillance techniques. The RIPA policy defines the Council’s use of covert directed surveillance and the use of Covert Human Intelligence Sources.


The 2000 & 2012 Acts regulate the work of the Council in the key areas of enforcement and prosecutions, and provides a legal framework for the Council to carry out surveillance which is not intrusive and is undertaken for the purposes of a specific investigation or a specific operation in such a manner as is likely to result in the obtaining of private information about a person. This is known as Directed Surveillance.

The Acts also regulate the Council’s use of undercover officers or informants to obtain information. Under the Act they are referred to as Covert Human Intelligence Sources (‘CHIS’).

It is necessary for the Council to have a policy in order to describe and record the way in which the Authority complies with the 2000 & 2012 Acts.

The covert surveillance regulated by the 2000 Act and covered by the Code of Practice is divided into two categories: intrusive surveillance and directed surveillance. Authorisation under the Act gives lawful authority to carry out certain types of covert surveillance.

What is not intended to be covered by the 2000 Act?

- General observations such as monitoring the crowd to maintain public safety and prevent disorder
- Trading standards or HM Customs & Excise officers covertly observing and then visiting a shop as part of their enforcement function
- General observations using equipment such as binoculars or cameras where this does not involve systematic surveillance of an individual
- Open use of CCTV surveillance systems where members of the public are aware that such systems are in use, for their own protection, and to prevent crime

Protection of Freedoms Act 2012

The 2012 Act has introduced 2 key changes to the local Authority surveillance regime governing how the Investigatory Powers are used:

1. The 2012 Act requires local authorities to obtain the approval of a Magistrate/Justice of the Peace for the authorisation and renewal of Directed Surveillance and the deployment of a Covert Human Intelligence Source (CHIS)

2. For Directed surveillance applications, RIPA authorisation will only be granted for the purpose of preventing or detecting a criminal offence where the potential punishment is a maximum term of at least 6 months of imprisonment or involving potential offences involving underage sales of tobacco and alcohol. Accordingly, RIPA authorisation cannot be granted to investigate disorder that does not involve criminal offences or to investigate low-level offences which may include, for example, anti-social behaviour, littering, dog control and fly-posting

Surveillance

What is Covert Surveillance? - Surveillance carried out in a manner calculated to ensure that the person(s) being surveyed are unaware that they are being observed.

What is Directed Surveillance? - Directed Surveillance is defined in section 26(2) of the 2000 Act as covert surveillance which is covert, but not intrusive, and undertaken:

(a) for the purposes of a specific investigation or operation;

(b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation);
(c) and otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance.

**What is Private Information?** - Any information relating to a person in relation to which that person has or may have a reasonable expectation of privacy. This includes information relating to a person’s private, family or professional affairs. Private information includes information about any person, not just the subject(s) of an investigation.

**Examples of Directed Surveillance** - the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person’s life, activities and associations.

**Examples of Surveillance which is not Direct Surveillance** - covert surveillance carried out by way of an immediate response to events or circumstances which, by their very nature, could not have been foreseen. For example, a plain-clothes police officer would not require an authorisation to conceal himself and observe a suspicious person who he comes across in the course of a patrol.

Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles. Such activity is defined as “intrusive surveillance” and authorisation for this will not be given for a Local Authority.

Directed surveillance does not include entry on or interference with property or wireless telegraphy. These activities are subject to a separate regime or authorisation and again such authorisation will not be given to a Local Authority.

**What is Intrusive Surveillance?** - It is defined as covert surveillance that:

(a) is carried out in relation to anything taking place on any residential premises or in any private vehicle;

(b) and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device

Where surveillance is carried out in relation to anything taking place on any premises or in any vehicle by means of a device which is not actually on the premises or in the vehicle, it is not intrusive unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle. Therefore, an observation post outside premises, which provides a limited view and no sound of what is happening inside the premises would not be considered as intrusive surveillance.

Residential premises can include a house, a yacht, a railway arch, makeshift shelter, hotel rooms, bedrooms in barracks and prison cells but not any common area to which a person is allowed access in connection with his or her occupation of such accommodation e.g. a hotel lounge.
A private vehicle is defined as any vehicle which is used primarily for the private purpose of the person who owns it, it does not include taxis.

The Council cannot be authorised to carry out intrusive surveillance.

What if the Council works with another agency? - In cases where one agency is acting on behalf of another, it is normally for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by the Council on behalf of the police, authorisations would be sought by the police and granted by the appropriate authorising officer within the police force.
The Government provides full guidance on the use of covert surveillance by public authorities under Part II of the 2000 Act and amendments in the 2012 Act in its Code of Practices and is available on the Council Intranet Site.

How does the Acts affect the Council’s activities?

Types of Surveillance

Surveillance of Council property to detect anti-social behaviour.

Where the Council quite openly sets up CCTV cameras to monitor common or public areas of Council owned housing estates then the surveillance would not be covert and therefore would not fall under the acts.

If however any surveillance was covert then as long as it did not collect private information about an individual(s) then authorisation should be sought under the following purpose: for the purposes of preventing and detecting serious crime.

If the surveillance collected private information about an individual e.g. watched someone coming in and out of their home, then such an individual would probably be able to argue that the Council had been in breach Article 8 of the Human Rights Act – the right to respect for his private and family life, home and correspondence. In such a situation, authorisation should be sought. Although the obtaining of authorisation would not in itself prevent an individual bringing a claim for breach of Article 8, because Article 8 does not confer an absolute right, the Council may be able to defend the claim by demonstrating that an evaluation of the necessity and proportionality of the need for the surveillance had been carried out by the Authorising Officer.

Surveillance of Council employees in the workplace.

Again, open surveillance would not fall under the Acts as long as staff were consulted and knew where the cameras were. If the cameras were introduced in a high handed way, without consultation then an employee could have a claim for constructive dismissal in that the sudden introduction of unreasonable filming constituted a breach of contract. The lawfulness will depend on the nature and degree of the filming e.g. installing a camera in a stationery cupboard where there have been many thefts as opposed to the installing of a video camera with sound recording in the coffee break area.

If the Council wishes to covertly film officers then as long as the purpose for the surveillance falls under the listed purpose: to prevent and detect serious crime – then authorisation should be sought. However, the filming could still be questionable employment practice for the reason set out above – and may lead to a claim for constructive dismissal. Considerations of privacy can also apply to a person’s life at
work, so a Human Rights Claim could also be made, and possibly defended in the same manner as above – namely by the obtaining of authorisation.

**Surveillance of employees who are suspected of ‘moonlighting’ or malingering**

There is no requirement on the part of a public authority to obtain an authorisation for a covert surveillance operation to monitor activities in this regard and the decision not to obtain an authorisation would not, of itself, make an action unlawful. However, equivalent consideration should be given to such actions which will make the action less vulnerable to challenge under the Human Rights Act 1998. Section 71 of the Act places the Council under a mandatory duty to have regard to the provisions of the code.

Carrying out surveillance of the sort would necessarily involve the collection of private information and would leave the Council open to a claim for a breach of Article 8 of the Human Rights Act.

As above, it could also leave the Council open to a claim for constructive dismissal.

Furthermore, where an officer follows an individual for a significant length of time, there is also a risk that this work will be regarded as a form of stalking in breach of the Protection from Harassment Act 1997.

If an employee is suspected of claiming statutory sick pay as well as working then the matter would be a fraud against the Benefits Agency who could be authorised to conduct their own surveillance.

**What of the recording of telephone conversations?**

The Council is not able to covertly record telephone conversations but the use of a surveillance device should not be ruled out simply because it may incidentally pick up one end of a telephone conversation, and such product can be treated as having been lawfully obtained. Further, where one party to the conversation consents, and where the surveillance is authorised, the interception is treated as directed surveillance. For example, a person may consent to the recording of a telephone conversation sent by or to him.

However, such an authorisation cannot be used as a means of deploying recording equipment without obtaining the proper authorisation. If any other recording equipment is to be used, other than in the presence of the person who has consented to the recording then the surveillance should not continue.

**Covert Human Intelligence Sources (CHIS)**

A person is a covert human intelligence source if he/she develops a relationship with another person in order to covertly obtain information or to provide access to information to a third party or to covertly disclose information obtained by the use of such a relationship and the other person is unaware that the purpose of the relationship is one of the above. The use of a CHIS must be recorded by the authorising officer and approved by the Lead Officer and a Magistrate.
The Council does not at present utilise CHIS. Any consideration of such use can only be considered with prior discussion with the Divisional Director of Finance and/or Head of Legal.

For Directed Surveillance

Covert directed surveillance means surveillance so carried out that the persons subject to the surveillance are unaware that it is or may be taking place. Surveillance is directed if it is covert, but not intrusive, and is undertaken for the purposes of a specific investigation, in such a manner to obtain private information about a person, and otherwise than by way of an immediate response to events where authorisation could not be sought.

Directed surveillance will only be carried out with the express authority of the authorising officer and a Magistrate.

Authorisation

In a Public Authority such as the council, only designated officers have authorisation powers for the purposes of this policy. No covert directed surveillance or use of covert human intelligence sources may be undertaken without obtaining authority.

Covert surveillance that is properly authorised will, as long as it is carried out in accordance with the terms of the authorisation, be legitimate. The authorisation will provide a defence to a challenge under the Human Rights Act.

Investigations requiring the use of covert directed surveillance or covert human intelligence sources may only be undertaken by officers of the Corporate Anti-Fraud Team (CAFT) or by specialist investigators who are professionally qualified and approved, engaged by the Authority.

The Council will appoint authorising officers of suitable seniority to grant surveillance authorisations for individual incidents.

An authorisation for directed surveillance may be granted by the authorising officer who must believe that the authorisation is necessary on the following grounds: for the purposes of preventing and detecting crime or of preventing serious crime.

When considering the giving of authorisation the authorising officer must also consider the following:

- That the surveillance is proportionate to what it seeks to achieve
- Whether or not the privacy of persons other than the subject(s) of surveillance will be interfered, if so then it may even be necessary to consider whether a separate authorisation is required
• Particular consideration should be given in cases where the subject of the surveillance might reasonably expect a high degree of privacy, for instance in his/her home, or where there are special sensitivities

How do you obtain an Authorisation? - Authorisations must be given in writing by an authorising officer and will cease to have effect (unless renewed or cancelled) at the end of a period of three months beginning with the time at which it took effect.

In order to obtain Magistrate’s approval, an appropriate LBBD officer will need to be formally designated to appear in person, be sworn in and present evidence or provide information as required by the Magistrate. It is envisaged at LBBD that the case investigator will fulfil this role as they will know the most about the investigation and will have determined that use of a covert technique is required in order to progress a particular case. This does not, however, remove or reduce in any way the duty of the authorising officer to determine whether the tests of necessity and proportionality have been met.

In each case, the role of the Magistrate is to ensure that the correct procedures have been followed and the relevant factors have been taken into account. The internal authorisation for such surveillance methods will not take effect until such time as a Magistrate has made an order approving it, by completing the order section of the judicial application/order form recording their decision.

In urgent cases where it is not possible for the requesting officer to complete the form, officers should consult with the Corporate Anti-Fraud Team to expedite approval by a Magistrate.

A central record of authorisations will be kept centrally by the Group Manager (Internal Audit & Anti-Fraud) and will be monitored and reviewed on a regular basis. The records will be confidential.

Any request received from external authorised agencies, such as the police or security services either to disclose communications data, e.g. Billing information, e-mail addresses, etc., or to unlock encrypted data or provide the key to unlock encrypted data, will be referred to the Divisional Director of Finance who will have the power to authorise such requests in consultation with the Head of Legal Services.

Authorising Officers must also assess the extent to which confidential information about the subject will come into the Authority’s possession as a result of the investigation. Such information may be relevant to the investigation but protected for example as a result of legal professional privilege or it may be irrelevant but sensitive information for example medical records. Deliberately obtaining (or the use of) confidential information may only be authorised by the Chief Executive as laid down in Schedule 2 of the RIPA Act 2000.

Finally, the Authorising Officer should give due consideration to the impact on the community of the use of covert surveillance methods. In particular the officer should have regard to community confidence. The officer should consider if the circumstances of the investigation were to become public, what the reaction of the
community is likely to be and whether and to what extent the Authority would be able to justify the use of its chosen methods.

All requests for an authorisation to conduct covert surveillance should be submitted by the appropriate officer to the Authorising Officer in writing using the forms attached to this policy note as updated from time to time by the Coordinating Officer, and completed in compliance with the written guidance.

Whatever the nature of the decision taken by the Authorising Officer, the decision should be confirmed in writing with reasons for the decision. Authorisations should be regularly reviewed in compliance with the legislation and the reasons for extending or terminating them should be recorded in writing.

Authorisations must not be allowed to expire. Authorisations must be reviewed regularly or cancelled after surveillance has been completed and put onto central records.

Surveillance should be carried out according to written procedures, adhering to good practice and health and safety conditions. Advice may be taken from the Corporate Anti-Fraud Team. All officers involved in applying for, authorising or undertaking surveillance will understand the legal requirements set out in the Acts and the Code of Practice. They will personally take responsibility for ensuring the propriety of their involvement. All authorisations, notebooks, surveillance logs and other ancillary documentation that relates to surveillance will be maintained to the required standards and retained for three years. All documentation will be volunteered for any management or regulatory inspection on demand.

Records relating to RIPA Authorisation will be kept securely for three years in accordance with Home Office guidance.

Wilful disregard of any part of the Code of Practice or of internal procedures shall be a breach of the Code of Conduct for council officers and will be dealt with accordingly.

Further Support, Tools & Guidance

Link to the websites for the Surveillance Commissioner, the Home Office and copies of the Acts can be found here:


Designated RIPA Coordinator and Authorised Officers
Designated RIPA Coordinator and Authorised officers can be found here:
http://lbbd/resources/authorising-officers.htm

RIPA forms
Can be accessed here:

The latest version of the RIPA Policy and all of our documents can be obtained from either contacting the Group Manager (Internal Audit & Anti-Fraud) directly or by visiting our intranet pages:

RIPA

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

david.greenfield@lbbd.gov.uk
Internal Audit

The Bribery Act Policy
January 2013

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<td>Group Manager – Internal Audit &amp; Anti-Fraud</td>
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The Council's commitment to the Bribery Act Policy

The council will not condone acts of bribery in any form whether it is in the form of money, gifts or a favour, offered or given to a person in a position of trust to influence that person's views or conduct.

What are the aims and requirements of the legislation?

Where Bribery is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the Bribery Act policy. It will be investigated fully and the London Borough of Barking and Dagenham will prosecute all offenders where appropriate including, Members, employees, contractors and external partners.

Who is governed by this Policy?

The Bribery Act policy covers everyone working for us, or on our behalf, including all permanent employees, temporary agency staff, contractors, members of the council (including independent members), volunteers and consultants.

Executive Summary

The Bribery Act Policy sets out the Council’s commitment to ensuring compliance with the requirements of the Bribery Act
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The Bribery Act Policy

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (section 1). It also makes it an offence to ask for, agree to receive, or accept a bribe (section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of getting or keeping business or an advantage in carrying out business. There is also a new corporate offence under section 7 that we will commit if we fail to prevent bribery that is intended to get or keep business or an advantage in business for our organisation. We are no longer able to claim we were not aware of bribery and may be responsible as an organisation, but we will have a defence if we can show we had adequate procedures in place designed to prevent bribery by our staff or by people associated with our organisation. (See ‘What are adequate procedures?’ below for an explanation).

Bribery Act policy statement

Bribery is a criminal offence. We do not offer bribes to anyone for any purpose, and we do not accept bribes.

Using another person or organisation to give bribes to others is a criminal offence. We do not offer bribes indirectly or otherwise engage in bribery.

We are committed to preventing and detecting bribery. We take a zero-tolerance stance towards bribery and aim to ensure this Bribery Act policy is observed throughout the Council.

We will deal with allegations of bribery involving employees under our disciplinary procedure as “gross misconduct”. It is normal practice to dismiss employees without notice in cases where gross misconduct is considered to have taken place.

The aim of this policy

This policy provides a framework to allow those affected by it to understand and put into place arrangements to prevent bribery. It will work with related policies and other documents to identify and report when this policy is breached.

The policy aims to ensure that everyone:

- acts honestly at all times and protects the council’s resources they are responsible for; and
- keeps to the spirit, as well as the letter, of the laws and regulations that cover our work

Scope of this policy

This policy applies to all of our activities. All levels of the council are responsible for controlling the risk of bribery. We will aim to encourage schools, suppliers and other organisations we work with to adopt policies that are consistent with the principles set out in this policy.
The Bribery Act policy applies to and covers everyone working for us, or on our behalf, including all permanent employees, temporary agency staff, contractors, members of the council (including independent members), volunteers and consultants.

This means that everyone at all levels of the council has a responsibility to control the risk of bribery occurring.

What are “adequate procedures”:

In order for this council to show that we take the Bribery Act seriously, we need to show we have adequate procedures in place designed to prevent bribery. Whether our procedures are adequate will be for the courts to decide. Our procedures need to be in proportion to the level of risk of bribery in our organisation. Individual organisations can refer to six principles to decide whether their procedures are in proportion to the level of risk. These principles are not prescriptive. These principles are intended to be flexible, allowing for the different circumstances of organisations. Small organisations will, for example, face different challenges to those faced by large multi-national organisations. The detail of how an organisation applies these principles will be different depending on the organisation, but the outcome should always be effective Bribery Act procedures.

What are the six principles?

1. Proportionate procedures

An organisation’s procedures to prevent bribery by the people associated with it should be in proportion to the risks of bribery it faces and to the nature, scale and complexity of the organisation’s activities. They should include interrogation of data for the purpose of discovering evidence and ensuring personal data is protected. The procedures should also be clear, practical, accessible and effectively put into place and enforced.

2. Commitment at the top levels of our organisation

Our Cabinet and Corporate Management Team are committed to preventing bribery by the people associated with us. They help create a culture in our organisation where bribery is never acceptable.

3. Risk assessment

We regularly assess how and to what extent we will be exposed to potential risks of bribery. We keep a record of the assessments, which include financial risks and also other risks such as damage to our reputation.

4. Due diligence
We apply due diligence procedures in relation to people who provide services for or on behalf of our organisation to reduce the risks of bribery. This would include carrying out checks on such organisations or companies and ensuring that they have similar anti bribery processes in place.

5. Communication (including training)

We aim to make sure that our policies and procedures to prevent bribery are understood throughout our organisation. We do this through communication inside and outside of our organisation, including training.

6. Monitoring and review

We monitor and review the procedures designed to prevent bribery and make improvements where they are needed. The Monitoring Officer and Divisional Director Assurance and Risk will oversee this.

We are committed to putting these principles into place.

We can also be fined, and if we are found guilty of an offence under section 7, can be fined an unlimited amount.

Facilitation payments

Facilitation payments are unofficial payments made to public officials in order to get them to take certain actions or take actions more quickly. Facilitation payments are illegal under the Bribery Act, and we will not tolerate them.

Gifts and hospitality

This policy is in line with our gifts and hospitality policy (this can be read at http://lbbd/hr/ongoing-process-of-managing-people/gifts-and-hospitality.htm). The gifts and hospitality policy makes it clear that if members of the council or staff are offered gifts in their council role, they should not accept anything with more than a token value (examples of things that are of token value include bottles of wine, boxes of chocolates, flowers, pens, calendars and diaries).

Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2006, a company is automatically and permanently barred from competing for public contracts if it has been convicted of a corruption offence. There are no plans to amend the 2006 regulations to include the crime of failing to prevent bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from competing for public contracts. However, we can exclude organisations convicted of this offence from competing for contracts with us. We will include standard clauses in our commercial contracts forbidding bribery and corruption.

Golden Rules
We will not tolerate bribery

Those covered by the policy must not:

- give, promise to give, or offer a payment, a gift or hospitality with the expectation or hope that they will receive a business advantage, or to reward a business advantage that they have already been given
- give, promise to give, or offer a payment, a gift or hospitality to a government official or representative to speed up a routine procedure
- accept a payment from another person or organisation if they know or suspect that it is offered with the expectation that it will give them a business advantage
- accept a gift or hospitality from another person or organisation if they know or suspect that it is offered or provided with an expectation that they will provide a business advantage in return
- take action against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy; or
- take part in activities that break this policy

Our commitment to action

We are committed to:

- setting out a clear Bribery Act policy and keeping it up to date
- making all employees aware of their responsibility to keep to this policy at all times;
- training all employees so that they can recognise and avoid the use of bribery
- encouraging our employees to be aware and to report any suspicions of bribery
- providing our employees with suitable ways of telling us about their suspicions and making sure we treat sensitive information appropriately
- investigating alleged bribery and helping the police and other authorities in any prosecution that happens because of the alleged bribery
- taking firm action against any people involved in bribery
- providing information to all employees to help them tell us when someone has broken or is suspected of breaking this policy; and
- including appropriate clauses in contacts to prevent bribery

Employee Responsibilities

All the people who work for us or are under our control are responsible for preventing, detecting and reporting bribery and other forms of corruption. All staff must avoid activities that break this policy and must:

- make sure they read, understand and keep to this policy; and
- tell us as soon as possible if they believe or suspect that someone has broken this policy, or may break this policy in the future
Anyone covered by the policy found to break it will face disciplinary action, could be dismissed for gross misconduct and/or may also face civil and criminal prosecution.

**Reporting a concern**

We all have a responsibility to help detect, prevent and report instances of bribery. If anyone has a concern about suspected bribery or corruption, they should speak up – their information and support will help. The sooner they act, the sooner the situation can be dealt with.

There are several ways of informing about any concerns. For example, talking to a line manager first, or the contacts listed in the Whistleblowing Policy if this is more appropriate.

Those reporting concerns do not have to give us their name. Upon receiving a report about an incident of bribery, corruption or wrong doing, action will be taken as soon as possible to assess the situation. There are clear procedures for investigating fraud and misconduct and these will be followed in any investigation of this kind. This will be easier and quicker if those reporting concerns decide to give their name. In some circumstances, we will have to consider reporting the matter to the Serious Fraud Office.

Staff that refuse to accept or offer a bribe, or those who report concerns or wrongdoing can understandably be worried about what might happen as a result. To encourage openness and anyone who reports a genuine concern in good faith will be supported under this policy, even if they turn out to be mistaken. There is a commitment to making sure nobody is treated badly because they have refused to take part in bribery or corruption, or because they have reported a concern in good faith.

If there are any questions about these procedures, the Monitoring Officer can be contacted, on 0208 227 2114 or the Divisional Director of Finance, on 0208 227 2951.

**Other relevant policies**

- Fraud Prosecution Policy
- Money Laundering Policy
- Whistleblowing Policy
- Employee Code of Conduct
- Rules in respect of Gifts and Hospitality
- Disciplinary Procedure and Disciplinary Rules
The latest version of the Bribery Act Policy and all of our documents can be obtained from either contacting the Group Manager – Internal Audit directly or by visiting our intranet pages:

**Anti Fraud Information**

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

_david.greenfield@lbld.gov.uk_
### Title: Risk Management Quarter 2 2012/13 Review Report

**Report of:** Divisional Director Finance

**Open**: For Information  
**Wards Affected:** None  
**Key Decision:** No

**Report Author:** Sharon Roots  
**Group Manager - Risk & Insurance**  
**Contact Details:**  
Tel: 020 8227 5380  
E-mail: sharon.roots@lbbd.gov.uk

**Accountable Divisional Director:**  
Jonathan Bunt - Divisional Director Finance

**Accountable Director:** Divisional Director Finance

**Summary:**  
Strategic leadership of corporate risk management sets the tone for the whole risk management framework. This supports the expectation that effective management of risk becomes “part of the day job” underpinning day to day decision making, service delivery and ultimately delivery of outcomes and benefits for the community.

This report provides

- A summary of the position of the Corporate Risks for Quarter 2 2012/13

**Recommendation(s):**

PAASC is recommended:

(i) To note the report  
(ii) Note the summary position of the Corporate Risks as at end of Quarter 2  
(iii) Note the change to the target for CR 08 – Staff Moral & Engagement

**Reason(s):**  
Risk offers both significant potential and negative impacts on delivery and reputation, thus PAASC plays an essential role in assisting in the strategic leadership of corporate risk management, helping to set the tone for the whole risk management framework and assisting in the priority of a ‘well run organisation’.
1 Background

1.1 Risk offers both significant potential positive and negative impacts on delivery and reputation, thus PAASC provides strategic leadership of corporate risk management, setting the tone for the whole risk management framework.

1.2 Risk management is not a panacea to problems in its own right, but a sound management technique that is an essential part of any successful organisation. Emphasis needs to be on the significant benefits from operating good risk management rather than the process itself.

1.3 It follows that a key organisational challenge facing LBBD is embedding risk as part of the organisation’s decision making process both in day to day operational situations and at the strategic level.

2 The summary position as end of Quarter 2 2012/13

2.1 The number of corporate risks has increased to 26 for Quarter 2 (24 in Qtr 1).

2.2 There are 9 retained risks. This means that they are risks that have reached the level of mitigation (risk appetite) where the Corporate Management Team (CMT) are comfortable that the risk is being managed.

2.3 There has been a change to the number of red and amber corporate risks since Quarter 1, with there now being 5 red risks and 19 amber risks. (Qtr 1 was 7 red risks and 17 amber risks)

2.4 There are 2 new risks that are being prepared that have not been rated yet.

2.5 The following risks have changed status

**Strategic Risks**

- **CR 24 – Community Tensions**
  This has decreased from a high amber (9) to a low amber (6) as mitigations put in place to manage the tensions due to the ongoing concerns around the extreme far right and the ongoing increase in the demand for Christian and Muslim worship spaces in the borough are now taking effect. Also with the completion of the Olympics the increase in risk due to them has been removed.

- **CR 25 – Thriving Third Sector**
  This has increased from a low amber (6) to a high amber (9) due to the reduction in budget allocation for CVS/volunteering.

  This risk has now risen above the level set by CMT and is no longer designated a retained risk.

  The target rating is still set at low amber (6) with a target date of March 2013 for measures to be put in place to mitigate the impacts if possible.
Organisational Risks

- **CR 04 – IT Systems**
  This has reduced from a high amber (8) to a low amber (6) due to improved processes in the ICT service.

  Some of the changes include formal service levels agreements and KPIs. These are reviewed monthly, by the Client officer in place to manage the Elevate contract and also includes a review of ICT service risk logs.

  A formal change control board has been established in Elevate to ensure the impact of any ICT system changes are properly understood and planned.

  All of the above measures have reduced the possible impact of this risk.

- **CR 05 – Contracts**
  This has reduced from a red risk (12) to a high medium risk (8) due to the centralisation of the contract management team.

  This has enabled robust challenge of performance and costs and is undertaken monthly with each of the Elevate services and LBBD client leads. There is a Joint Performance Review held monthly which validates the performance against KPIs and PIs, and reviews in-year cost pressures.

- **CR 08 – Staff Morale & Engagement**
  This has reduced from a red risk (12) to a high medium risk (9) as the organisation has become more used to managing with lower levels of morale and so this has become the new norm.

  The continued uncertainty for staff through the budget process and the fact that more job losses will be the consequence of the decisions members will take as part of that process, means that it is extremely challenging to achieve an improvement of morale and levels of engagement.

  The target of 6 by March 2013 is unlikely to be achieved. This does not mean that efforts should not be sustained to build engagement.

  CMT accepted that a recommended score of 9 would be more realistic for achievement in these circumstances.

- **CR 16 – Customer Demand**
  (renamed from Customer Expectation)

  This risk was reviewed and renamed to better reflect the actual risk.

  It has also been reduced from a high amber (8) to low amber (6) reaching the level set by CMT before the target date.
This is due to Customer Insight work (specialist data and needs assessment work in services such as Housing, Children’s and Adult services) now being aligned with work to map and analyse local demographic information.

This enables the use of both demographic and customer insight work alongside satisfaction surveys and other customer engagement to inform corporate and service-specific marketing strategies, and to build effective communication strategies to assist in managing customer expectations.

This risk will now be classified as a retained risk in future dashboards.

**Other Changes to the Corporate Risk Dashboard**

- **CR 06 – Compliance & Assurance**
  This remains a red risk (12) but is currently being reviewed and the risk clarified as to what is meant by Compliance and Assurance.

  Also clarification on where the non compliance is within the organisation.

  The revised risk and action plan will be reported to in Quarter 3.

- **CR 07 – Budget Management, Income & Efficiency**
  This has been reviewed and revised and has been split into two new risks CR 32 – Budget Setting and CR 33 – Budget Delivery.

- **CR 29 – Olympics**
  This risk has been closed

**New Risks**

The following draft new risks were agreed for inclusion onto the Corporate Risk Register at CMT on 6th September 2012. These risks are being clarified and will, with relevant action plans, be ready to be reported in Quarter 3.

- **CR 34 – CRB**
  Changes to CRB rules increases the risk of safeguarding failures as well as discrepancies in the CRB data held leading to some process failures around three-yearly re-checks, which have resulted in a lack of confidence in the CRB process.

- **CR 35 – Shared Services**
  The potential impact on capacity for delivery due to increase in duties and the attention given to implementing shared services.

3 **Comparison of 2011/12 Dashboard**

3.1 PAASC at it’s meeting on 27th September requested sight of the 2011/12 Corporate Risk Register dashboard to compare Risks and their movement.
3.2 Attached at Appendix B is the complete dashboard for 2011/12 showing movement between the quarters.

4 Recommendations

4.1 PAASC are asked to:

- Note the summary position of the Corporate Risks as at end of Quarter 2
- Note the change to the target for CR 08 – Staff Moral & Engagement

5 Appendices

5.1 Appendix A: Quarter 2 Risk Dashboard 2012/13

5.2 Appendix B: 2011/12 Corporate Risk Register Dashboard
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## Strategic Risks

**Theme 1 - Better Together**

<table>
<thead>
<tr>
<th>CRR No</th>
<th>Risk Area</th>
<th>Divisional Director</th>
<th>Qtr 1 2012/13 Rating</th>
<th>Qtr 2 2012/13 Rating</th>
<th>Movement Between Qtrs</th>
<th>Target Rating Agreed by CMT</th>
<th>Target Date Agreed by CMT</th>
</tr>
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<tbody>
<tr>
<td>01</td>
<td>Death of a Child</td>
<td>C Martin</td>
<td>12</td>
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<tr>
<td>02</td>
<td>Safe Guarding</td>
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<tr>
<td></td>
<td></td>
<td>C Martin (Children)</td>
<td></td>
<td></td>
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<td>12</td>
<td>Emergency Planning</td>
<td>J Bunt</td>
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<td>8</td>
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<td>8</td>
<td>Retained</td>
</tr>
<tr>
<td>24</td>
<td>Community Tensions</td>
<td>K Ahmed</td>
<td>9</td>
<td>6</td>
<td></td>
<td>6</td>
<td>Mar-13</td>
</tr>
<tr>
<td>25</td>
<td>Thriving Third Sector</td>
<td>K Ahmed</td>
<td>6</td>
<td>9</td>
<td></td>
<td>6</td>
<td>Mar-13</td>
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</table>

**Theme 2 - Better Homes**

| 14     | Strategic Housing Issues   | K Jones             | 8                    | 8                    |                        | 8                          | Retained                   |

**Theme 3 - Better Health & Well Being**

| 26     | Public Health              | M Cole              | 12                   | 12                   |                        | 8                          | Mar-13                     |

**Theme 4 - Better Future**

| 31     | Inability to Provide School Places | J Hargreaves | 12                   | 12                   |                        | 8                          | Dec-12                     |

## Organisational Risks

**Theme 5 - A Well Run Organisation**

<table>
<thead>
<tr>
<th>CRR No</th>
<th>Risk Area</th>
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<th>Qtr 1 2012/13 Rating</th>
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<th>Target Date Agreed by CMT</th>
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<tr>
<td>04</td>
<td>IT Systems</td>
<td>S Lucock (J Bunt)</td>
<td>8</td>
<td>6</td>
<td></td>
<td>3</td>
<td>Nov-12</td>
</tr>
<tr>
<td>05</td>
<td>Contracts</td>
<td>S Lucock (J Bunt)</td>
<td>12</td>
<td>8</td>
<td></td>
<td>8</td>
<td>Nov-12</td>
</tr>
<tr>
<td>06</td>
<td>Compliance &amp; Assurance</td>
<td>D Greenfield (J Bunt)</td>
<td>12</td>
<td>12</td>
<td></td>
<td>6</td>
<td>Dec-12</td>
</tr>
</tbody>
</table>
| 07     | Budget Management, Income and |                      |                      |                      | Risk 07 has been replaced with Risks 32 & 33
| 08     | Staff Morale & Engagement  | M Rayson            | 12                   | 9                    |                        | 9                          | Mar-13                     |
| 10     | Information Assurance      | S Lucock (J Bunt)   | 12                   | 12                   |                        | 8                          | Nov-12                     |
| 13     | Continuity Planning        | J Bunt              | 6                    | 6                    |                        | 6                          | Retained                   |
| 15     | National Presence/Lobbying | P Bates             | 6                    | 6                    |                        | 6                          | Retained                   |
| 16     | Customer Expectations      | K Wheeler           | 8                    | 6                    |                        | 6                          | Dec-12                     |
| 18     | Funding of Capital Programme | I Saxby (J Bunt)  | 8                    | 8                    |                        | 8                          | Retained                   |
| 22     | H&S (Corporate Manslaughter) | M Rayson         | 8                    | 8                    |                        | 8                          | Retained                   |
| 23     | Asset Management           | K Sullivan (J Bunt) | 8                    | 8                    |                        | 8                          | Retained                   |
| 27     | Poor Reputation            | P Bates             | 6                    | 6                    |                        | 6                          | Retained                   |
| 28     | Lack of Resilience         | M Rayson            | 9                    | 9                    |                        | 6                          | Mar-13                     |
| 29     | Olympics                   |                     |                      |                      |                        |                             | Completed Aug-12           |
| 30     | Equalities                 | EDI Board (K Ahmed) | 9                    | 9                    |                        | 6                          | Mar-12                     |
| 32     | Budget Setting             | J Bunt              |                      |                      | New Risk               | 9                          | Mar-12                     |
| 33     | Budget Delivery            | J Bunt              |                      |                      | New Risk               | 9                          | Mar-12                     |
| 34     | CRB                        | M Rayson (S Lees)   |                      |                      | New Risk               | Being Prepared             |
|        |                            |                     |                      |                      |                        | Ready For 3rd Qtr Report   |
| 35     | Shared Services            |                     |                      |                      | New Risk               | Being Prepared             |
|        |                            |                     |                      |                      |                        | Ready For 3rd Qtr Report   |

*Retained = The Risk has reached the level of mitigation that CMT requires it to be at (Risk Appetite)*
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## Strategic Risks

### Theme 1 - Better Together

<table>
<thead>
<tr>
<th>CRR No</th>
<th>Risk Area</th>
<th>Divisional Director</th>
<th>Qtr 1 2011/12 Rating</th>
<th>Qtr 2 2011/12 Rating</th>
<th>Qtr 3 2011/12 Rating</th>
<th>Qtr 4 2011/12 Rating</th>
<th>Movement Between Qtr</th>
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<th>Target Date Agreed by CMT</th>
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<tr>
<td>01</td>
<td>Safe Guarding Children</td>
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<td>-</td>
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</tr>
<tr>
<td>02</td>
<td>Safe Guarding Adults</td>
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<td>-</td>
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<td>Retained</td>
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<tr>
<td>12</td>
<td>Emergency Planning</td>
<td>D Caine</td>
<td>8</td>
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<td>-</td>
<td>8</td>
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<td>-</td>
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<td>Jun-12</td>
</tr>
<tr>
<td>25</td>
<td>Thriving Third Sector</td>
<td>K Ahmed</td>
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### Theme 2 - Better Homes

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<th>Qtr 3 2011/12 Rating</th>
<th>Qtr 4 2011/12 Rating</th>
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<td>Strategic Housing Issues</td>
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</tr>
<tr>
<td>26</td>
<td>Public Health</td>
<td>M Cole</td>
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<td>-</td>
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### Theme 3 - Better Health & Well Being

<table>
<thead>
<tr>
<th>CRR No</th>
<th>Risk Area</th>
<th>Divisional Director</th>
<th>Qtr 1 2011/12 Rating</th>
<th>Qtr 2 2011/12 Rating</th>
<th>Qtr 3 2011/12 Rating</th>
<th>Qtr 4 2011/12 Rating</th>
<th>Movement Between Qtr</th>
<th>Target Rating Agreed by CMT</th>
<th>Target Date Agreed by CMT</th>
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</thead>
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<tr>
<td>31</td>
<td>Inability to Provide School Places</td>
<td>J Hargreaves</td>
<td>12</td>
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<td>12</td>
<td>-</td>
<td>8</td>
<td>Dec-12</td>
<td></td>
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### Theme 4 - Better Future

<table>
<thead>
<tr>
<th>CRR No</th>
<th>Risk Area</th>
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<th>Qtr 1 2011/12 Rating</th>
<th>Qtr 2 2011/12 Rating</th>
<th>Qtr 3 2011/12 Rating</th>
<th>Qtr 4 2011/12 Rating</th>
<th>Movement Between Qtr</th>
<th>Target Rating Agreed by CMT</th>
<th>Target Date Agreed by CMT</th>
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<tbody>
<tr>
<td>03</td>
<td>Poor Inspection Co-Ordination &amp; Management</td>
<td>This is now a Directorate Risk with oversight by Director of Children’s Services - Helen Jenner</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>-</td>
<td>3</td>
<td>Nov-12</td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>IT Systems</td>
<td>K. M-L</td>
<td>8</td>
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<td>8</td>
<td>8</td>
<td>-</td>
<td>8</td>
<td>Nov-12</td>
</tr>
<tr>
<td>05</td>
<td>Contracts</td>
<td>J Bunt</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>-</td>
<td>8</td>
<td>Nov-12</td>
</tr>
<tr>
<td>06</td>
<td>Compliance &amp; Assurance</td>
<td>J Bunt</td>
<td>12</td>
<td>12</td>
<td>12</td>
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<td>Rating to be discussed</td>
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<td>07</td>
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<td>-</td>
<td>6</td>
<td>Retained</td>
</tr>
<tr>
<td>08</td>
<td>Staff Morale &amp; Engagement</td>
<td>M Rayson</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>-</td>
<td>9</td>
<td>Mar-13</td>
</tr>
<tr>
<td>10</td>
<td>Information Assurance</td>
<td>K. M-L</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>-</td>
<td>8</td>
<td>Nov-11</td>
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<tr>
<td>13</td>
<td>Continuity Planning</td>
<td>K Sullivan</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>Retained</td>
</tr>
<tr>
<td>15</td>
<td>National Presence/Lobbying</td>
<td>P Bates/ S Manzie</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>Retained</td>
</tr>
<tr>
<td>16</td>
<td>Customer Expectations</td>
<td>K Wheeler/ S Manzie</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>-</td>
<td>6</td>
<td>Mar-12</td>
</tr>
<tr>
<td>18</td>
<td>Funding of Capital Programme</td>
<td>J Bunt</td>
<td>8</td>
<td>8</td>
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<td>8</td>
<td>-</td>
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<td>Retained</td>
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<td>22</td>
<td>H&amp;S (Corporate Manslaughter)</td>
<td>M Rayson</td>
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<tr>
<td>23</td>
<td>Asset Management</td>
<td>T Evans</td>
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<td>8</td>
<td>-</td>
<td>8</td>
<td>Retained</td>
</tr>
<tr>
<td>27</td>
<td>Poor Reputation</td>
<td>P Bates/ S Manzie</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>Retained</td>
</tr>
<tr>
<td>28</td>
<td>Lack of Resilience</td>
<td>M Rayson</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>-</td>
<td>6</td>
<td>Jun-12</td>
</tr>
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<td>29</td>
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<td>D Caine</td>
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<td>9</td>
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<td>-</td>
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Summary:

This report sets out

- The Medium Term Financial Strategy at a two year summary level,
- The impact of the Local Government Finance Settlement,
- The proposed level of Council tax for 2013/14.

The purpose of this report is to enable the Public Accounts and Audit Select Committee to scrutinise the budget proposals in advance of final approval by Assembly on 25 February 2013.

Recommendation(s)

Members are requested to note the content of the report and comment on the proposed budget for 2013/14. Feedback from the committee will be presented to Cabinet on the 12 February 2013.

Reason(s)

The setting of a robust and balanced budget for 2013/14 will enable the Council to provide and deliver required services within its overall business and financial planning framework.

1.0 Introduction and Background

1.1 The purpose of this report is to propose the medium term financial strategy 2013/14 - 2014/15, the budget for 2013/14 and Council Tax for 2013/14, which will be referred to Cabinet on 12 February 2013 and then onto Assembly for consideration on 25 February 2013.
2.0 Medium Term Financial Strategy and Finance Settlement

2.1 The medium term financial strategy (MTFS) sets out the national financial context, within which the Council operates, the financial objectives which the Council wishes to achieve and the mechanisms with which it plans to achieve these objectives. The anticipated major changes to the costs and funding which the Council may expect are then modelled using this framework. The model is produced at a detailed level for the following two year period and at a more strategic level for the following years. The major changes are categorised against:

- Statutory and economic climate issues
- Previous member decisions
- Future investment
- Actions to ensure a robust budget
- Changes in funding

Table 1 – A Table Showing the Changes Built into the MTFS Since December's Cabinet Meeting

<table>
<thead>
<tr>
<th>Description</th>
<th>2013/14 £000</th>
<th>2014/15 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Gap / (Headroom) Presented at December Cabinet Meeting</td>
<td>(719)</td>
<td>5,951</td>
</tr>
<tr>
<td>Funding Changes resulting from December’s Finance Settlement</td>
<td>(1,632)</td>
<td>3,797</td>
</tr>
<tr>
<td>Contribution to the Collection Fund Equalisation Reserve</td>
<td>860</td>
<td>(450)</td>
</tr>
<tr>
<td>End of Housing Tenancy Grant Funded Expenditure Due to Ceasing of Grant</td>
<td>(100)</td>
<td>-</td>
</tr>
<tr>
<td><strong>In year budget gap</strong></td>
<td>(1,591)</td>
<td>9,298</td>
</tr>
<tr>
<td>Roll-forward of previous year’s surplus</td>
<td>-</td>
<td>(1,591)</td>
</tr>
<tr>
<td><strong>Overall budget gap</strong></td>
<td>(1,591)</td>
<td>7,707</td>
</tr>
</tbody>
</table>

2.2 Explanations for the three changes to the MTFS are provided below:

1. The funding changes resulting from December’s finance settlement are shown in detail in table 2 (£1,632k);

2. Council Tax and business rates income is based on estimates and therefore actual income varies from budgeted income. To offset the increased risk of lower actual income due to localisation of Council Tax benefit and business rates some of the additional Council Tax and business rates income is being used to create a reserve (£860k);

3. The Government announced that the Housing Tenancy Grant would cease from 2013/14. The funding was to be used to increase resources in the tenancy investigation team but this expenditure has now been removed and the reduction in income is included in the funding changes (£100k).
Table 2 – A Table Showing the Impacted of the Finance Settlement on the MTFS

<table>
<thead>
<tr>
<th></th>
<th>2013/14 £000</th>
<th>2014/15 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Formula and Specific Grant</td>
<td>(30)</td>
<td>3,871</td>
</tr>
<tr>
<td>Council Tax Freeze Grant 2013/14</td>
<td>(145)</td>
<td></td>
</tr>
<tr>
<td>Council Tax</td>
<td>(183)</td>
<td>204</td>
</tr>
<tr>
<td>Weekly Collection Grant</td>
<td>(136)</td>
<td>-</td>
</tr>
<tr>
<td>New Homes Bonus Grant</td>
<td>(278)</td>
<td>(278)</td>
</tr>
<tr>
<td>Council Tax Surplus From Prior Years</td>
<td>(450)</td>
<td>-</td>
</tr>
<tr>
<td>Business Rates Surplus</td>
<td>(410)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total MTFS Funding Changes</strong></td>
<td><strong>(1,632)</strong></td>
<td><strong>3,797</strong></td>
</tr>
</tbody>
</table>

2.3 A reduction in government funding over the next two years totalling £15.9m has significantly contributed to the 2014/15 budget gap of £7.7m. However, the government is still to announce the final funding arrangements for schools which could change the position. The government has said it will make the announcement in early 2013.

3.0 2013/14 Proposed Revenue Budget and Council Tax

3.1 The 2013/14 budget has been set starting from the 2012/13 original budget and adjusted for previously agreed decisions and future changes included in the MTFS.

3.2 Council Tax for 2013/14 is proposed to remain at the current level (£1,016.40 for Band D). This will maintain Council Tax at the same level for the fifth year in succession. The proposed Council Tax base for 2013/14 is 39,955.66 and would provide income of £40.6m (£1,016.40 x 39,955.66).

3.3 The Mayor of London is proposing a reduction of £3.72 in the GLA precept for 2013/14 to £303.00 (for Band D).

3.4 For local authorities that choose to freeze their Council Tax in 2013/14 the government will award a grant in 2013/14 and 2014/15 to compensate for the loss of income. For the Council the grant will be £545k in both years and has been included in the MTFS.

4.0 Capital Programme

4.1 The Council is required to review its capital spending plans each year and set an affordable capital programme. A key consideration when setting the programme is the projected level of available capital resources and how best to distribute them to achieve corporate goals. It is updated on an annual basis and is part of the Medium Term Financial Strategy.
4.2 For 2013/14 a Capital Programme of £179m is anticipated. Due to the current economic climate borrowing to fund capital expenditure has been kept to a minimum with the Council seeking to generate alternative sources of funding through grants and capital receipts.

4.3 In order to be added to the capital programme, any new projects need to obtain Cabinet approval by following the Capital Programme Monitoring Office (CPMO) process. The CPMO process ensures a robust financial assessment of the project is undertaken.

Chart 1 – A Pie Chart Showing the Breakdown of Expenditure in the 2013/14 Capital Programme Totalling £148m
5.0 **Budget Savings Options Appraisal**

5.1 In order to address the budget gap, Members and officers have worked hard to identify savings options which, whilst protecting core services, enables the Council to set a robust balanced budget. A detailed list of savings options can be found in appendix A.

5.2 The savings proposals were presented to Select Committees and consulted on with the public, giving Members and residents the opportunity to scrutinise and question Cabinet Members to the detail behind the savings.

5.3 Cabinet reviewed all the feedback from the Select Committees and formed decisions on which savings options to approve or reject following further consultation at the December meeting. The savings that were adjusted/rejected as part of this process can be seen in Appendix A.

6.0 **Public Consultation**

6.1 On 23 October, the Council published, on its website, savings proposals for 2013/14 and beyond, and sought comments as part of a budget consultation exercise. The consultation was publicised via:–

- Extensive media work and briefing with the local press, including an in-depth interview with the Deputy Leader;
- A high profile link on the front page of the website;
- Coverage in the News;
• Facebook (repeated postings);
• Twitter (repeated postings);
• Engagement with stakeholders in the borough, including a briefing for the local voluntary sector led by the Chief Executive.

6.2 The consultation also received prominent coverage in the News and the Barking and Dagenham Post.

6.3 Publicity made it clear that residents and other stakeholders could contribute their views through a number of opportunities. These included:

• Attendance at a series of Select Committee meetings, from 31 October to 19 November;
• Two Question Time events (22 and 29 November, one in Barking and one in Dagenham);
• Emailed comments via the website;
• Facebook;
• Twitter – including for the first time, an online Q&A session with the Deputy Leader on 22 November.

6.4 A comparatively small number of written comments were received from the public and other stakeholders in relation to specific savings proposals published. However, there was significant attendance at Select Committees, especially at the Health & Adults Services Select Committee at which approximately 200 members of the public attended. Attendance at the other Select Committees was also significantly up on last year’s budget consultation process.

6.5 The proposals which garnered the most response from the public consultation process were as follows:

• Deletion of the green waste service (now reinstated);
• Proposals on anti-social behaviour and CCTV;
• Deletion of ‘The News’ (views were evenly mixed between ceasing publication and retaining it in its current form);
• Deletion of the Parks Rangers service;
• Concerns about the future of the borough’s libraries;
• Concerns about proposals on sheltered housing;
• Concern about cuts in funding to voluntary sector organisations;
• Car parking charges;
• The condition of the borough’s roads and pavements;
• Costs of translation and interpretation services.

7.0 Financial Implications

7.1 Financial implications have been covered throughout the report.

8.0 Legal Implications
By Paul Feild Corporate Governance Lawyer
e-mail paul.feild@lbbd.gov.uk telephone 020 8227 3133

8.1 A local authority is required under the Local Government Finance Act 1992 to produce a ‘balanced budget’. The current budget setting takes place in the context
of significant and widely known reductions in public funding to local authorities. Where there are reductions or changes in service provision as a result of changes in the financial position the local authority is free to vary its policy and consequent service provision but at the same time must have regard to public law considerations in making any decision lawfully as any decision eventually taken is also subject to judicial review. Members would also wish in any event to ensure adherence as part of good governance. Specific legal advice may be required on the detailed implementation of agreed savings options. Relevant legal considerations are identified below.

8.2 Whenever there are proposals for the closure or discontinuance of a service or services, there will be a need for appropriate consultation, so if savings proposals will affect staff then it will require consultation with Unions and staff. In addition to that Members will need to be satisfied that Equality Impact Assessments have been carried out before the proposals are decided by Cabinet.

8.3 If at any point resort to constricting expenditure is required, it is important that due regard is given to statutory duties and responsibilities. In particular the Council must have regard to:

- any existing contractual obligations covering current service provision. Such contractual obligations where they exist must be fulfilled or varied with agreement of current providers
- any legitimate expectations that persons already receiving a service (due to be cut) may have to either continue to receive the service or to be consulted directly before the service is withdrawn
- any rights which statute may have conferred on individuals and as a result of which the council may be bound to continue its provision. This could be where an assessment has been carried out for example for special educational needs statement of special educational needs in the education context)
- the impact on different groups affected by any changes to service provision as informed by relevant equality impact assessments
- having due regard to any consultation undertaken

8.3 In relation to the impact on different groups, it should be noted that the Equality Act 2010 provides that a public authority must in the exercise of its functions have due regard to the need to eliminate discrimination and to advance equality of opportunity between persons who do and those who do not share a relevant ‘protected characteristic’. This means an assessment needs to be carried out of the impact and a decision taken in the light of such information.

9.0 Other Implications

10.0 Risk Management – In addressing the funding gap for 2013/14 and beyond, consideration has been given to risks associated with delivering each of the saving proposals. Each saving has been RAG (red, amber, green) rated in line with the level of risk the saving poses and mitigating factors have been considered alongside each of the proposals.
10.1 **Contractual Issues** – There are no direct contractual issues arising from this report. The saving options put forward some new or re-negotiated contracts and where appropriate, further reports will be brought to Cabinet for approval.

10.2 **Staffing Implications** – Discussions with the Trade Unions on the specific impact of the savings proposals for 2013/14 began in mid-October, although budgets are discussed at each formal meeting with them. For each individual savings proposal, where there is an impact on staff, consultation has taken place with the staff affected. Appropriate HR policies and procedures around implementing change will be followed. The Council remains committed to minimising compulsory redundancies where possible. We have issued HR1 and S188 letters to advise of the potential of a significant number of redundancies.

10.3 Where there are reductions in posts, this frequently means that smaller numbers of staff are required to carry out the same volume of work. The process of implementation of the savings will need to be handled with care to mitigate risks in relation to this.

10.4 **Customer Impact** – The freezing of Council Tax at 2010/11 levels is designed to minimise the financial impact on residents. The saving options have been subject to an assessment of equalities and diversity implications and consideration given to the extent of adverse impact on customers. Extensive consultation has also taken place. Front line services have been protected as far as possible, but some cuts to front line services have been unavoidable.

10.5 **Safeguarding Children** – There is a risk that budget proposals could impact on safeguarding children at a number of levels. Proposals have considered carefully the need to protect the most vulnerable and therefore Children’s Complex Needs and Social Care options have been very carefully scrutinised to ensure they do not place children at risk.

10.6 Front line services have been protected where-ever possible so that all staff who work with families can maintain safeguarding vigilance. There is a risk that some reductions in services could lead to more families reaching crisis, when this might have been avoided. This has been mitigated by improved cross-agency working through the Multi-Agency Localities Teams.

10.7 **Crime and Disorder Issues** – The Crime and Disorder Act places a duty on the Council as a responsible authority to have regard to the reduction and prevention of crime and disorder in its decision making process and policy development and delivery. As such in terms of financial constraints it is important to have regard to the impact of budget reductions in terms of crime and disorder.

10.8 **Property / Asset Issues** – Some of the savings proposals have indirect property/asset implications with regards building closures resulting from service reviews, which will reduce the Council’s property estate. The implications of these will be dealt with on a property-by-property basis in line with the Council’s disposal rules. Additionally the continued reduction in posts across various areas of the Council may result in increased health and safety management risks within the borough.
Background Papers Used in the Preparation of the Report:

Cabinet Budget Strategy Report – December 2012

List of appendices:

Appendix A – Detailed List of Savings
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### ADULT & COMMUNITY SERVICES

**Proforma Reference**  
ACS/SAV01 Community Cohesion and Equalities Team - reduced voluntary sector function  
ACS/SAV02 Statutory Social Care & Complaints - reorganisation of the team  
ACS/SAV03 Occupational Therapy and Sensory Services Team - reorganisation of the team  
ACS/SAV04 Drug & Alcohol Services - a reduction in support service to drug and alcohol users  
ACS/SAV05 Youth Offending - Reduction in work to prevent young people becoming involved in crime and disorder and reoffending  
ACS/SAV06 Domestic Violence - reduce domestic violence service  
ACS/SAV07 Reduction in voluntary sector grants and commissions  
ACS/SAV08 Sheltered Housing - transfer responsibility for housing related support to Housing  
ACS/SAV09 Close Kin Services and the End of Life Homecare Service (pro forma / additional details to follow)  
ACS/SAV10(a) - (m) - Replaces £975k pre agreed savings:  
ACS/SAV10(a) Free Leisure Offer - fund service from the Public Health Grant  
ACS/SAV10(b) Active Age Centres - fund service from the Public Health Grant  
ACS/SAV10(c) Advice, Information and Support for people with HIV/AIDS provided by Positive East - fund service from the Public Health Grant  
ACS/SAV10(d) Alcohol Co-ordinator - fund service from the Public Health Grant  
ACS/SAV10(e) Floating Support for Homeless People - reduce capacity in the contract by 50%  
ACS/SAV10(f) specialist employment support for people with mental health needs  
ACS/SAV10(g) Decommission 6 beds of accommodation based support for 16 -18 year olds at the Vineyards (and possible transfer of accommodation to Children’s Services)  
ACS/SAV10(h) Supporting Employment Opportunities for People with Drug and Alcohol problems  
ACS/SAV10(i) Domestic Violence - cessation of Heritage Floating Support contract  
ACS/SAV10(j) DfE Administrator post in the Adult Safeguarding Team  
ACS/SAV10(k) SV and Hate Crime Strategy Manager - reduce post to 0.5 FTE  
ACS/SAV10(l) Delete post supporting administration of the Learning Disability Partnership Board  
ACS/SAV10(m) Cessation of Service Development Budget for Older people  
ACS/SAV10(n) streamlining Grant Flexibilities  
ACS/SAV11 Reduce funding for car packages  
ACS/SAV12 Management Reductions (reduce social care GMS)  
ACS/SAV13 Homlessness Prevention  
ACS/SAV14 Reduce Carers Contract  
ACS/SAV15 Advocacy - reduce to statutory provision  
ACS/SAV16 No (or extend core funding for CANS)  
ACS/SAV17 Reduce hospital social work team  
ACS/SAV18 Killer Lodge staff reduction  
ACS/SAV19 Reduce support in Adult Social Care  
ACS/SAV20 Delete Arts Team  
ACS/SAV21 Delete Events Team and end all directly delivered and commissioned arts events and programmes  
ACS/SAV22 Close Broadway Theatre  
ACS/SAV23 Valerie House - Heritage Education Team  
ACS/SAV24 End support to the Create Festival  
ACS/SAV25 Delete Non-grant funded Crime Reduction Team  
ACS/SAV26 Delete Anti Social Behaviour Team  
ACS/SAV27 Delete Social Care management post  
ACS/SAV28 Reduce business support in Adult Social Care  
ACS/SAV29 Delete Arts Team  
ACS/SAV30 Metropolitan Police - Cessation of Triage and prevention interventions  
ACS/SAV31 Social Work - cessation of statutory and prevention interventions  
ACS/SAV32 Summer Sorted Holiday Activity Programme  
ACS/SAV33 Supporting People Grant Changes  
ACS/SAV34 Reduce funding to services funded by Area Based Grant  
ACS/SAV35 Retailers to pricing Framework for Care Home Remuneration  
ACS/SAV36 Delete learning disability day, volunteering and employment services  
ACS/SAV37 Changes to include residential care service for adults with a learning disability (80 Gascoigne)  
ACS/SAV38 Changes to include residential care service for adults with a learning disability (76 Kallar Lodge)  
ACS/SAV39 Changes to the public events programme  
ACS/SAV40 Expanding commercial opportunities at heritage venues  
ACS/SAV41 IFS Staffing Supplies & Services Budgets  
ACS/SAV42 Business Rates  
ACS/SAV43 Commissioning Contracts & Purchase Savings  

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<th>2014-15</th>
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**SAVINGS OPTIONS 2013/14 - 2014/15**

**Appendix A**

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### SAVINGS OPTIONS 2013/14 - 2014/15

#### Appendix A

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<td>CAM Team - Reduce the number of staff supporting the Common Assessment Framework and QA at tier 2</td>
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<td>Localisation Services - Further reduce central support team which only be funded from DSG but schools may feel not equipped to manage complex special needs - potential impact is increased SEN costs</td>
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**Note:** The table above outlines various savings options for different services, including CHS/SAV, with financial details for both 2013/14 and 2014/15. The savings options are categorized under different headings such as Education, Children's Services, Adoption, and others, with specific details on the nature of the savings and their impact. The cumulative total savings are also provided at the end of each section.
### Proforma Reference

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<td>H&amp;E-SAV13 - Remove infrastructure and reduction in maintenance; and identify alternative community use for spaces where possible</td>
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### FINANCE & RESOURCES

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<td>Feb 2012 Assembly - Savings in Sustainable Communities/ Economic Development area</td>
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**SAVINGS OPTIONS 2013/14 - 2014/15**

Appendix A

Page 139
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<td>CEXSAV08</td>
<td>Chief Executive Review</td>
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<td>Cost of Health and Safety Team</td>
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<td>CEXSAV10</td>
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<td>CEXSAV12</td>
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<td>Feb 2012 Assembly</td>
<td>Restructure of Senior Managers</td>
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<td>Feb 2012 Assembly</td>
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<td>Feb 2012 Assembly</td>
<td>Savings arising from the Elevate joint venture partnership through improved procurement and debt management</td>
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<td>Increase Fees &amp; Charges (3% across the board)</td>
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<td>Unachievable Savings (Post Assembly Adjustment)</td>
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<td>- Children’s services - social work staffing restructure</td>
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Title: Performance House – Quarter 2 2012/13

Report of the Leader

OPEN

For Decision

Wards Affected: All

Key Decision: No

Report Author:
Karen Wheeler
(Group Manager Policy and Performance)

Contact Details:
Tel: 020 8227 2317
E-mail: karen.wheeler@lbbd.gov.uk

Accountable Divisional Director: n/a

Accountable Director: Graham Farrant, Chief Executive

Summary:
A wide range of performance is monitored and managed across the Council and is reported in a number of ways including in portfolio holder meetings and to partnership boards. The Performance House provides a collective overview of performance across the Council/borough in order to inform decision making and use of resources, and to provide Members with a clear snap-shot of how priorities are being managed and implemented.

This report sets out performance information in areas of real interest to Members and where performance has improved or dipped.

Improving and deteriorating performance indicators of particular note are presented in graphs (Appendix A), as requested by PAASC on the 27th September 2012.

This report provides a summary of performance (Appendix B) at Quarter 2 (July to September 2012) for all quarterly indicators, and in addition:

- Performance for the 19 key priority indicators (Appendix C)
- The Performance House (full set of indicators) (Appendix D)
- Complaints and Member enquiries data (Appendix E)

Recommendation(s)

That PAASC note performance in quarter 2 2012/13 including the action to be taken where performance has dipped in Appendix A and make any comments on it.

Reason(s)

Performance data is reported to enable Members to more easily monitor and challenge performance and delivery of the policy priorities as set out in the Statement of Priorities 2012/13.
1. **Introduction and Background**

1.1 It is best practice for Councils to regularly review their performance across a range of different indicators. Informal Cabinet agreed in December 2011 that our own Performance House would be the set of indicators which the Council uses to monitor its performance on a quarterly basis. Cabinet agreed a set of 19 key ‘top priority’ indicators in April 2012.

1.2 The indicators in the Performance House are drawn from the headline Local Authority Performance Solution (LAPS) Indicators (co-ordinated by London Councils and mainly ‘old’ National Indicators and Best Value Performance Indicators which have been collected for some time), as well as the Olympic host borough convergence indicators and our own existing local performance indicators.

1.3 The Performance House aims to provide Members with a balanced overview of performance right across the organisation in order to inform decision-making and make the very best use of resources in these times. Performance is regularly monitored and managed across the Council and is reported in a number of ways including in portfolio holder meetings and to partnership boards. Detailed information is available on request and is used for management of services on a regular basis. In addition the Annual Governance Statement (AGS), which sets out evidence-based assurance that the organisation is operating all its activities within a robust governance framework, is reported each year. The AGS includes a section on the Council’s performance management arrangements.

2. **Performance in key areas**

2.1 For Quarter 2 performance reporting, focus has been given to a small selection of indicators where performance has either greatly improved or has shown a deterioration. It is hoped that by focusing on fewer specific indicators, Members will be able to challenge performance and identify where action is required more easily.

2.2 These selected indicators have been presented in a graphical format in order to provide a clearer picture of our current position, trend, target and performance when compared to the rest of London.

2.3 In summary, 78% of indicators are within 10%, on or exceeding their target and 62% show an improving or static direction of travel when compared to the same time last year.

2.4 Following last quarter’s report to PAASC it was requested that benchmarking information be included in subsequent reports. As a result, the London and National averages have been included. Where benchmarking data is not widely published, the London average has been taken from the London Authorities Performance Solution (LAPS) if available.
3. **Customer complaints and Member enquiries**

3.1 A complaints and Member enquiries report for 2011/12 and Q1 and Q2 2012/13 is available in Appendix E. Following Cabinet in April where corporate response times to member and MP enquiries were raised as an issue, work is underway with the Portfolio Holder, Councillor Alexander, to identify the key challenges and next steps required to ensure complaints, Member and MP enquiries are recorded and dealt with in a timely and effective manner (within deadline).

4. **Options Appraisal**

5.1 There is no legal requirement to prepare a performance report, however, it is good governance to do so and provides a collective overview of performance across the Council/borough in order to inform decision making and use of resources.

5. **Consultation**

6.1 CMT and departments (through Departmental Management Teams) have informed the approach, data and commentary in this report and the Performance House.

6. **Financial Implications**

   Prepared by David Abbott - Principal Accountant (Corporate Finance)

7.1 There are no specific financial implications, however, some key performance indicators do have quantifiable cost benefits, such as additional income from higher leisure centre usage or improved Council Tax collection rates (note - there is also a gainshare for Elevate if they achieve over the agreed Council Tax collection percentage stated in their contract).

7.2 Due to the financial constraints of the Council these key performance indicators must be delivered within the existing budgets of the relevant services.

7.3 Where external funding is involved there can be a financial implication if outcome based targets are not met, as funding may have to be returned to the provider.

8. **Legal Implications**

   Prepared and verified by Eldred Taylor-Camara – Legal Group Manager (Commercial Law)

8.1 The Legal Practice has been consulted in the preparation of this report and confirms there are no legal implications to highlight.

9. **Other Implications**

9.1 **Risk Management** The identification of clear performance measures to deliver against the priorities is part of a robust approach to risk management.

9.2 **Contractual Issues**. Any contractual issues relating to improving performance measures will be addressed as part of the delivery plan for each project or action.

9.3 **Staffing Issues** Any staffing issues relating to improving performance measures will be addressed as part of the delivery plan for each project or action.
9.4 **Customer Impact** Improvements in performance indicators will have a positive impact on customers. E.g. Increase in visits to leisure centres may impact on obesity and mortality and life expectancy in the long term. Where performance deteriorates service or choice to customers may be reduced e.g. percentage of social care clients receiving self directed support.

9.5 **Safeguarding Children** A number of indicators related to safeguarding children are contained within the Performance House. Monitoring and management of these indicators will ensure safeguarding is maintained or improved.

9.6 **Health Issues** A number of health and well being indicators are contained with the Performance House. Monitoring and management of these indicators will ensure areas related to health can be maintained or improved.

9.7 **Crime and Disorder Issues** A number of crime indicators are contained with the Performance House. Monitoring and management of these indicators will ensure areas related to crime and disorder can be maintained or improved. Consideration of the Council’s Section 17 duties and issues arising is part of the mainstream work for this area.

**Background Papers Used in the Preparation of the Report:**
- Statement of Priorities 2012/13
- Directorate and partnership board performance dashboards/reports

**List of appendices:**
Appendix A: Performance House exception reporting – deteriorating performance quarter 2, 2012/13
Appendix B: Summary of performance quarter 2 2012/13
Appendix C: Key performance indicators quarter 2, 2012/13
Appendix D: Performance House quarter 2, 2012/13
Appendix E: Complaints and Member enquiries report 2011/12 and Q1 and Q2 2012/13.
One of the most significant influences on the overall crime rate has been the introduction of the tenant funded Estates Policing Team in May 2012. Two Police Sergeants and 18 Constables essentially work seven days a week in two teams to deal with all crime and anti-social behaviour linked to nine key housing estates. Due to tenant funding and new additional resource, they can be proactive. In this time the team have made 380 arrests, stopped and searched over 1000 people, executed 42 search warrants for drugs and completed over 200 weapons sweeps. The Safer Parks Policing Team presence of one Sergeant and five PCs in the Borough’s parks and open spaces have in addition issued over 120 cannabis warnings and made over 1100 alcohol seizures since April this year.

Policing on our streets with Safer Transport, Safer Neighbourhoods and Town Centre Teams has also made significant contributions to the reduction in total offences especially around key volume crimes such as motor vehicle crime and the crimes associated with drunkenness and anti-social behaviour. There has also been the launch of three ongoing operations repeated several times a year, supported by the Council. These are; seizing uninsured vehicles; executing a drugs warrant every day; and a focus on licensing issues in the broadest sense - pubs, clubs, late night refreshment houses and any other licensable activity. Working in partnership has delivered significant success.

Other crime indicators showing positive performance are Serious Youth Violence and Serious Acquisitive Crime

This data is based on a rolling year i.e. Q2 2012/13 includes data from Q3 and Q4 2011/12 and Q1 and Q2 for 2012/13.
There has been a significant increase in the percentage of primary schools rated ‘outstanding’ or ‘good’ to 64% from 57% in the same period last year.

In addition the percentage of secondary schools rated as ‘outstanding’ or ‘good’ (by Ofsted) stands now at 67% (year to date) – or over two thirds of our schools - above the Ofsted threshold of 65%.
There has been an increase in the average number of days sickness since the same quarter last year. The levels of average absence show some degree of fluctuation over this quarter, when looking at it on a month-by-month basis from 9.04 in June and peaking at 9.5 in August. This data is based on a rolling year i.e. Q2 2012/13 includes data from Q3 and Q4 2011/12 and Q1 and Q2 for 2012/13.

The trend for absences between 1-3 days has been reducing since May 2012, but is still at a higher level compared to a year ago. The number of 4-19 days absence show a rising trend since April 2012. Long term absences have also risen.

The increase in average sickness absence levels has been closely monitored by CMT and the People Board. HR have since August 2012 been working on a Sickness Absence Reduction Plan which includes the following activities:

**Doing what we do better**
- Improvements to monitoring arrangements
- Improvements to the quality of the data and reports to managers/management teams
- Increasing support and training for managers with a particular focus on the quality of return to work interviews.
- Reviewing the Occupational Health support available including the greater use of case conferences.

**Targeting support available**
- Intensive support for services/teams which have the highest level of absences – “hot spots” with a focus on the top 50.
- Greater support on stress management (pressure and resilience) including more support for vulnerable teams, with a particular emphasis on restructures and reviews. Review and promotion of Supporting Staff through Tough Times programme.

**Procedures**
- Review of Sickness Absence Procedure (Managing Attendance at Work).
The Council is taking a ‘development management approach’ to planning applications i.e. we work with applicants to resolve problems even if this means applications being decided beyond the deadline. Whilst this impacts on performance against the target it actually provides a better service to the customer who is not forced to resubmit their application. The success of this approach is confirmed by the increasing percentage of all applications that are approved. Every refused application represents non-value added activity for the applicant and the Council.

Approval rates have improved from 78% in 2009/10 to 80% in 2010/11 to 82% in 2011/12. The approval rates for other applications parallel this with approval rates increasing from 81%-85% in the same period. It is accepted that timeliness of decision making remains an important target and we continue to work towards these but not to the detriment of achieving a successful outcome.
In Barking and Dagenham we face unprecedented population changes which place pressure on our services to accommodate new pupils as they reach school age. There were 12 children without a school place at the end of September (quarter 2 2012/13) but at the time of writing (Thursday 11th January), there was only one child without a school place and a place has already been found for this child for allocation next week.

The data shows a snapshot in time as school vacancy places vary day to day as school places are requested and found. Vacancy figures are released by our schools weekly on a Wednesday, then the admissions services allocate school places on Thursdays and Fridays. However, officers in the Children’s Services department work with schools to quickly secure places for children who have newly arrived in the borough. The average wait for a school place is around seven to ten days. The statutory obligation is find a place within 15 days.
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<th>TRENDS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Number of comparable Pls</td>
<td>G</td>
</tr>
<tr>
<td>Key Performance Indicators</td>
<td>15</td>
<td>6 40%</td>
</tr>
<tr>
<td>Better Together</td>
<td>7</td>
<td>5 71%</td>
</tr>
<tr>
<td>Better Home</td>
<td>5</td>
<td>2 40%</td>
</tr>
<tr>
<td>Better Health and Wellbeing</td>
<td>1</td>
<td>0 0%</td>
</tr>
<tr>
<td>Better Future</td>
<td>6</td>
<td>1 16.5%</td>
</tr>
<tr>
<td>Well Run Organisation</td>
<td>7</td>
<td>5 71%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>41</td>
<td>19 46%</td>
</tr>
</tbody>
</table>

The above table summarises performance for all Key Performance Indicators and those indicators which are collected on a quarterly basis.
## Key Performance Indicators – Quarter 2 2012/13

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Directorate</th>
<th>Relevant Portfolio Holder</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Same period last year Qtr 2 2011/12</th>
<th>Current Performance Qtr 2 2012/13</th>
<th>Target 2012/13</th>
<th>Benchmarking</th>
<th>Trend</th>
<th>Target RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CS</td>
<td>Cllr White London Councils</td>
<td>Percentage of care leavers in employment, education or training (EET)</td>
<td>Monthly</td>
<td>48.98%</td>
<td>40.4%</td>
<td>32%</td>
<td>44.4%</td>
<td>60%</td>
<td>66% (2010/11)</td>
<td>61% (2010/11)</td>
<td>↑</td>
<td>A</td>
</tr>
<tr>
<td>2</td>
<td>CS</td>
<td>Cllr White London Councils</td>
<td>Percentage of 16 to 18 year olds who are not in education, employment or training (NEET)</td>
<td>Quarterly</td>
<td>6.9%</td>
<td>6.5%</td>
<td>7.2%</td>
<td>7.9%</td>
<td>&gt;6%</td>
<td>4.5%</td>
<td>6.1%</td>
<td>↓</td>
<td>A</td>
</tr>
<tr>
<td>3</td>
<td>CS</td>
<td>Cllr White Convergence</td>
<td>Percentage of pupils achieving 5 GCSE grades A* – C (including Maths and English in maintained schools)</td>
<td>Annual (academic year – published October)</td>
<td>57.2%</td>
<td>57.7% (provisional)</td>
<td>N/A</td>
<td>Annual (2012/13 academic year – due October 2013)</td>
<td>At national average (70% by 2014)</td>
<td>61.3%</td>
<td>58.4%</td>
<td>↑</td>
<td>A</td>
</tr>
<tr>
<td>4</td>
<td>CS</td>
<td>Cllr White Local</td>
<td>The percentage of primary schools rated as outstanding or good</td>
<td>Quarterly (Ofsted three year inspection cycle)</td>
<td>55%</td>
<td>59%</td>
<td>57%</td>
<td>64%</td>
<td>&gt;65% (Ofsted threshold)</td>
<td>N/A</td>
<td>68.4%</td>
<td>66%</td>
<td>↑</td>
</tr>
<tr>
<td>5a</td>
<td>CS</td>
<td>Cllr White Local</td>
<td>Percentage of school children eligible for Free School Meals (FSM)</td>
<td>Annual (January schools census)</td>
<td>24.8%</td>
<td>28.7%</td>
<td>N/A</td>
<td>Annual (2012/13 result taken from January 2013 census)</td>
<td>N/A</td>
<td>24.2%</td>
<td>16.9%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>5b</td>
<td>CS</td>
<td>Cllr White Local</td>
<td>Of those eligible, the percentage of children who take up Free School Meals (FSM)</td>
<td>Annual (January schools census)</td>
<td>81.7%</td>
<td>74.5%</td>
<td>N/A</td>
<td>N/A</td>
<td>74.3%</td>
<td>85%</td>
<td>83.2%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>F&amp;R</td>
<td>Cllr Geddes Convergence</td>
<td>Working age population qualified to at least Level 4</td>
<td>Annual (Calendar year)</td>
<td>26.6% (2010)</td>
<td>27.1% (2011)</td>
<td>N/A</td>
<td>Annual (2012 calendar year – due August 2013)</td>
<td>45.9%</td>
<td>32.9%</td>
<td>↑</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Ref.</td>
<td>Directorate</td>
<td>Relevant Portfolio Holder</td>
<td>Type of Indicator</td>
<td>Indicator</td>
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<td>Trend</td>
<td>Target RAG</td>
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<td>------</td>
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<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>7</td>
<td>F&amp;R</td>
<td>Cllr Geddes</td>
<td>Convergence</td>
<td>Percentage of economically active people in employment</td>
<td>Rolling year published quarterly</td>
<td>62.0%</td>
<td>64.4%</td>
<td>63%</td>
<td>64.9% (Qtr 1 2012/13)</td>
<td>2% - 3% gap with London average</td>
<td>68.0%</td>
<td>70.2%</td>
<td>↑</td>
</tr>
<tr>
<td>8</td>
<td>F&amp;R</td>
<td>Cllr Geddes</td>
<td>Convergence</td>
<td>Median weekly earnings for full-time workers living in the area</td>
<td>Annual (Calendar year)</td>
<td>£496.70 (2010)</td>
<td>£500.80 (2011)</td>
<td>N/A</td>
<td>Annual (Awaiting publication)</td>
<td>£25 gap with London average</td>
<td>£610.2</td>
<td>£503.1</td>
<td>↑</td>
</tr>
<tr>
<td>9</td>
<td>F&amp;R</td>
<td>Cllr Geddes</td>
<td>London Councils</td>
<td>Percentage of working age people on out of work benefits</td>
<td>Snapshot four times a year</td>
<td>17.8% (Feb 2011)</td>
<td>18.4% (Feb 2012)</td>
<td>18.5% (Aug 2011)</td>
<td>N/A Data not yet published</td>
<td>N/A</td>
<td>12.6%</td>
<td>12.5%</td>
<td>N/A</td>
</tr>
<tr>
<td>10</td>
<td>ACS</td>
<td>Cllr Worby</td>
<td>Convergence</td>
<td>Regular participation in sport and physical activity (30 minutes on 3 or more days a week)</td>
<td>Annual (2009-2011)</td>
<td>13.4%</td>
<td>Data due Dec 2012</td>
<td>N/A</td>
<td>N/A Data not yet published</td>
<td>N/A</td>
<td>&lt;1% gap with London</td>
<td>20.5%</td>
<td>22.2%</td>
</tr>
<tr>
<td>11</td>
<td>H&amp;E</td>
<td>Cllr P Waker</td>
<td>Convergence</td>
<td>Additional housing units – Number of affordable homes delivered</td>
<td>Annual</td>
<td>144</td>
<td>372</td>
<td>N/A</td>
<td>N/A</td>
<td>470</td>
<td>544.2</td>
<td>N/A</td>
<td>↑</td>
</tr>
<tr>
<td>12</td>
<td>H&amp;E</td>
<td>Cllr P Waker</td>
<td>London Councils</td>
<td>Percentage of non-decent Council Homes</td>
<td>Annual</td>
<td>42%</td>
<td>33.85%</td>
<td>N/A</td>
<td>N/A Data not yet published</td>
<td>N/A</td>
<td>45%</td>
<td>Data unavailable</td>
<td>↑</td>
</tr>
<tr>
<td>13</td>
<td>H&amp;E</td>
<td>Cllr P Waker</td>
<td>Local</td>
<td>Satisfaction of tenants and residents with landlord services</td>
<td>Once every two years</td>
<td>N/A</td>
<td>73%</td>
<td>N/A</td>
<td>Biennial Next survey due 2013</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Elevate</td>
<td>Cllr Geddes / Cllr Waker</td>
<td>Local</td>
<td>Percentage of properties currently empty in the borough (all properties)</td>
<td>Monthly</td>
<td>3.13%</td>
<td>2.60%</td>
<td>1.51%</td>
<td>1.56%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>15a</td>
<td>H&amp;E</td>
<td>Cllr McCarthy</td>
<td>London Councils</td>
<td>Percentage of land that has unacceptable levels of litter¹</td>
<td>Three times a year</td>
<td>8%</td>
<td>6%</td>
<td>3% Tranche 1</td>
<td>Data available Quarter 3 2012/13</td>
<td>8%</td>
<td>6.9%</td>
<td>N/A</td>
<td>Awaiting data</td>
</tr>
<tr>
<td>15b</td>
<td>H&amp;E</td>
<td>Cllr McCarthy</td>
<td>London Councils</td>
<td>Percentage of land that has unacceptable levels of detritus¹</td>
<td>Three times a year</td>
<td>17%</td>
<td>10%</td>
<td>7% Tranche 1</td>
<td>Data available Quarter 3 2012/13</td>
<td>10%</td>
<td>9.7%</td>
<td>N/A</td>
<td>Awaiting data</td>
</tr>
<tr>
<td>Ref.</td>
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</tr>
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<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>15c</td>
<td>H&amp;E</td>
<td>Cllr McCarthy</td>
<td>London Councils</td>
<td>Percentage of land that has unacceptable levels of graffiti(^1)</td>
<td>Three times a year</td>
<td>7%</td>
<td>5%</td>
<td>4% Tranche 1</td>
<td>Data available Quarter 3 2012/13</td>
<td>4%</td>
<td>4.8%</td>
<td>N/A</td>
<td>Awaiting data</td>
</tr>
<tr>
<td>15d</td>
<td>H&amp;E</td>
<td>Cllr McCarthy</td>
<td>London Councils</td>
<td>Percentage of land that has unacceptable levels of fly-posting(^1)</td>
<td>Three times a year</td>
<td>3%</td>
<td>5%</td>
<td>7% Tranche 1</td>
<td>Data available Quarter 3 2012/13</td>
<td>2%</td>
<td>1.9%</td>
<td>N/A</td>
<td>Awaiting data</td>
</tr>
<tr>
<td>16a</td>
<td>ACS</td>
<td>Cllr Alexander</td>
<td>Convergence</td>
<td>Violent crime levels (against the person) per 1,000 population</td>
<td>Monthly cumulative</td>
<td>24.9</td>
<td>22.9</td>
<td>22.75</td>
<td>21.6</td>
<td>3% - 4% gap with London average</td>
<td>16.28</td>
<td>N/A</td>
<td>↑</td>
</tr>
<tr>
<td>16b</td>
<td>ACS</td>
<td>Cllr Alexander</td>
<td>Local</td>
<td>Number of Domestic Violence Offences</td>
<td>Monthly cumulative</td>
<td>1770</td>
<td>1718</td>
<td>887</td>
<td>799 (-31% reduction)</td>
<td>N/A</td>
<td>Awaiting data</td>
<td>N/A</td>
<td>↑</td>
</tr>
<tr>
<td>16c</td>
<td>ACS</td>
<td>Cllr Alexander</td>
<td>Local</td>
<td>Percentage of repeated Domestic Violence incidents</td>
<td>Monthly cumulative</td>
<td>32%</td>
<td>22%</td>
<td>19%</td>
<td>25%</td>
<td>2% reduction by 2015</td>
<td>19.7%</td>
<td>N/A</td>
<td>↓</td>
</tr>
<tr>
<td>16d</td>
<td>ACS</td>
<td>Cllr Alexander</td>
<td>Local</td>
<td>Serious Youth Violence per 1,000 population</td>
<td>Monthly cumulative</td>
<td>1.14</td>
<td>1.30</td>
<td>Awaiting data</td>
<td>0.94</td>
<td>1.2</td>
<td>Awaiting data</td>
<td>N/A</td>
<td>↑</td>
</tr>
<tr>
<td>17</td>
<td>Elevate</td>
<td>Cllr Gill</td>
<td>London Councils</td>
<td>Percentage of Council Tax collected</td>
<td>Monthly cumulative</td>
<td>92.9%</td>
<td>94.1%</td>
<td>55%</td>
<td>55.5%</td>
<td>94.5%</td>
<td>96.3%</td>
<td>97.3%</td>
<td>↑</td>
</tr>
<tr>
<td>18</td>
<td>F&amp;R</td>
<td>Cllr Gill</td>
<td>Local</td>
<td>Current revenue budget account position (over and under spend)</td>
<td>Monthly (year to date)</td>
<td>£2.8m over spend</td>
<td>£2m under spend</td>
<td>£0.7m over spend</td>
<td>£0.6m under spend</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>N/A</td>
<td>↑</td>
</tr>
<tr>
<td>19</td>
<td>CE's</td>
<td>Cllr Reason</td>
<td>London Councils</td>
<td>Average sickness days per full-time equivalent (FTE) (excludes school staff)</td>
<td>Monthly</td>
<td>9.08 days</td>
<td>9.06 days</td>
<td>8.0 days</td>
<td>9.44 days</td>
<td>6 days by Sept 2014</td>
<td>7.6</td>
<td>N/A</td>
<td>↓</td>
</tr>
</tbody>
</table>

\(^1\)Unacceptable levels of cleanliness – Currently waiting to verify the data from Tranche 1. This was carried out late due to the Olympics, Tranche 1 & 2 data will therefore be available by December.
<table>
<thead>
<tr>
<th>Ref.</th>
<th>Directorate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2010/11</th>
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<th>Target RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>ACS</td>
<td>London Councils</td>
<td>Serious acquisitive(^2) crime rate per 1,000 population</td>
<td>Monthly cumulative</td>
<td>31.8</td>
<td>30.6</td>
<td>30.16</td>
<td>28.80</td>
<td>29.0</td>
<td>24.78</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>21</td>
<td>ACS</td>
<td>London Councils</td>
<td>Overall crime rate per 1,000 population</td>
<td>Monthly cumulative</td>
<td>106.73</td>
<td>104.62</td>
<td>104.53</td>
<td>97.18</td>
<td>104.0</td>
<td>101.62</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>22</td>
<td>ACS</td>
<td>Local</td>
<td>The number of adult safeguarding alerts progressed to referral</td>
<td>Monthly cumulative</td>
<td>539 of 738 (73%)</td>
<td>419 of 1119 (37.4%)</td>
<td>174 of 457 (38.07%)</td>
<td>202 of 494 (40.89%)</td>
<td>TBC</td>
<td>N/A</td>
<td>↑</td>
<td>A</td>
</tr>
<tr>
<td>23</td>
<td>CS</td>
<td>London Councils</td>
<td>Percentage of children’s core assessments completed within 35 days</td>
<td>Monthly cumulative</td>
<td>64.6%</td>
<td>78.4%</td>
<td>85.7%</td>
<td>78.2%</td>
<td>80%</td>
<td>77% (2010/11)</td>
<td>75% (2010/11)</td>
<td>↓</td>
</tr>
<tr>
<td>24</td>
<td>CS</td>
<td>London Councils</td>
<td>Percentage of child protection cases reviewed within required timescales</td>
<td>Monthly cumulative</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>98.4% (2010/11)</td>
<td>97.1% (2010/11)</td>
<td>⇔</td>
</tr>
<tr>
<td>25</td>
<td>CS</td>
<td>London Councils</td>
<td>Percentage of referrals to children’s social care going on to initial assessment (a referral can go straight to core assessment)</td>
<td>Monthly cumulative</td>
<td>65.8% (78.3% for assessment)</td>
<td>52.6%</td>
<td>81.0%</td>
<td>23% (91.2% for all assessment)</td>
<td>20-30%</td>
<td>72.4% (2010/11)</td>
<td>71.5% (2010/11)</td>
<td>N/A</td>
</tr>
<tr>
<td>26</td>
<td>CS</td>
<td>London Councils</td>
<td>Percentage of children having a child protection plan for 2nd or subsequent time</td>
<td>Monthly cumulative</td>
<td>9.27%</td>
<td>9.3%</td>
<td>4.3%</td>
<td>2.7%</td>
<td>10%</td>
<td>11.7% (2010/11)</td>
<td>13.3% (2010/11)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

\(^2\)Acquisitive crime is defined as the following: Burglary in a dwelling, attempted burglary in a dwelling, distraction burglary in a dwelling, attempted distraction burglary in a dwelling, aggravated burglary in a dwelling, robbery of a business property, robbery of personal property, theft or unauthorised taking of a motor vehicle, aggravated vehicle taking and theft from a vehicle.
<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>H&amp;E</td>
<td>Local</td>
<td>Average time to re-let local authority housing (days)</td>
<td>Monthly</td>
<td>30 days</td>
<td>29 days</td>
<td>32 days</td>
<td>35 days</td>
<td>32 days</td>
<td>Not applicable – Local measure</td>
<td>↓</td>
<td>A</td>
</tr>
<tr>
<td>28</td>
<td>H&amp;E</td>
<td>Local</td>
<td>Eyesore Gardens – Percentage of Eyesore Gardens cleared following re-inspection (cases closed) NB: This figure is broken down by the 3 indicators below</td>
<td>Monthly</td>
<td>New for 2011/12</td>
<td>92%</td>
<td>99%</td>
<td>96%</td>
<td>90%</td>
<td>Not applicable – Local measure</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>28b</td>
<td>H&amp;E</td>
<td>Local</td>
<td>Eyesore Gardens – Percentage that were closed without an further action needed</td>
<td>Monthly</td>
<td>New for 2011/12</td>
<td>47%</td>
<td>65%</td>
<td>60%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>28c</td>
<td>H&amp;E</td>
<td>Local</td>
<td>Eyesore Gardens – Percentage of gardens cleared up following a warning letter issued to owner</td>
<td>Monthly</td>
<td>New for 2011/12</td>
<td>37%</td>
<td>32%</td>
<td>33%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>28d</td>
<td>H&amp;E</td>
<td>Local</td>
<td>Eyesore Gardens – Percentage of gardens cleared up once owner has been served with a notice</td>
<td>Monthly</td>
<td>New for 2011/12</td>
<td>8%</td>
<td>2%</td>
<td>3%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>H&amp;E</td>
<td>London Councils</td>
<td>Number of homeless applications accepted</td>
<td>Quarterly cumulative</td>
<td>113</td>
<td>246</td>
<td>157</td>
<td>119</td>
<td>N/A</td>
<td>359.4</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>H&amp;E</td>
<td>London Councils</td>
<td>Number of households living in temporary accommodation³</td>
<td>Quarterly</td>
<td>709</td>
<td>1155</td>
<td>696</td>
<td>1190</td>
<td>N/A</td>
<td>1189</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>H&amp;E</td>
<td>Local</td>
<td>Number of households living in temporary accommodation (Old portfolio)³</td>
<td>Quarterly</td>
<td>259</td>
<td>167</td>
<td>204</td>
<td>135</td>
<td>199</td>
<td>Not applicable – Local measure</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>32a</td>
<td>F&amp;R</td>
<td>London Councils</td>
<td>Percentage of ‘other’ planning applications determined within 8 weeks</td>
<td>Quarterly cumulative</td>
<td>79.5%</td>
<td>78.3%</td>
<td>83.47%</td>
<td>71%</td>
<td>80%</td>
<td>79%</td>
<td>82%</td>
<td>R</td>
</tr>
<tr>
<td>32b</td>
<td>F&amp;R</td>
<td>London Councils</td>
<td>Percentage of ‘minor’ planning applications determined within 8 weeks</td>
<td>Quarterly cumulative</td>
<td>59.5%</td>
<td>61.25%</td>
<td>68.42%</td>
<td>61%</td>
<td>65%</td>
<td>68%</td>
<td>71%</td>
<td>R</td>
</tr>
</tbody>
</table>

³ The temporary accommodation indicators relate to households in the borough which are classed as ‘homeless’ and are therefore being housed in properties used for temporary accommodation. The ‘Old portfolio’ indicator specifically refers to the properties used for temporary accommodation before Housing Benefit Changes in April 2010. (These are properties which were used to accommodate homeless households on a Private Sector Licence. Private Landlords would lease their property to accommodation providers who in turn would licence them to the council.) Before April 2010 the cap on housing benefit rent levels for benefit purposes used to be very generous and enabled the Council to receive an administration fee. However the benefit changes brought about a significant reduction in the cap. In preparation for the benefit changes in April 2010 the Council tendered the contract to provide temporary accommodation and new housing providers are below the cap (thus will cost less). It therefore it important to ensure tenants in properties on the old portfolio move on to the new supply under the new contract, as properties on the old portfolio are subject to a subsidy charge as they are above the cap (hence cost more money). This indicator is therefore the focus for monitoring.
### Theme: Better Health and Wellbeing

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Directorate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Same period last year Qtr 2 2011/12</th>
<th>Current Performance Qtr 2 2012/13</th>
<th>Target 2012/13</th>
<th>Benchmarking London Average</th>
<th>Benchmarking National Average</th>
<th>Trend</th>
<th>Target RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>ACS</td>
<td>London Councils</td>
<td>Percentage of social care clients receiving Self Directed Support (Direct payments and individual budgets)</td>
<td>Monthly</td>
<td>40.31%</td>
<td>46.7%</td>
<td>45.0%</td>
<td>40.17%</td>
<td>75%</td>
<td>48.7%</td>
<td>N/A</td>
<td>↓</td>
<td>R</td>
</tr>
<tr>
<td>34</td>
<td>ACS</td>
<td>London Councils</td>
<td>Percentage of carers receiving needs assessment or review</td>
<td>Monthly</td>
<td>26.4%</td>
<td>60%</td>
<td>64%</td>
<td></td>
<td>Carers of Barking and Dagenham are conducting work to provide an accurate picture of activity – due for completion by the end of November.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Theme: Better Future

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Directorate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Same period last year Qtr 2 2011/12</th>
<th>Current Performance Qtr 2 2012/13</th>
<th>Target 2012/13</th>
<th>Benchmarking London Average</th>
<th>Benchmarking National Average</th>
<th>Trend</th>
<th>Target RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of adults with a learning disability in paid employment</td>
<td>Monthly</td>
<td>4.77%</td>
<td>2.85%</td>
<td>4.02%</td>
<td>4.09%</td>
<td>6%</td>
<td>N/A</td>
<td>N/A</td>
<td>↑</td>
<td>A</td>
</tr>
<tr>
<td>36</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of adults receiving secondary mental health services in employment</td>
<td>Monthly</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
<td>4.15%</td>
<td>TBC</td>
<td>N/A</td>
<td>8.8%</td>
<td>↓</td>
<td>A</td>
</tr>
<tr>
<td>37</td>
<td>H&amp;E</td>
<td>London Councils</td>
<td>Kilogram of residual waste per household</td>
<td>Quarterly</td>
<td>824.4kg</td>
<td>807.5kg</td>
<td>412.6kg</td>
<td>446.86kg</td>
<td>820kg</td>
<td>586kg</td>
<td>N/A</td>
<td>↓</td>
<td>A</td>
</tr>
<tr>
<td>38</td>
<td>H&amp;E</td>
<td>London Councils</td>
<td>Percentage of waste sent for reuse, recycling and composting</td>
<td>Quarterly</td>
<td>30.9%</td>
<td>29.49%</td>
<td>33.9%</td>
<td>29.87%</td>
<td>31%</td>
<td>34.4%</td>
<td>N/A</td>
<td>↓</td>
<td>A</td>
</tr>
<tr>
<td>39</td>
<td>CS</td>
<td>Local</td>
<td>The percentage of secondary schools rated outstanding or good*</td>
<td>Quarterly</td>
<td>67%</td>
<td>67%</td>
<td>67%</td>
<td>67%</td>
<td>&gt;65%</td>
<td>52.7%</td>
<td>Statistical Neighbour</td>
<td>⇔</td>
<td>G</td>
</tr>
<tr>
<td>40</td>
<td>CS</td>
<td>Local</td>
<td>The number of children without school places</td>
<td>Quarterly</td>
<td>0</td>
<td>0</td>
<td>12 (snapshot 28th Sept)</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>↓</td>
<td>R</td>
<td></td>
</tr>
</tbody>
</table>

*Ofsted - 3 Year Inspection Cycle. Inspection outcomes across all Children’s Services settings are reported by Ofsted in the Local Authority Performance Profiles quarterly. Results inform LA’s Children’s Services annual assessments.
<table>
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<th>Trend</th>
<th>Target RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>41a</td>
<td>Elevate</td>
<td>London Councils</td>
<td>The number of days to process Housing Benefit / Council Tax Benefit: New claims and change of circumstances&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Monthly cumulative</td>
<td>17 days</td>
<td>14.56 days</td>
<td>19.88 days</td>
<td>22.03 days (provisional)</td>
<td>See individual targets</td>
<td>Combined results unavailable</td>
<td>▼</td>
<td>N/A</td>
</tr>
<tr>
<td>41b</td>
<td>Elevate</td>
<td>Local</td>
<td>The number of days to process Housing Benefit / Council Tax Benefit: New claims&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Monthly cumulative</td>
<td>27 days</td>
<td>20 days</td>
<td>24.65 days</td>
<td>18.94 days (provisional)</td>
<td>21 days</td>
<td>24 days</td>
<td>▲</td>
<td>G</td>
</tr>
<tr>
<td>41c</td>
<td>Elevate</td>
<td>Local</td>
<td>The number of days to process Housing Benefit / Council Tax Benefit: Change of circumstance&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Monthly cumulative</td>
<td>16 days</td>
<td>14 days</td>
<td>19 days</td>
<td>22.41 days (provisional)</td>
<td>15 days (19.18)</td>
<td>11 days</td>
<td>▼</td>
<td>R</td>
</tr>
<tr>
<td>42</td>
<td>Elevate</td>
<td>London Councils</td>
<td>The percentage of non-domestic rates collected</td>
<td>Monthly cumulative</td>
<td>94.8%</td>
<td>96.4%</td>
<td>55.9%</td>
<td>55.5%</td>
<td>97.1%</td>
<td>98.2%</td>
<td>97.8%</td>
<td>▼</td>
</tr>
<tr>
<td>43a</td>
<td>F&amp;R</td>
<td>Local</td>
<td>The number of new stage 3 complaints received to date in the year</td>
<td>Monthly cumulative</td>
<td>85</td>
<td>101</td>
<td>55</td>
<td>41</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>▼</td>
<td>N/A</td>
</tr>
<tr>
<td>43b</td>
<td>F&amp;R</td>
<td>Local</td>
<td>The number of stage 3 complaints processed within deadlines</td>
<td>Monthly cumulative</td>
<td>66 (77.65%)</td>
<td>72 (71.3%)</td>
<td>41 (74.55%)</td>
<td>34 (82.93%)</td>
<td>80%</td>
<td>Not applicable – Local measure</td>
<td>▲</td>
<td>G</td>
</tr>
<tr>
<td>44a</td>
<td>F&amp;R</td>
<td>Local</td>
<td>The number of LGO referrals received to date in the year</td>
<td>Monthly cumulative</td>
<td>68</td>
<td>55</td>
<td>35</td>
<td>20</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>▼</td>
<td>N/A</td>
</tr>
<tr>
<td>44b</td>
<td>F&amp;R</td>
<td>Local</td>
<td>The number of LGO referrals processed within deadlines</td>
<td>Monthly cumulative</td>
<td>65 (95.59%)</td>
<td>51 (92.73%)</td>
<td>33 (94.29%)</td>
<td>19 (95%)</td>
<td>80%</td>
<td>Not applicable – Local measure</td>
<td>▲</td>
<td>G</td>
</tr>
<tr>
<td>45</td>
<td>CE’s</td>
<td>Local</td>
<td>The number of grievances reaching stage 3 (new and still open)</td>
<td>Monthly</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>▲</td>
<td>N/A</td>
</tr>
<tr>
<td>46</td>
<td>CE’s</td>
<td>Local</td>
<td>The number of new disciplinaries</td>
<td>Monthly</td>
<td>53</td>
<td>68</td>
<td>12</td>
<td>19</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>▼</td>
<td>N/A</td>
</tr>
<tr>
<td>47</td>
<td>CE’s</td>
<td>Local</td>
<td>‘I would recommend the Council as a good employer’ – The percentage of employees who agree</td>
<td>Quarterly</td>
<td>53%</td>
<td>44.5%</td>
<td>52.3%</td>
<td>56%</td>
<td>50%</td>
<td>Not applicable – Local measure</td>
<td>▲</td>
<td>G</td>
</tr>
<tr>
<td>48</td>
<td>CE’s</td>
<td>Local</td>
<td>‘The Council demonstrates a genuine concern for my well-being’ – The percentage of employees who agree</td>
<td>Quarterly</td>
<td>New for year end 2011/12</td>
<td>28.2%</td>
<td>N/A</td>
<td>33.5%</td>
<td>33%</td>
<td>Not applicable – Local measure</td>
<td>▲</td>
<td>G</td>
</tr>
</tbody>
</table>

<sup>1</sup>Housing Benefit / Council Tax benefit processing times – The historical data shown are the official figures published by DWP. This information is published with a time-lag (a quarter behind each quarterly reporting period). Quarter 2 2012/13 figures will be available at Quarter 3 2012/13. In the meantime, the provisional figures shown are those produced by Elevate.
### Performance House Indicators – Annual Indicators

**Theme: Better Together**

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Direct Rate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2009/10</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Target 2012/13</th>
<th>Benchmarking Average</th>
<th>Trend</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>49</td>
<td>ACS</td>
<td>Convergence</td>
<td>Overall satisfaction with the local area⁶</td>
<td>Bi-annual</td>
<td>54%</td>
<td>N/A</td>
<td>64%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>💪</td>
<td>G</td>
</tr>
<tr>
<td>50</td>
<td>ACS</td>
<td>Convergence</td>
<td>The percentage of people who perceive anti-social behaviour to be a problem⁶,⁷</td>
<td>Bi-annual</td>
<td>39.9%</td>
<td>N/A</td>
<td>30%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>💪</td>
<td>G</td>
</tr>
<tr>
<td>51</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of people who agree that the local area is a place where people from different backgrounds get on well together⁶</td>
<td>Bi-annual</td>
<td>55%</td>
<td>N/A</td>
<td>52%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>⬇️</td>
<td>A</td>
</tr>
<tr>
<td>52</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of people who agree that they feel able to influence decisions affecting their local area⁶</td>
<td>Bi-annual</td>
<td>36%</td>
<td>N/A</td>
<td>38%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>💪</td>
<td>G</td>
</tr>
<tr>
<td>53</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of people who feel safe when outside in the local area after dark⁶</td>
<td>Bi-annual</td>
<td>36%</td>
<td>N/A</td>
<td>36%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>⇔</td>
<td>G</td>
</tr>
<tr>
<td>54</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of people who feel safe when outside in the local area during the day⁶</td>
<td>Bi-annual</td>
<td>72%</td>
<td>N/A</td>
<td>70%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>⬇️</td>
<td>A</td>
</tr>
<tr>
<td>55</td>
<td>ACS</td>
<td>Local</td>
<td>The proportion of the adult population who participate in regular formal volunteering⁶</td>
<td>Bi-annual</td>
<td>15%</td>
<td>N/A</td>
<td>13%</td>
<td>Year on year increase</td>
<td>Not applicable – Local measure</td>
<td>⬇️</td>
<td>R</td>
</tr>
</tbody>
</table>

⁶From the residents survey (previously the place survey)

⁷Thinking about this local area, how much of a problem do you think each of the following are … Noisy neighbours or loud parties, Teenagers hanging around on the streets, Rubbish and litter lying around, Vandalism, graffiti and other deliberate damage to property or vehicles, People using or dealing drugs, People being drunk or rowdy in public places and Abandoned or burnt out cars?
### Theme: Better Home

<table>
<thead>
<tr>
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<th>Direct orate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2009/10</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Target 2012/13</th>
<th>Benchmarking London Average</th>
<th>Benchmarking National Average</th>
<th>Trend</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>56</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of people satisfied with libraries$^6$</td>
<td>Bi-Annual</td>
<td>71%</td>
<td>N/A</td>
<td>73%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>↑</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>ACS</td>
<td>Local</td>
<td>The percentage of people satisfied with parks and open spaces$^6$</td>
<td>Bi-Annual</td>
<td>66%</td>
<td>N/A</td>
<td>70%</td>
<td>N/A</td>
<td>Not applicable – Local measure</td>
<td>↑</td>
<td>G</td>
<td></td>
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</table>

$^6$From the residents survey (previously the place survey)

### Theme: Health and Wellbeing

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<th>Target 2012/13</th>
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<th>Benchmarking National Average</th>
<th>Trend</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>ACS</td>
<td>Convergence</td>
<td>Mortality rate from all circulatory diseases at ages under 75 (per 100,000)$^9$</td>
<td>Annual – Calendar year</td>
<td>97.03 (2009)</td>
<td>84.33 (2010)</td>
<td>2011 data available Dec 2012</td>
<td>&lt;25 point gap with London average</td>
<td>68.16</td>
<td>64.67</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>59</td>
<td>ACS</td>
<td>Convergence</td>
<td>Mortality from all cancers at ages under 75 (per 100,000)$^9$</td>
<td>Annual – Calendar year</td>
<td>143.57 (2009)</td>
<td>124.03 (2010)</td>
<td>2011 data available Dec 2012</td>
<td>&lt;10 point gap with London average</td>
<td>102.85</td>
<td>108.05</td>
<td>↑</td>
<td>A</td>
</tr>
<tr>
<td>60a</td>
<td>ACS</td>
<td>Convergence</td>
<td>Life expectancy (in years) – Males$^9$</td>
<td>Annual – Calendar 3 year average</td>
<td>76.5 (2007-2009)</td>
<td>77 (2008-2010)</td>
<td>2009-2011 data available Dec 2012</td>
<td>&lt;2 years gap with London average</td>
<td>79.0</td>
<td>78.58</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>60b</td>
<td>ACS</td>
<td>Convergence</td>
<td>Life expectancy (in years) – Females$^9$</td>
<td>Annual – Calendar 3 year average</td>
<td>81.0 (2007-2009)</td>
<td>81.1 (2008-2010)</td>
<td>2009-2011 data available Dec 2012</td>
<td>&lt;1.5 years gap with London average</td>
<td>83.3</td>
<td>82.57</td>
<td>↑</td>
<td>A</td>
</tr>
<tr>
<td>61</td>
<td>CS</td>
<td>Convergence / Local</td>
<td>The percentage of children in Year 6 who are obese 6$^{10}$</td>
<td>Annual – Academic Year</td>
<td>23.6%</td>
<td>24.2%</td>
<td>2011/12 academic year available Dec 2012</td>
<td>&lt;1% gap with London average</td>
<td>21.9%</td>
<td>19.0%</td>
<td>↓</td>
<td>R</td>
</tr>
</tbody>
</table>
### Theme: Health and Wellbeing

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Direct orate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2009/10</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Target 2012/13</th>
<th>Benchmarking</th>
<th>Trend</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>62</td>
<td>ACS</td>
<td>Convergence</td>
<td>No sport or physical activity (Percentage 0 times 30 minutes per week)⁹</td>
<td>Annual every October – 3 year average</td>
<td>58.4% (2008-2010)</td>
<td>61.4% (2009-2011)</td>
<td>Data due Dec 2012</td>
<td>&lt;1% gap with London</td>
<td>47.6%</td>
<td>47.8%</td>
<td>A</td>
</tr>
<tr>
<td>63</td>
<td>CS</td>
<td>Convergence</td>
<td>Percentage of pupils who participate in high quality PE and School Sport</td>
<td>Annual</td>
<td>88%</td>
<td>The survey from which this indicator was captured, has not been conducted by DfE since 2009/10. Local reporting yet to be decided.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>CS</td>
<td>Local</td>
<td>The percentage of children in reception who are obese¹⁰</td>
<td>Annual – Academic Year</td>
<td>14.1%</td>
<td>13.8%</td>
<td>2011/12 academic year available Dec 2012</td>
<td>TBC</td>
<td>11.1%</td>
<td>9.4%</td>
<td>R</td>
</tr>
</tbody>
</table>

⁹Annual calendar year E.g. 2009 calendar year reported as the 2009/10 end of year result

¹⁰Academic year E.g. 2009/10 end of year result relates to the 2009/10 Academic Year – September 2009 – August 2010

Taken from the Active People Survey.

---

### Theme: Better Future

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Direct orate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2009/10</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Target 2012/13</th>
<th>Benchmarking</th>
<th>Trend</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>CS</td>
<td>London Councils</td>
<td>Percentage of Looked After Children achieving 5 A*-C GCSEs (including English and Maths)</td>
<td>Annual – Academic Year</td>
<td>12.5%</td>
<td>20%</td>
<td>3.45% (provisional)</td>
<td>20.8%</td>
<td>14.4%</td>
<td>12.8%</td>
<td>R</td>
</tr>
<tr>
<td>66</td>
<td>CS</td>
<td>Convergence / London Councils</td>
<td>Percentage of pupils achieving Level 4 or above in both English and Maths at Key Stage 2</td>
<td>Annual – Academic Year</td>
<td>70%</td>
<td>71%</td>
<td>77% (provisional)</td>
<td>Achieve convergence</td>
<td>81%</td>
<td>80%</td>
<td>R</td>
</tr>
<tr>
<td>67</td>
<td>CS</td>
<td>Convergence</td>
<td>Young people from low income backgrounds progressing to higher education</td>
<td>Annual – Academic Year</td>
<td>2% (2007/08)</td>
<td>Awaiting publication</td>
<td>Awaiting publication</td>
<td>TBC</td>
<td>15% (2007/08)</td>
<td>18% (2007/08)</td>
<td>N/A</td>
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</table>

Provisional

TBC: To Be Confirmed

Awaiting publication
<table>
<thead>
<tr>
<th>Ref.</th>
<th>Directorate</th>
<th>Type of Indicator</th>
<th>Indicator</th>
<th>Frequency</th>
<th>Actual End of year 2009/10</th>
<th>Actual End of year 2010/11</th>
<th>Actual End of year 2011/12</th>
<th>Target 2012/13</th>
<th>Benchmarking London Average</th>
<th>Benchmarking National Average</th>
<th>Trend</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>F&amp;R</td>
<td>Convergence</td>
<td>Percentage of working age population with no qualifications¹⁴</td>
<td>Annual – Calendar Year</td>
<td>18.9% (2009)</td>
<td>17.0% (2010)</td>
<td>13.8% (2011)</td>
<td>Achieve convergence with London by 2015</td>
<td>9.3%</td>
<td>10.6%</td>
<td>↑</td>
<td>G</td>
</tr>
<tr>
<td>69</td>
<td>CS</td>
<td>Convergence</td>
<td>Achievement of a Level 3 qualification by the age of 19</td>
<td>Annual</td>
<td>40.3%</td>
<td>42.9%</td>
<td>Data due May 2013</td>
<td>55% by 2013</td>
<td>58.9%</td>
<td>54.5%</td>
<td>↑</td>
<td>R</td>
</tr>
<tr>
<td>70</td>
<td>CS</td>
<td>Convergence</td>
<td>Proportion of children living in families on key benefits to London average</td>
<td>Annual</td>
<td>36.6% (2009)</td>
<td>34.9% (2010)</td>
<td>Data due January 2013</td>
<td>&lt;5.6% gap with London</td>
<td>27.5%</td>
<td>20.6%</td>
<td>↑</td>
<td>R</td>
</tr>
<tr>
<td>71</td>
<td>F&amp;R</td>
<td>Local</td>
<td>Percentage of CO² reduction from Local Authority operations</td>
<td>Annual</td>
<td>24.7%</td>
<td>-5.17%</td>
<td>1.59%</td>
<td>3% increase</td>
<td>Not applicable – Local measure</td>
<td></td>
<td>↑</td>
<td>G</td>
</tr>
</tbody>
</table>

¹² Academic year E.g. 2009/10 end of year result relates to the 2009/10 Academic Year – September 2009 – August 2010

¹⁴ There is a significant time lag in the publication of data by DfE.

This indicator is not collected across 5 of the 6 Host Boroughs. It may be deleted.
Appendix E: Complaints and Member enquiries report Quarter 2 2012/13 and 2011/12

<table>
<thead>
<tr>
<th>BOROUGHWIDE</th>
<th>2011/12</th>
<th>2012/13</th>
<th>OPEN CASES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>No. Received</td>
<td>534</td>
<td>491</td>
<td>519</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>289</td>
<td>309</td>
<td>295</td>
</tr>
<tr>
<td>% Within</td>
<td>54% (R)</td>
<td>63% (R)</td>
<td>57% (R)</td>
</tr>
<tr>
<td>% Agreed</td>
<td>61%</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>% Partly Agreed</td>
<td>13%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>% Not Agreed</td>
<td>25%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>No. Received</td>
<td>127</td>
<td>149</td>
<td>106</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>82</td>
<td>94</td>
<td>66</td>
</tr>
<tr>
<td>% Within</td>
<td>65% (R)</td>
<td>63% (R)</td>
<td>62% (R)</td>
</tr>
<tr>
<td>% Agreed</td>
<td>43%</td>
<td>42%</td>
<td>45%</td>
</tr>
<tr>
<td>% Partly Agreed</td>
<td>24%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>% Not Agreed</td>
<td>33%</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>No. Received</td>
<td>28</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>20</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>% Within</td>
<td>71% (R)</td>
<td>74% (R)</td>
<td>62% (R)</td>
</tr>
<tr>
<td>% Agreed</td>
<td>46%</td>
<td>41%</td>
<td>35%</td>
</tr>
<tr>
<td>% Partly Agreed</td>
<td>25%</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>% Not Agreed</td>
<td>25%</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>No. Received</td>
<td>608</td>
<td>606</td>
<td>673</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>498</td>
<td>480</td>
<td>539</td>
</tr>
<tr>
<td>% Within</td>
<td>82% (G)</td>
<td>79% (A)</td>
<td>80% (G)</td>
</tr>
<tr>
<td>No. Received</td>
<td>370</td>
<td>388</td>
<td>302</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>280</td>
<td>291</td>
<td>221</td>
</tr>
<tr>
<td>% Within</td>
<td>76% (A)</td>
<td>75% (A)</td>
<td>73% (R)</td>
</tr>
<tr>
<td>No. Received</td>
<td>256</td>
<td>293</td>
<td>283</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>172</td>
<td>192</td>
<td>216</td>
</tr>
<tr>
<td>% Within</td>
<td>71% (R)</td>
<td>66% (R)</td>
<td>76% (A)</td>
</tr>
<tr>
<td>No. Received</td>
<td>27</td>
<td>33</td>
<td>11</td>
</tr>
<tr>
<td>No. Responded Within</td>
<td>26</td>
<td>25</td>
<td>9</td>
</tr>
<tr>
<td>% Within</td>
<td>96% (G)</td>
<td>76% (A)</td>
<td>82% (G)</td>
</tr>
<tr>
<td>Key</td>
<td>Description</td>
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<td></td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>S1</td>
<td>Stage 1 complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S2</td>
<td>Stage 2 complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S3</td>
<td>Stage 3 complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGO</td>
<td>Local Government Ombudsman complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>Member enquiries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MP</td>
<td>Member of Parliament enquiries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOI</td>
<td>Freedom of Information requests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DP</td>
<td>Data Protection access requests</td>
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### Rating and target

<table>
<thead>
<tr>
<th>Rating</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>(R)</td>
<td>Red 0-74%</td>
</tr>
<tr>
<td>(A)</td>
<td>Amber 75-79%</td>
</tr>
<tr>
<td>(G)</td>
<td>Green 80%+</td>
</tr>
</tbody>
</table>
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**Public Accounts and Audit Select Committee**

**30 January 2013**

**Title:** Debt Management Six Monthly update: Debt Management Performance and Write-Offs 2012/13 (Quarter 2)

### Report of the Cabinet Member for Finance

<table>
<thead>
<tr>
<th>Open Report</th>
<th>For Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wards Affected:</strong> None</td>
<td><strong>Key Decision:</strong> No</td>
</tr>
</tbody>
</table>

**Report Author:** Jonathan Bunt, Divisional Director Finance

**Accountable Divisional Director:** Jonathan Bunt, Divisional Director Finance

**Accountable Director:** Graham Farrant, Chief Executive

### Summary

The report attached was considered by Cabinet on 19 December and is now presented to PAASC for its consideration.

### Recommendation(s)

PAASC is asked to:

(i) note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of bailiffs; and

(ii) note the debt write-offs for the second quarter of 2012/13 and that a number of these debts will be publicised in accordance with the policy agreed by Cabinet.

### Reason

Assisting in the Council’s Policy House aim of ensuring a well run organisation delivering its statutory duties in the most practical and cost-effective way. It will ensure good financial practice and adherence to the Council’s Financial Rules to report on debt management performance and total debt write-off each quarter.
Title: Debt Management Performance and Write-Offs 2012/13 (Quarter 2)

Report of the Cabinet Member for Finance

**Open Report**

**Wards Affected:** None

**Report Author:** Jonathan Bunt, Divisional Director Finance

**Accountable Divisional Director:** Jonathan Bunt, Divisional Director Finance

**Accountable Director:** Graham Farrant, Chief Executive

**Contact Details:**
Tel: 0208 724 8427
E-mail: Jonathan.Bunt@lb bd.gov.uk

**Summary**

This report sets out the performance of the Council’s joint venture company, Elevate East London, in carrying out the debt management function on behalf of the Council and covers the second quarter of the year 2012/13. It also includes details of debt written off in accordance with the write off policy approved by Cabinet on 18 October 2011.

**Recommendation(s)**

Cabinet is asked to:

(iii) note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of bailiffs; and

(iv) note the debt write-offs for the second quarter of 2012/13 and that a number of these debts will be publicised in accordance with the policy agreed by Cabinet.

**Reason**

Assisting in the Council’s Policy House aim of ensuring a well run organisation delivering its statutory duties in the most practical and cost-effective way. It will ensure good financial practice and adherence to the Council’s Financial Rules to report on debt management performance and total debt write-off each quarter.

1. **Introduction and Background**

1.1 The Council’s Revenues, Benefits, General Income and Rents Service is operated by the Council’s joint venture company Elevate East London LLP (Elevate). The service is responsible for the management of the Council’s debt falling due by way of statutory levies and chargeable services.
This report sets out the performance for the second quarter of 2012/13 and covers the overall progress of each element of the service for the year so far. In addition it summarises the debts that have been agreed for write off in accordance with the Council’s Financial Rules. Write offs in the second quarter have been actioned in accordance with the Council’s debt management policy agreed on 18 October 2011.

2. Proposal and Issues

2.1 Set out below is the performance for quarter 2 of 2012/13 and highlights of the improvements made by Elevate for each of the functions of the Revenues Service during the year.

Table 1: Collection Rate Performance - 2012/13 Quarter 2

<table>
<thead>
<tr>
<th>Type of Debt</th>
<th>Target 2012/13</th>
<th>Profiled target for Quarter 2</th>
<th>Quarter 2 Performance</th>
<th>Difference</th>
<th>Amount Collected Qtr 2 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Tax</td>
<td>94.5%</td>
<td>55.2%</td>
<td>55.5%</td>
<td>+0.3</td>
<td>£28.8</td>
</tr>
<tr>
<td>NNDR</td>
<td>97.1%</td>
<td>56.6%</td>
<td>55.5%</td>
<td>-1.1%</td>
<td>£31.8</td>
</tr>
<tr>
<td>Rents</td>
<td>96.80%</td>
<td>96.80%</td>
<td>96.56%</td>
<td>-0.24%</td>
<td>£48.1</td>
</tr>
<tr>
<td>Leaseholder</td>
<td>86.26%</td>
<td>42.27%</td>
<td>44.09%</td>
<td>+1.82%</td>
<td>£1.6</td>
</tr>
<tr>
<td>General Income</td>
<td>99.62%</td>
<td>62.96%</td>
<td>64.88%</td>
<td>+1.92%</td>
<td>£6.6</td>
</tr>
</tbody>
</table>

Council Tax performance and service improvements

2.2 Council Tax collection at the end of the second quarter finished 0.3% above the target. The percentage collection was 55.5%, equating to £28.8m of the £52.4m Council Tax due for the full year. This continues the trend of improvement from 2011/12 when Council Tax collection improved by 1.2% compared to an average increase of 0.4% amongst LBBD’s family of councils[1]. It was also the highest collection rate achieved in the last ten years despite the challenging economic climate. In the second quarter of 2012/13, collection remains above the new higher target.

2.3 The main improvements implemented so far this year are:

- Continuing to improve the number of Council Tax payers paying by direct debit with an increase of 4.7% at the end of quarter 2.
- The new payment arrangement policy introduced last year has seen an increase in arrears collection for quarter 2 by £120k.

Quality checking of the Council Tax team was undertaken in quarter 2 and workshops with staff undertaken.

Attachments of earnings have increased since the beginning of the year with 1,130 attachments of earnings now in place compared to 897 at the end of quarter 4 2011/12.

Quality checking of the call centre has taken place after a training needs analysis (TNA) was completed in quarter 1. Mentoring sessions for call centre staff have commenced to ensure Council Tax callers have their enquiry dealt with effectively and in full at first point of contact.

A TNA was completed by the One Stop Shop staff in quarter 2 and plans are being set-up to deliver the above improvement to front line services.

NNDR performance quarter 2 and service improvements

2.4 NNDR collection at the end of the second quarter 55.5%, equating to £31.8m of the £57.3m debt due for the whole year. This is 1.1% below the target.

2.5 Although the collection rate is below the target for the year this has been affected by the government scheme allowing business rates payers the option to defer payment over 2012/13 and 2013/14 on an element of the charge related to the annual increase. This scheme was introduced during 2012/13 after collection targets for the year had been set. A total of £210,498 has been deferred this year resulting in a reduction of 0.36% to the collection rate. Allowing for this the collection rate is in line with the collection achieved last year, however, it is still below the target increase in collection required.

2.6 Work in quarter 3 will be focused on detailed analysis of accounts with arrears to ensure the correct recovery action is in place and that each recovery stage is moved through rapidly. Contact is made with businesses on a one to one basis to understand their financial situation and assist in payments arrangements being set up. Recovery activity has already increased this year reflecting the difficult economic climate businesses are facing.
2.7 The main improvements in NDDR are:

- All work now up to date
- Over 90% of calls answered.
- Quality checking of processed work was undertaken in quarter 2. Accuracy was good but staff workshops have been organised to improve accuracy further and ensure each piece of work is dealt with in full at first point of contact.
- Detailed analysis of accounts with arrears is underway to ensure the correct recovery action is in place.

Rents collection performance and service improvements

2.8 At the end of quarter 2 rent collection achieved was 96.56%, which is 0.24% below the target performance of 96.80%.

2.9 For 2012/13 the House Mark measure for rent collection has been adopted which is different from the former Rents performance indicator (PI), known as “BV 66a”.

2.10 The new PI measures collection performance in respect of current year collection and includes arrears brought forward from the previous financial year. The definition is different in a number of aspects to that of BV66a, so this year’s collection cannot be directly compared with 2011/12. At the end of September the collection for the financial year is £48.2m of the £99.7m which is projected as the collectable amount for the whole year.

2.11 Collection performance was slightly behind target at the end of September but during October the position improved with performance moving to 0.12% behind target at the end of the month.

2.12 An end to end process review to encompass all actions that affect rent collection commenced in April with a focus on ensuring income is maximised and unnecessary arrears are minimised. The processes that have been revised or are in progress so far are:

- sign up for new tenancies
- settling in visits
- tenancy closures
- eviction process

2.13 One of the key aims of the review is to ensure that intervention for vulnerable tenants, that need help in managing their finances, is commenced at an earlier stage. Thus, sign up and settling procedures are now designed to identify when additional support is needed and to put in place additional assistance. This carries through to the eviction stage where the aim is to evict lower numbers of vulnerable tenants that would require further assistance from the Council following eviction. In the initial stages of this revision work a fall off of one-off payments has been seen from those threatened with potentially losing their property. The full year effect of this is estimated at 0.17% of collection. This is being monitored closely to ensure
that the needs of tenants and the requirement to collect rent owing to the Council are balanced appropriately.

2.14 The main improvements in rents are:

- The Capita IT system has been stabilised with system reports on cases that need arrears action now working reliably. This means that tenants have received arrears letters on time and at an earlier stage this year. The rents team is now in a position to take action on debt at levels when there is still a realistic prospect of tenants making arrangements to clear the debt in the current financial year.

- Seeking to persuade tenants to make arrears clearance their priority to avoid Court action. A dedicated Rents / Benefits liaison officer ensures that tenants receive all housing benefit they are entitled to and rent officers direct them to money advice services where possible.

- The introduction of on line applications for court possession hearings reducing court costs and saving officer time.

- The Council has launched a quarterly prize draw to promote DD that offers one prize of £250 and two of £100. To qualify tenants must have been paying by DD for the previous 2 months and must not be in arrears. Two prizes have been awarded by Councillor Waker with publicity used to incentivise further sign up of direct debits in the second half of the year.

- The team continue to look at options to ensure smarter working and, in particular, ensuring offering a joined up service with Housing Management. The review of the end to end process has resulted in the implementation of new procedures with Housing management for sign up to tenancies and settling in visits to ensure that the prevention of rent arrears. Work is also nearing completion to ensure that tenancy closure procedures mitigate the risk of rent arrears arising.

- To ensure HB take up is maximised at tenancy sign up, Dagenham Library have recently joined the Barking Learning Centre in dealing with Housing Benefit assessments when customers sign up for new tenancies. Furthermore, a housing benefit officer has been attached to the Rents Team from early July 2012 to ensure that we maximise benefit payable and to broaden the knowledge of the team generally on claim criteria. The officer concerned won the Council’s STAR awards for excellence in customer service.

- On line access to rent account balances and to order a Rent payment card became available from July 2012. SMS texting was introduced in quarter 3 of 2011/12 so that lower level arrears cases receive a text message in addition to a standard arrears letter and tenants can text to find out their rent account balance.

General Income

2.15 General Income is used to describe the ancillary sources of income available to the Council and which support the cost of local service provision. Examples of area from which the Council derives income include; charges for social care,
rechargeable works for housing, nursery fees, trade refuse, truancy penalty notices, hire of halls and football pitches. Oracle is used for the billing of these debts and collection performance across all these debts is reported together.

2.16 Collection is 1.92% above target at the end of September. All debts are monitored on a regular basis to ensure that appropriate action is being taken and that debt is pursued quickly.

2.17 The collection of Leasehold Service Charges and Penalty Charge Notices are monitored through separate computer systems and the performance of these is reported separately.

General Income: Leaseholders performance and service improvements

2.18 For the charges for 2012/13 and for the arrears of previous years, collection at the end of September stood at a total of £1.6m from a debit of £3.7m, a collection rate of 44.09%. This is 1.82% above the target for the end of this quarter 2.

2.19 The main area of improvement in respect of leaseholder arrears is the additional resource that has been added to the Court Team. This has enabled more detailed and pro-active recovery in a quicker time scale. Reminder letters with greater detail to advise debtors have been manually produced and mediation work has been carried out.

Penalty Charge Notices

2.20 This recovery work only includes debts due to Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements once a warrant has been obtained from the Traffic Enforcement Centre (TEC). The majority of these relate to parking infringements and Elevate enforce these warrants through bailiffs and monitor their performance. Overall collection rates on PCNs will be reported by Environmental and Enforcement Services (Parking Services).

2.21 The number of warrants related to PCNs from December to the end of September sent to bailiffs is 18,647 totalling £3.5m. The target is to collect 18% on each batch and the actual collection performance on a batch of warrants can only be measured when a warrant expires after 12 months. The first batch will expire in December 2012.

2.22 Performance monitoring of bailiffs is in place to improve collection and warrants for collection are sent to the bailiff with the better performance. Currently JBW have been provided with the latest batches following poor performance by Newlyn and on current performance will achieve a collection rate above 18%.

Fairer Contribution Charging

2.23 The Council’s Fairer Contribution Policy commenced from October 2011.

2.24 These debts are reported separately to track the debt collection performance on the increased level of debt resulting from the new policy.

2.25 The agreed measure for performance reporting was the percentage collected on debt over 120 days old.

2.26 Detailed below is the performance as at the end of September 2012.
Residential care

<table>
<thead>
<tr>
<th>Invoices</th>
<th>Debit raised</th>
<th>Total collected</th>
<th>Collection rate</th>
<th>Target</th>
<th>Difference</th>
<th>Uncollected</th>
</tr>
</thead>
<tbody>
<tr>
<td>120+ days</td>
<td>£2,053,106</td>
<td>£1,717,857</td>
<td>83.67%</td>
<td>90%</td>
<td>6.33%</td>
<td>£335,249</td>
</tr>
</tbody>
</table>

Homecare

<table>
<thead>
<tr>
<th>Invoices</th>
<th>Debit raised</th>
<th>Total collected</th>
<th>Collection rate</th>
<th>Target</th>
<th>Difference</th>
<th>Uncollected</th>
</tr>
</thead>
<tbody>
<tr>
<td>120+ days</td>
<td>£432,510</td>
<td>£387,413</td>
<td>89.57%</td>
<td>90%</td>
<td>0.43%</td>
<td>£45,097</td>
</tr>
</tbody>
</table>

2.27 Direct Debits are now in place with the first payments taken in August and promotion of direct debits is underway to increase take up. End to end process reviews are underway to maximise collection from the start of the service provision. A case by case analysis of accounts in arrears is underway. Given the nature of the client group each case must be reviewed to ensure the next recovery action is appropriate in liaison with Adult services.

Housing Benefit Overpayments

2.28 For 2012/13 a target for collection of £2.6m has been set. At the end of September the target has been exceeded by £199k, with a total of £1.5m collected so far this year.

2.29 A review of working methods has been undertaken and a number of changes have been made aimed at improving collection. The changes include:

- Shortening the cycle of demand letters so customers receive more prompt reminders to pay
- Enhanced use of county court judgements with the follow up actions of charging orders, forced sales and warrants of execution being utilised
- The process and recovery events have been reviewed and streamlined

Bailiff Performance

2.30 Currently Elevate use three bailiff companies, Newlyn, Equita and JBW. Bailiffs are used to collect for the following debts:

- Council Tax
- National Non Domestic Rates
- Benefit Overpayments
- Sundry Debts
- Commercial Rents
- Benefit overpayments.
- Car Parking
2.31 For Council Tax bailiff firms Newlyn and Equita are used to enforce non payment and Newlyn are used for the non payment of NNDR. A bailiff cannot be instructed to carry out this work until the Council has obtained a liability order at court. The bailiff will visit the property with the intention of collecting the debt or removing goods to the value of the debt.

2.32 Day to day working arrangements are in place so that the Council Tax team have access to the bailiff’s computer system and update individual cases in real time. Changes include amendments to debts, the recall of cases where appropriate and the making and updating notes on the system. Bailiffs will not remove goods without direct authorisation from the Council Tax manager. Bailiffs have direct access to council tax staff to check information and where swift action is required the Council Tax team can contact the bailiff companies by phone. The same arrangements exist for Business Rates.

2.33 Throughout the course of the year regular meetings are held with the bailiff companies to discuss performance and resource. Bailiffs are challenged to improve their performance and as part of this they are provided with information on how the other bailiffs are performing. Where necessary, the amount of work going to a bailiff will be reduced where performance is deemed to be too low. Bailiffs only collect their fees when they successfully recover debt for the Council.

2.34 Bailiff companies have by request ensured that where new cases are sent they increase the number of bailiffs working in the area to ensure that there is a minimal delay between the cases referral and first contact.

2.35 Below a certain level sundry debt cases are deemed to have too low a balance to make court action economically viable. Such debts are referred to the bailiff for collection who seek to recover the debt using letters and phone calls to make contact in order to collect the debt. Where internal methods of collection have failed, benefit overpayments are referred to the bailiff for collection. They will write to and phone the debtor and where this proves unsuccessful they will visit the property with the intention of collecting the debt.

2.36 In most cases once a debt has been referred to the bailiff and the bailiff has been unable to collect the debt and where other available avenues are not possible the only route left is to write the debt off. Details of the write offs in quarter two of 2012/13 are in paragraphs 2.43 to 2.45 and in appendices A, B and C.

2.37 Bailiff action is a key tool for the Council to recover overdue debts but is only one area of collection work.

2.38 Detail of bailiff performance by type of debt for quarter 1 and 2 of 2012/13 is set out in the table below.

2.39 Road traffic debt shows all work issued to the bailiff since 7 December 2012. This is because, unlike most court orders such as a liability order for council tax, a warrant for a road traffic parking or moving traffic offence has a 12 month time limit applied to it after which it can no longer be enforced.
Council Tax

<table>
<thead>
<tr>
<th>Quarter 1 &amp; 2</th>
<th>Value of cases less returns</th>
<th>Total remitted</th>
<th>Collection rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>April – June</td>
<td>969,563.53</td>
<td>29,842.93</td>
<td>3.07%</td>
</tr>
<tr>
<td>July – September</td>
<td>2,194,052.29</td>
<td>84,448.11</td>
<td>3.85%</td>
</tr>
</tbody>
</table>

NNDR

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of cases less returns</th>
<th>Total remitted</th>
<th>Collection rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>£151,208</td>
<td>£43,084</td>
<td>28.49%</td>
</tr>
</tbody>
</table>

General Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of cases</th>
<th>Total remitted</th>
<th>Collection Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>47,397.18</td>
<td>7,128.17</td>
<td>15%</td>
</tr>
</tbody>
</table>

Commercial Rent

<table>
<thead>
<tr>
<th>Year</th>
<th>Number referred to bailiff April to September</th>
<th>Value Referred to bailiff April to September</th>
<th>Amount Collected by bailiffs April to September</th>
<th>% Collected by bailiffs April to September</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>10</td>
<td>23,243.15</td>
<td>7,607.68</td>
<td>32.73%1</td>
</tr>
</tbody>
</table>

Road Traffic Debt

| Warrants issued from | Number of batches | Value of cases less returns | Total remitted2 | |
|----------------------|-------------------|-----------------------------|-----------------| |

Write off process

2.40 In some instances, despite all the measures that have been taken to collect the monies owed to the Council, it is the case that some debts will remain unpaid. In such cases, when all available economic avenues of collection have been exhausted, debts have to be considered for write off.

1 Bailiff performance is higher for this line of debt as failure to pay will lead to a loss of tenancy by the business.
2 Performance is measured on a batch basis on the expiry of each batch when it is 12 months old. The first batch will expire in December 2012.
2.41 The write-off of debt allows the service to focus on debts that are more likely to be
recovered. At the same time the Council makes provision within its accounts for
debts that are likely to be written-off.

2.42 The write-offs presented in this report fall into two broad categories. Firstly, debts
Elevate is unable to collect on the Council’s behalf because for example the
customer is deceased and there is no estate, the customer has gone away and
cannot be traced, or the age of the debt precludes recovery. Secondly, there are
cases where it is uneconomic to collect.

Debt Write-off: Quarter 2 2012/13

2.43 The value of debts written off for the second quarter of 2012/13, i.e. July to
September 2012 total: £765,984 (see Appendix A). In the first quarter £464,486
was written off (Appendix A).

2.44 Of the 504 debts written off the three main reasons were that for 21.78% the debtor
had absconded and could not be traced, for 32.67% it was deemed uneconomical
to pursue the debt and for 9.11% the debtor was insolvent.

2.45 In 2011/12 almost £2.4m was written off (Appendix B).

Publication of individual details of debts written off (Appendix C)

2.46 A number of local authorities publicise the details (names, addresses etc.), of
residents who have had debts written off. In the majority of cases, these debts
have been written off where the debtor has absconded.

2.47 The Council agreed in November 2007 (Minute 69, 6 November 2007) that a list
showing the details of debtors, who have had debts written off, would be attached to
this report. A list has been attached at Appendix C. The list has been limited to the
top ten debts only.

2.48 As was previously outlined within the 6th November 2007 Cabinet report, it was
recommended that the following types of debt write offs are excluded from this
publicised list:

a) Debts that have been written off following a corporate complaint being upheld;
b) Debts that have been written off due to the debtor falling within one of the
vulnerable groups (e.g. elderly, disabled, infirm etc.);
c) Where the original debt was raised in error;
d) Where debts have been written off, but no legal action has been taken to prove
that the debt was legally and properly due;
e) Where the debt has been written off following bankruptcy or insolvency action
(the majority of these cases will be individually publicised).

2.49 The exclusion of the category of debts listed above will eliminate the possibility of
any unnecessary and potentially costly legal challenges from debtors, who take
issue with their details being publicised. It is intended that where the details or
whereabouts of debtors become known following publication, those debtors will be
pursued as far as is possible, to secure full payment of the debt.

2.50 The list provided at Appendix C does not include debts or debtors that fall within
categories a-e above, so the list as it stands can be publicised.
3. Options Appraisal

3.1 This is not relevant for an information report.

4. Consultation

4.1 This is not relevant for this information report.

5. Financial Implications

5.1 As part of the closure of the Council's accounts each year, a review of outstanding debts is made and an estimate of bad and doubtful debts is provided for. All write offs in year are made against that provision. The level of bad debts proposed and agreed for write off is monitored quarterly against the provision made at year end.

5.2 Improvements in the pursuit and collection of debt enables the Council to make a lower provision and improves the level of balances and reserves though debts are only pursued to the point that it is economically sensible to do so.

6. Legal Implications

6.1 The pursuit of debts owed to the Council is a fiduciary duty. The Council seeks to recover money owed to it by the courts once all options are exhausted. Not all debt will be recovered and a pragmatic approach has to be taken with debts as being on occasions, uneconomical to recover in terms of the cost of process and the means of the debtor to pay. As observed in the body of this report, in the case of rent arrears, a possession and subsequent eviction orders are a discretionary remedy and the courts will on many occasions suspend the possession order on condition the tenant makes a contribution to their arrears. The Councils decision to utilise Introductory Tenancies will over time begin to have an impact as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy.

6.2 The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

7. Other Implications

7.1 Risk Management - No specific implications save that of this report acting as an early warning system to any problems in the area of write off's.

Background Papers Used in the Preparation of the Report:

- Continuous Service Improvement Plans (CSIPs) for Revenues Service areas.

List of appendices

- Appendix A – Debt Write Off Table for Quarter 2 2012/13 and totals for Quarter 1
- Appendix B – Debts written off in 2011/12
- Appendix C – Top Debts Written Off
### Table 1: Debts Written Off during Qtr 2 2012/13

<table>
<thead>
<tr>
<th>Write-offs</th>
<th>Housing Benefits</th>
<th>General Income Debts</th>
<th>Former Tenant Arrears</th>
<th>Rents</th>
<th>Council Tax</th>
<th>NNDR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jul-12</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 2k</td>
<td>1,717.64</td>
<td>8,875.86</td>
<td>46,843.54</td>
<td>0.00</td>
<td>38,445.60</td>
<td></td>
<td>95,882.64</td>
</tr>
<tr>
<td>Over 2k</td>
<td>0</td>
<td>0</td>
<td>109,879.39</td>
<td>2,566.20</td>
<td>175,125.36</td>
<td></td>
<td>287,570.95</td>
</tr>
<tr>
<td>Over 10k</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>122,617.16</td>
<td>122,617.16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,717.64</td>
<td>8,875.86</td>
<td>156,722.93</td>
<td>2,566.20</td>
<td>213,570.96</td>
<td>122,617.16</td>
<td>506,070.75</td>
</tr>
<tr>
<td><strong>Aug-12</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 2k</td>
<td>14,948.52</td>
<td>2,766.75</td>
<td>0</td>
<td>0</td>
<td>25,579.43</td>
<td></td>
<td>43,294.70</td>
</tr>
<tr>
<td>Over 2k</td>
<td>10,651.32</td>
<td>4,204.52</td>
<td>0</td>
<td>0</td>
<td>121,481.76</td>
<td></td>
<td>136,337.60</td>
</tr>
<tr>
<td>Over 10k</td>
<td>0.00</td>
<td>0.00</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,599.84</td>
<td>6,971.27</td>
<td>0.00</td>
<td>0.00</td>
<td>147,061.19</td>
<td>0</td>
<td>179,632.30</td>
</tr>
<tr>
<td><strong>Sep-12</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 2k</td>
<td>7,302.24</td>
<td>1,747.54</td>
<td>47,598.05</td>
<td>511.62</td>
<td>0</td>
<td>0</td>
<td>57,159.45</td>
</tr>
<tr>
<td>Over 2k</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6,270.28</td>
<td>0</td>
<td>0</td>
<td>6,270.28</td>
</tr>
<tr>
<td>Over 10k</td>
<td>16,851.26</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0</td>
<td>16,851.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,153.50</td>
<td>1,747.54</td>
<td>47,598.05</td>
<td>6,781.90</td>
<td>0</td>
<td>0.00</td>
<td>80,280.99</td>
</tr>
<tr>
<td><strong>Quarter 2 Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>765,984.04</td>
</tr>
</tbody>
</table>

### Table 2: Debts Written Off during Qtr 1 2012/13

<table>
<thead>
<tr>
<th>Write-offs</th>
<th>Housing Benefits</th>
<th>General Income Debts</th>
<th>Former Tenant Arrears</th>
<th>Rents</th>
<th>Council Tax</th>
<th>NNDR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quarter 1 Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£464,486.13</td>
</tr>
</tbody>
</table>
### Table 2: Debts written off during 2011/12

<table>
<thead>
<tr>
<th>Write Offs</th>
<th>Housing Benefits</th>
<th>General Income Debts</th>
<th>Former Tenant Arrears</th>
<th>Rents</th>
<th>PSL Homeless</th>
<th>Home Care</th>
<th>Residential Care</th>
<th>Council Tax</th>
<th>NNDR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>£260,487</td>
<td>£145,284</td>
<td>£987,383</td>
<td>£2,808</td>
<td>£N/A</td>
<td>£0</td>
<td>£0</td>
<td>£205,789</td>
<td>£772,683</td>
<td>£2,374,433</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 3: Debts written off during 2012/13 YTD

<table>
<thead>
<tr>
<th>Write Offs</th>
<th>Housing Benefits</th>
<th>General Income Debts</th>
<th>Former Tenant Arrears</th>
<th>Rents</th>
<th>Council Tax</th>
<th>NNDR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>£54,589</td>
<td>£41,363</td>
<td>£246,424</td>
<td>£15,636</td>
<td>£712,253</td>
<td>£160,206</td>
<td>£1,230,470</td>
</tr>
<tr>
<td>YTD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAME</td>
<td>AMOUNT</td>
<td>DEPARTMENT</td>
<td>REASON</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>----------</td>
<td>--------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Tuck</td>
<td>£ 4,834.52</td>
<td>COUNCIL TAX</td>
<td>Customer liable for council tax for period 18.10.99 to 07.03.10. Council tenant. Very poor payment history – only ever received a few lump sum payments and that was following recovery action. Recovery action taken included visits to property from Enforcement Officers, use of bailiffs &amp; statutory demand served (no assets, so would not be suitable for further bankruptcy proceedings). Case was referred to consider committal, but customer was then evicted 07.03.10. All relevant tracing checks carried out, but neither Council tax nor Rents could locate Mr Tuck. Rent arrears exceeding £4k also had to be written off.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lisa Tonner</td>
<td>£ 4,791.62</td>
<td>COUNCIL TAX</td>
<td>Customer was made liable as tenant of property for period 02.06.03 to 02.02.09. Customer was placed in LBBD by LB of Newham and it appears she should have been in receipt of CTB, but she failed to claim/provide info/evidence requested, despite several attempts by various Officers to advise and assist customer on this issue over the years. CTB was therefore never paid. Customer did not pay any money towards account voluntarily for the duration of her tenancy. Action was taken to recover the debt, including use of bailiffs, visits to property by Enforcement Team and then eventually AOB was implemented. The payments received from DSS are the only payments ever received on account, which were not enough to clear almost 6 years' worth of bills. Customer left property leaving arrears. All relevant tracing checks were carried out without success, so debt had to be written off.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edson Vilhena</td>
<td>£ 4,546.94</td>
<td>COUNCIL TAX</td>
<td>Customer was legal tenant of property from 23.05.03 to 30.06.11. He was placed in LBBD by LB of Newham and claimed some CTB, but did not get full benefit. No CTB paid after 2007. Attempts made to recover the arrears included visits to the property from Enforcement Team, use of bailiffs and attachment of benefit. Only £105.30 was received in payments for the duration of tenancy. Visits to the property and info received from other Council Depts suggested customer was not resident in property, but may have been sub-letting it out, which made it difficult to contact the customer. Tenancy ended, leaving large arrears. All relevant tracing checks were carried out, including contacting LB of Newham Homeless Unit, but no</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Council Tax</td>
<td>Details</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edward Pliva</td>
<td>£4,451.83</td>
<td>Customer was tenant of property from 01.09.08 to 10.01.12. A backdated account was opened on 20.02.10, following proof of tenancy received from landlord. No contact or payment was ever received from the customer. Bailiffs were unable to recover the debt and returned the case 'nulla bona' (nothing of value). All relevant tracing checks were carried out after the customer vacated the property, but a forwarding address could not be located, so the account had to be written off.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ayaki Tetede</td>
<td>£3,330.26</td>
<td>Customer was legal tenant for period 27.11.06 to 11.09.11. Initially, he was awarded a student exemption for period 27.11.06 to 12.06.09, but it was then found through a housing application received and electoral records, that other adults were occupying the property, so the exemption was later withdrawn. It was also discovered that Mr. Tetede was not resident and subletting the property to others and his Council tenancy was accordingly terminated. No payment towards council tax was received for the duration of the tenancy and customer also left rent arrears exceeding £8k. All relevant tracing checks were carried out without success, so the debt had to be written off. The rent arrears have also been passed for write off.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issac Dike</td>
<td>£3,092.64</td>
<td>Customer is owner of property and liable for period 01.04.99 to 14.09.09. Several attempts were made to contact the customer and recover the debt during this period, but Council were advised that he resides mainly abroad for work and that property is rented to a tenant (friend of landlord). A lot of work was done to get to the bottom of who should be liable for council tax – tenant or owner. Tenant was made liable from 14.09.09, but it was believed that he should have probably been liable from before this time. However, as tenant was on JSA and Council were unable to contact owner, Mark Wilson (Council Tax Manager at the time) authorised write off for the landlord’s account, as it was considered uneconomical to pursue the debt further. However, this property is currently being investigated again, as it is possibly an HMO and landlord would be liable if this is the case. Should owner be deemed liable for council tax again, the write off will be reversed and recovery will recommence.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peter Edmond</td>
<td>£2,922.96</td>
<td>Customer was tenant liable from 12.09.08 to 06.03.11. Account was opened on 20.03.09 and backdated to start of tenancy, following confirmation from bailiff attending property (in respect of previous tenant) that customer was new tenant and had shown his tenancy agreement as evidence of use of property.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
proof. No contact or payment was ever received from Mr Edmund for the duration of his tenancy. After he vacated the property, all relevant tracing checks were carried out without success. The only possible address found was in Scotland, but as Council could not confirm this was the same Mr Edmond, and as Scotland is out of court’s jurisdiction, no further action could be taken to recover the debt, so it needed to be written off.

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
<th>Tax Type</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waheed Lamido</td>
<td>£2,708.99</td>
<td>COUNCIL TAX</td>
<td>Customer liable as tenant of property from 14.03.09 to 01.07.11. Account was opened retrospectively on 26.10.11 following proof of tenancy received from landlord. As customer was not billed whilst he was resident, no payment was ever received from him during his tenancy. All relevant tracing checks were carried out, but Council were never able to locate Mr Lamido and there was no option other than to write the account off.</td>
</tr>
<tr>
<td>Willy Nkunku</td>
<td>£2,701.36</td>
<td>COUNCIL TAX</td>
<td>Customer held liable as tenant of property for period 17.12.07 to 03.08.10. Account was opened on 04.11.08 and backdated to start of tenancy, as per proof of tenancy received from landlord. No contact or payment was ever received from Mr Nkunku for the duration of his tenancy. Bailiffs were unable to recover any debt. Account was left in arrears after tenancy ended, so various tracing checks were carried out, but no forwarding address could ever be found. The debt therefore had to be written off.</td>
</tr>
<tr>
<td>P Eshilekun</td>
<td>£2,668.54</td>
<td>COUNCIL TAX</td>
<td>Customer was held liable as owner of the property from 08.10.04 to 27.06.08. Payment history during this period was very erratic, with only a few payments, totalling £724.22, received for the duration of liability. Course of action taken to recover the debt included use of bailiffs and visits to the property by Enforcement Officers. A bankruptcy warning letter was served at the address, but case was not suitable for this action as Council was unable to make contact with the customer in order to serve the paperwork. Case was therefore referred for a charging order, but the property was sold before this could be done. After the property had been sold and the account closed, Council attempted to trace customer’s forwarding address, but Mr Eshilekun could never be located and there was consequently no option other than to write the debt off.</td>
</tr>
</tbody>
</table>
**Title:** Benefits Service Recommendations  

**Report of:** Annette Cardy, Head of Revenues and Benefits, Elevate

<table>
<thead>
<tr>
<th>Open</th>
<th>For Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wards Affected:</strong> All</td>
<td><strong>Key Decision:</strong> No</td>
</tr>
</tbody>
</table>

**Report Author:** Annette Cardy

**Contact Details:**
- Tel: 020 8227 2693
- E-mail: annette.cardy@ElevateEastlondon.gov.uk

**Accountable Divisional Director:** Jonathan Bunt, Divisional Director, Finance

**Accountable Director:**

**Summary:** Report in response to recommendations agreed in the Scrutiny annual report presented to Assembly on 16th May 2012 regarding the Benefits service.

**Recommendation(s)**

That the committee notes the content of this report.

**Reason(s)**

To assist in the Policy House priority of a well run organisation delivering its statutory duties in the most practical and cost-effective way and improving the customer experience.

---

1. **Introduction and Background**

1.1 At the beginning of 2011 there was concern raised by Members regarding delays in processing of benefit claims.

1.2 The benefits service had recognised these delays and were inputting a new process, to be known as ‘Benefits Direct’ whereby customers would be seen by a benefit officer at the One Stop Shops and have their benefit award processed in one visit.

1.3 PAASC reviewed this new process and undertook a site visit to view the service.

1.4 PAASC noted that they were pleased with the progress that had been made and
the new Benefits Direct service. They made six recommendations to further improve the service for customers.

2. Proposal and Issues

2.1 The recommendations are detailed below:

- A “hotline” telephone number should be created and circulated to all elected members and relevant third sector groups
- An officer working group should be established to take ownership of benefit claims
- The language used in correspondence about benefit claims is improved, where legislation allows
- The “Housing Benefit and Council Tax Benefit Charter” should be given to all customers at the outset of their benefits claim and specifically referred to in other correspondence
- The Living & Working Select Committee (LWSC) considers multiple occupancy as a potential scrutiny review topic in 2012/13
- The Instant Claims Processing service offered in the One Stop Shops is protected from cuts in future rounds of budget savings

2.2 Below are the responses to these recommendations

3. Service Improvements

3.1 The Housing Benefit Service have a hotline number in place illustrated below in Appendix A. This number has been circulated to all Councillors.

3.2 The assessment team, who are part of the Housing Benefit Service have ownership of benefit claims, directed by the Benefits Management Team (BMT). Our established customer facing team (Benefits Direct) assess all new claims and changes brought in by customers to the One Stop Shops.

3.3 A key project to improve presentation and simplicity of all Housing Benefit letters is underway with completion due at the end of the year. The revised letter will seek to ensure clear and simple messages are conveyed to the customer, with more complicated information required by legislation moved to the end of the letter.

3.4 The Benefits Charter is available to all customers in the Barking Learning Centre and the Dagenham Library One Stop Shop. Assistance is provided to customers to help them access their accounts on the web, in line with the Council’s channel shift strategy.
3.5 Information on Multiple Occupancy is held and is available to be reviewed if requested by LWSC.

3.6 In the current climate, it is difficult to safeguard any specific service against cuts. Comprehensive reviews and Impact Assessments will be completed when services are faced with any cuts.

4. Consultation

None.

5. Financial Implications

None.

6. Legal Implications

None.

7. Risk Management

No risks identified.


No contractual issues identified

9. Staffing Issues

No staffing issues identified

10. Customer Impact

Customers benefit from direct contact with the Housing Benefit Service and experienced benefit officers via the Benefits Direct service.

11. Safeguarding Children.

No safeguarding children issues identified.

12. Health Issues

No health issues identified.

13. Crime and Disorder Issues

No crime and disorder issues identified.

14. Property / Asset Issues

No property/asset issues identified.

Background Papers Used in the Preparation of the Report:

None.

List of appendices:

Appendix A – Hotline number
LBBD BENEFITS HOTLINE #1

Nicola Ross
Complaints and Quality Assurance Officer
Elevate East London
Revenues and Benefits Service
90 Stour Road
Dagenham, London, RM10 7JD
T: 020 8724 8635
E: nicola.ross@elevateeastlondon.co.uk
W: www.elevateeastlondon.co.uk

LBBD BENEFITS HOTLINE #2

Lee Powell
Performance Manager Benefits
Elevate East London
Revenues and Benefits Service
90 Stour Road
Dagenham, London, RM10 7JD
T: 020 8227 2044
E: lee.powell@elevateeastlondon.co.uk
W: www.elevateeastlondon.co.uk
This page is intentionally left blank
Title: Revenues and Benefits Service

Report of: Annette Cardy, Head of Revenues and Benefits, Elevate

Open | For Information

Wards Affected: All | Key Decision: No

Report Author: Annette Cardy | Contact Details:
Tel: 020 8227 2693
E-mail: annette.cardy@ElevateEastlondon.gov.uk

Accountable Divisional Director: Jonathan Bunt, Divisional Director, Finance

Accountable Director:

Summary:
At its meeting on 25th July 2012 the debt management performance of Elevate, within the Revenues and Benefits service was reported to PAASC for the financial year 2011.12. From this report a number of questions and comments arose. The service was asked to bring a report back to PAASC addressing these. The report below sets out the responses to these questions.

Recommendation(s)

That the committee notes the content of this report.

Reason(s)
To assist in the Policy House priority of a well run organisation delivering its statutory duties in the most practical and cost-effective way and improving the customer experience.

1. Introduction and Background

At its meeting on 25th July 2012 PAASC agreed that the Revenue and Benefits service should produce a report which:

- Outlines the process or policy officers adhere to when escalating a case through the courts.
- Outlines the process or policy officers adhere to when calculating what a “reasonable payment” is.
• Outlines the 18 months of Elevate performance and the two years of Council performance prior to Elevate East London assuming control in relation to evictions and commencing court proceedings.
• Discusses revenues and benefits performance generally.
• Addresses the concerns raised by PAASC in relation to One Stop Shops.
• Addresses the hypothetical and potential conflict of the Council evicting a family, but then having a duty of care to re-house them if children or young people are involved.
• Whether the practice of processing cases “in one go” is affecting performance.

2. Proposal and Issues

Process used to escalate a case through the courts.

2.1. There is a general recovery policy which is set out below but our policy allows for tenants with identified individual needs to be engaged with differently. This requires foreknowledge of tenants’ individual circumstances having been noted by whoever has dealt with them previously.

2.2. Rents officers will put those with special circumstances “on hold” from recovery action or they will have made notes about how recovery must proceed e.g. in liaison with a support worker, or by sending e-mails only; large print letters etc.

2.3. Staff are required to seek to contact vulnerable tenants, through an identified relative or support worker, by telephone or by e-mailing them or carrying out a home visit, before they send a third reminder letter or take any more serious recovery action.

2.4. Staff will liaise with housing management where tenants have identified vulnerabilities/support needs, to propose that a case conference is held where a multi-agency approach is required.

2.5. The general policy for recovery is that prevention is best so the sign up process for tenants to sign for the new tenancy is used to impress upon tenants, their responsibility to be good neighbours and their primary responsibility to pay their rent. Officers place strong emphasis on tenants applying for housing benefit (HB) at this stage and they seek to persuade the tenant of the benefits of paying their rent by direct debit.

2.6. In terms of the escalation procedure for rent recovery as agreed with the Council the stages run as set out below, but it is important to emphasize that the process is rarely linear as the vast majority of those in arrears will contact us at one or more of the recovery stages and we will halt further action while we give them a chance to pay by instalments or give time for tenants to provide further information about HB or for them to dispute a particular rent charge etc.

2.7. The stages of recovery run as follows:

   o When a balance of one week’s rent is outstanding – a letter 1 is sent which is a mildly worded reminder to clear the debt. The tenant is invited to discuss any difficulties with the rents team.
○ If one week later the arrears have not been cleared or the tenant has not contacted to make an arrangement to clear the debt over an agreed period – a letter 2 is sent which warns that recovery action will be taken if the arrears are not cleared. The tenant is again urged to make contact with the rents team.

○ If one week later there has been no clearance of the debt or contact from the tenant which results in an agreement – a letter 3 will be sent which warns that a Notice of Seeking Possession will be served on the tenancy the following week unless the account is cleared or the tenant contacts to make an arrangement to clear the debt.

○ A minority of tenants are given “Introductory” tenancies and their Notice is required to be worded differently as they have restricted rights as tenants. They are served with a “Notice of Possession Proceedings” but it runs for the same time period and the same sanction follows if the debt is not tackled.

○ One week later unless the tenant has acted to clear the debt or to make an arrangement with us a Notice (NSP of NPP) will be served on the tenancy which gives the tenant five weeks to clear the debt.

○ The Notice is a legally prescribed document and it states that the Council is entitled to take them to the County Court if they have not cleared by the end of five weeks from the date of service on the Notice. The Notice advises the tenant that they might wish to seek legal advice.

○ Accompanying written advice tells the tenant to make contact to discuss the debt. All notices include a statement of expenditure and Income form which the tenant is invited to return to us.

○ Notice will not be served until a check has been made that the tenant has received a response to any claim for housing benefit that they have made or any additional information that they have supplied to the benefits team.

○ If at the expiry of the Notice rent arrears are high, more than four weeks rent due; the tenant will receive a letter warning them that they are on the point of being referred to Court and telling them that if the Council have to take the matter to Court for a Possession Order they are in imminent danger of losing their home and they will be liable for up to £245 in Court costs which LBBD will claim.

○ If arrears remain high and there is no agreement made by the tenant we apply for a Court hearing through LBBD’s Legal Department. Again we hold off doing so if there are any HB issues known to the benefits team. Once Legal approve the Possession claim we write to the tenant telling them that the application has been made to the Court. If tenants contact us at this stage we will halt legal proceedings if they reduce the arrears sufficiently.

○ The Court will not expect us to take a case for possession unless a minimum of four week’s rent is owed. Tenants who pay a reduced rent because of HB will only be taken to Court if they owe around £200 which could represent 20 weeks rent arrears.
Within a month of the submission to Court, the Court write to the tenant (and to us) setting out the Court hearing date, which will usually be around two months hence. The Court invites the tenant to attend and to return an income and expenditure form and a defense form setting out their defense to the claim. The Court invites the tenant to attend the hearing.

If a housing benefit claim is made at this stage or new information about a claim is submitted at this stage or the tenant makes a large reduction we would adjourn the hearing if necessary. The benefit claim would be processed as a priority in order to continue any action or ask the tenant makes an arrangement to pay the rent not covered by benefit.

A rents team officer attends the Court to present the Council's case. If the tenant attends the Judge listens to what the tenant has to say and decides whether an outright possession order should be made or whether an Order should be suspended on the basis of the tenant clearing the debt by installments'. The latter is the usual outcome. If an outright order is made it is usually made on the basis of it coming into effect after 28 days.

2.8. Most tenants will have made contact with us by the time they receive the letter and almost all will have contacted us by the time the Notice is served. Some will clear the whole debt or make a lump sum reduction of it but most will ask for time to pay. In most cases we will agree a further arrangement with the tenant. If tenants stick to their arrangement no further action will be taken. There are tenants who do not contact but who make payments off of the debt which will usually mean that we will not go to the next stage of recovery but instead wait and see whether payments continue.

2.9. In rare cases where the tenant has not contacted us by the time that the Notice of Seeking Possession has expired a home visit will be made to seek to speak to the tenant. If the tenant does not answer at the time or does not respond to the letter left the housing management officer is informed. The housing officer will make checks to see if the tenant appears to still be in occupation. If the tenant is deemed to have moved out housing can take steps to repossess the property and the tenancy will be closed so there would be no need to pursue a rent arrears possession case.

2.10. Tenants who do not keep to their arrangement are contacted by rents officers and reminded to pay. Officers enquire about tenant’s circumstances and if they wish to make a new arrangement because of changes to their circumstances officers will agree this. If tenants persistently fail to keep to arrangements the next stage of recovery will be progressed.

3. Process for calculating a reasonable re-payment schedule.

3.1. There can be no standard repayment plan as individuals have such varying financial circumstances. Rents officers ask the tenants why they have not kept up payments and this will often show that the tenant has had unexpected expenditure demands or they have other debts.

3.2. Staff are trained to ask the tenant why they have allowed arrears to build up and they will note what the tenant says. Staff are also trained to remind the tenant that
payment of rent is their first duty as a tenant. Much depends on what the tenant has said. If it is clear from what the tenant says that they are in a situation of having multiple debts staff will ask them what they can afford to pay.

3.3. Tenants who receive full HB are expected to pay the debt off at the prevailing level set by the Department of Work and Pensions – currently £3.55 per week. Tenants who are receiving welfare benefits but who are working are expected to pay a minimum of £5 per week off of the debt, but someone on higher earnings may be allowed to clear the debt at around £5 per week whilst they sort out their budgeting difficulties.

3.4. Staff always advise tenants who are experiencing difficulty to get immediate advice by ringing one of the free Money/Debt advice numbers that are advertised on the web site or to use the money advice services which are available from the children’s Centres in Barking or visit the Citizen Advice Bureau.

3.5. Our main concern is that we prevent a further increase in debt. Staff very often find themselves advising tenants that the weekly arrangement that the tenant is proposing seems unrealistically high, given their circumstances.

3.6. Staff always seek arrangements that are likely to be sustainable so they often ask for a lower weekly amount to be the agreed payment but they tell the tenant that if they want to pay more they can do so at any time. Again staff seek to persuade the tenant to pay by Direct Debit although many say they cannot because of Bank account and/or Bank charges issues.

4. Eviction Numbers

4.1. Table 1 below outlines the performance in the last 18 months of Elevate control and the two years of Council performance prior to Elevate East London in relation to evictions and commencing court proceedings.

4.2. The table below shows comparative recovery action figures from financial year 2008/9 up until 3rd August of this financial year i.e. 18 weeks. The figure of 520 in the 2010/11 column is an estimate based on Court Orders as records were not available.

4.3. The high numbers in 2011/12 were due to a backlog of cases which were passed to Elevate from LBBD, as the new Capita Housing system did not have the functionality to send out reminders for a number of months.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Possession applications</td>
<td>131</td>
<td>982</td>
<td>520</td>
<td>522</td>
<td>561</td>
</tr>
<tr>
<td>Orders obtained</td>
<td>152</td>
<td>499</td>
<td>259</td>
<td>398</td>
<td>458</td>
</tr>
<tr>
<td>Eviction applications</td>
<td>41</td>
<td>501</td>
<td>310</td>
<td>338</td>
<td>396</td>
</tr>
<tr>
<td>Evicted</td>
<td>20</td>
<td>141</td>
<td>89</td>
<td>107</td>
<td>160</td>
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<tr>
<td>Closing arrears</td>
<td>3,247,885</td>
<td>3,856,311</td>
<td>3,411,424</td>
<td>2,379,655</td>
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</tr>
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Table 1
5. Revenues & Benefits Performance

5.1. Table 2 below shows Elevate Revenues and Benefits performance against its key performance indicators as at the end of September 2012.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Description</th>
<th>Measure</th>
<th>Target 12/13</th>
<th>Target September 12</th>
<th>Actual September 12</th>
<th>Diff in cash or %</th>
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</thead>
<tbody>
<tr>
<td>KPI-06</td>
<td>Council Tax &quot;In Year&quot; Collection (BVPI-9)</td>
<td>%</td>
<td>94.50%</td>
<td>55.2%</td>
<td>55.5%</td>
<td>+0.3%</td>
</tr>
<tr>
<td>KPI-07</td>
<td>General Income Collection Rate(^1)</td>
<td>%</td>
<td>99.62%</td>
<td>62.96%</td>
<td>64.88%</td>
<td>+1.92%</td>
</tr>
<tr>
<td>KPI-08</td>
<td>Rents: &quot;In Year&quot; collection (BVPI-66a)</td>
<td>%</td>
<td>96.80%</td>
<td>96.80%</td>
<td>96.56%</td>
<td>-0.24%</td>
</tr>
<tr>
<td>KPI-09</td>
<td>General Income collection rate (Leaseholders)</td>
<td>%</td>
<td>86.26%</td>
<td>42.27%</td>
<td>44.09%</td>
<td>+1.82%</td>
</tr>
<tr>
<td>KPI-10</td>
<td>Overpayments Recovery Collection against Total Outstanding</td>
<td>%</td>
<td>£2.648m</td>
<td>£1,326k</td>
<td>£1,525k</td>
<td>+£199k</td>
</tr>
<tr>
<td>KPI-11</td>
<td>Revenues Arrears Collection (C Tax)</td>
<td>%</td>
<td>£1.2m</td>
<td>£600k</td>
<td>£849k</td>
<td>+£249k</td>
</tr>
<tr>
<td>KPI-12</td>
<td>Benefits: LA Error Threshold</td>
<td>% (Low)</td>
<td>0.38%</td>
<td>0.38%</td>
<td>0.47%</td>
<td>+0.09%</td>
</tr>
<tr>
<td>KPI-13</td>
<td>Benefits: Assessment Quality (Financial) Quarterly measure Q2 of 2012-13(^2)</td>
<td>%</td>
<td>85%</td>
<td>85%</td>
<td>92.86%</td>
<td>+7.86%</td>
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<td>KPI-14</td>
<td>Time taken to process HB/CTB New claims</td>
<td>Days (Low)</td>
<td>21</td>
<td>21</td>
<td>18.94</td>
<td>-2.06</td>
</tr>
<tr>
<td>KPI-14a</td>
<td>Time taken to process HB/CTB Change events</td>
<td>Days (Low)</td>
<td>15</td>
<td>19.18</td>
<td>22.41</td>
<td>+3.23</td>
</tr>
</tbody>
</table>

Table 2

Performance Summary:

Benefits:

- New Claims (KPI-14) processed in 18.94 days, performing higher than the target of 21 days.
- Changes in circumstances (KPI-14a) processed in 22.41 days, target 19.18 days. This is just below target as incoming work has increased significantly. Extra resources are being allocated to clear this work.
- LA error (KPI-12) is at 0.47% and above the target of 0.38%. Extra resources are being allocated to bring this back in line with target.

\(^1\) There is no monthly target. Comparison is with same point last year.
\(^2\) This will be available in the October report.
Council Tax:
- Council Tax collection (KPI-06) is 0.3% above target.
- Arrears (KPI-11) collection totalled £849k above profile by £249k.

Rents:
- Rents collection (KPI-08) is 0.24% below target at 96.56%.
  - Performance has improved compared to August.
  - Focus on eviction and recovery processes with Housing to bring performance back in line with target.

General Income:
- Leasehold collection (KPI-09) is 1.82% above target.
- HB overpayments collection was £199k above profile.
- General Income collection from Oracle is above profile by 1.92%.
6. One Stop Shop Queues

6.1. During July the One Stop Shops experienced a high demand for parking permit requests due to the introduction of new CPZs across the Borough.

6.2. This caused an unplanned increase in demand which therefore meant that at times Elevate were unable to offer a service to all customers and had to close the queues earlier to ensure that customers who were waiting in the queue could be dealt with before the service closing time.

6.3. The introduction of the new parking systems and processes has also doubled the amount of time it takes to issue a permit.

6.4. In addition to this we have seen a reduction in service levels as agreed as part of the Council’s budget savings which has reduced the number of staff we previously had to deliver the service.

6.5. The service in September has improved.

7. Duty to re-house

7.1. Elevate recognises the conflict that LBBD faces when evicting a family, but then having a duty of care to re-house them if children or young people are involved.

7.2. All eviction proceedings cannot go ahead unless approved by Housing senior managers, thus the Council make the decision to evict families and understand the conflict if these need to be re-housed.

7.3. To assist the Council in this process Elevate identify all cases with children and refer these cases to Social Services before proceedings are commenced to investigate whether help is needed for the family to prevent eviction.

7.4. The information provided is then shared with Housing senior managers to assist in their decision making process of whether to allow an eviction to go ahead.

7.5. Whether the practice of processing cases “in one go” is affecting performance

7.6. No cases are processed ‘in one go’. The above illustrated procedures are followed in all cases.

8. Consultation

None.

9. Financial Implications

None.

10. Legal Implications

None.
11. Risk Management
   No risks identified.

   No contractual issues identified

13. Staffing Issues
   No staffing issues identified

14. Customer Impact
   Due regard is taken for individual customer circumstances if advised to Elevate

15. Safeguarding Children.
   Eviction process takes account of tenants with children

16. Health Issues
   No health issues identified.

17. Crime and Disorder Issues
   No crime and disorder issues identified.

18. Property / Asset Issues
   No property/asset issues identified.

Background Papers Used in the Preparation of the Report:
None.

List of appendices:
None
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Title: Corporate Plan 2013/14 and Community Strategy 2013 - 2016

Report of the Leader

<table>
<thead>
<tr>
<th>OPEN</th>
<th>For Decision</th>
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<tbody>
<tr>
<td>Wards Affected: All</td>
<td>Key Decision:</td>
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</table>

Report Author:
Karen Wheeler
(Group Manager Policy and Performance)

Contact Details:
Tel: 020 8227 2317
E-mail: karen.wheeler@lbdd.gov.uk

Accountable Divisional Director: n/a

Accountable Director: Graham Farrant, Chief Executive

Summary:
This report sets out the vision and priorities for Barking and Dagenham in the Corporate Plan and Community Strategy. It explains how they have been developed by drawing together the priorities of the Council, as the community leader for the borough, and its partners.

The vision for the borough outlined in the Corporate Plan and the Community Strategy is:

“Encourage growth and unlock the potential of Barking and Dagenham and its residents”

The four priorities are:
1. Ensure every child is valued so that they can succeed
2. Reduce crime and the fear of crime
3. Improve health and wellbeing through all stages of life
4. Maximise growth opportunities and increase the income of borough residents

The documents will be going to Cabinet on 12th February, 2013 and full Assembly on 27th February, 2013.

Recommendation(s)
The recommendation for PAASC is that they note and make any comment on the draft documents.

Reason(s)
Although there is no longer a statutory requirement to produce either a Corporate Plan or a Community Strategy it is good governance to identify and agree the Council’s policy priorities to inform decision making and allocation of resources, and to frame the vision for the borough with partners.
1 Introduction

1.1 The vision and priorities for Barking and Dagenham have been developed by drawing together the priorities of the Council, as the community leader for the borough, and its partners. These priorities were identified from the:

- Council Statement of Priorities 2012/13
- Partner theme board strategies/action plans
- Annual conference of partners held in November 2012

1.2 The vision for the borough is “Encourage growth and unlock the potential of Barking and Dagenham and its residents”.

The four priorities are:

1) Ensure every child is valued so that they can succeed
2) Reduce crime and the fear of crime
3) Improve health and wellbeing through all stages of life
4) Maximise growth opportunities and increase the income of borough residents

1.3 The vision for the borough and its underlying priorities and principles enable all organisations in the borough to work towards a shared goal. In addition a consistent message can be given to the communities of Barking and Dagenham about what is happening to create a better life for all.

2. Corporate Plan 2013/14

2.1 The Corporate Plan is not an action plan intended to capture all of the activities of the Council. It identifies the Council’s high level policy priorities for the coming year and how they will be monitored. It will replace the Statement of Priorities 2012/13 and the Policy House which tried to cover all the Council services and responsibilities.

2.2 It is important that the Corporate Plan reflects the current changing circumstances of the borough such as the new Public Health responsibilities that the Council will have from April 2013, the ongoing pressure on the budget as a result of reduced funding from Government as set out in the Medium Term Financial Strategy and responding to significant and fast paced population change. The borough vision and priorities are intended to reflect this building on the Council’s previous priorities to raise household income, raising standards in school and post-16 education, and housing and estate renewal.

2.3 Progress will be monitored by identifying key indicators within the Performance House to establish a set of measures for 2013/14 that reflect the priorities, which will be reviewed by Cabinet on at least a quarterly basis.

3. Community Strategy 2013 - 16

3.1 The Community Strategy explains partners’ ambitions for the borough of Barking and Dagenham. It does not try to solve everything; rather it clearly confirms that partners have agreed to focus on the delivery of the borough vision and priorities. This does not mean that other work ceases, but it enables partners to deliver services and messages consistently, promoting the borough on a local and national level.
3.2 The strategy was written in consultation with partners at the Annual Conference in 2012 and by combining the plans and strategies of the existing partner boards. These are the:

- Children and Young People's Plan 2012 – 16
- Community Safety Partnership Plan 2011 – 14
- Health and Wellbeing Strategy 2012 – 15
- Economic Regeneration Strategy 2013 – 16

3.3 Partners are each responsible for helping to achieve the shared vision and priorities within their individual organisations.

3.4 The development of a Community Strategy follows changes made in the summer of 2012 when partners felt that the economic challenges were making it more difficult to commit to the number of meetings scheduled to deliver partnership work. It was agreed to reduce the number of boards that operated.

3.5 The boards deleted in September 2012 were:
- Local Strategic Partnership Board
- Public Service Board
- Clean, Green and Sustainable Board.

3.6 By removing these boards a bureaucratic burden has been reduced however a gap in how the borough wide challenges should be dealt with in partnership had developed. At an annual conference, held in November 2012, attendees agreed that the workshop discussions should inform the development of a new Community Strategy and the priorities for the borough. In addition it should be the place where the past achievements of the partners and the priorities are reviewed annually.

4. Consultation

4.1 The Corporate Plan was developed in consultation with CMT and builds on the Statement of Priorities 2012/13 agreed by Assembly in February 2012.

4.2 The Community Strategy was developed in consultation with partners at the annual conference in November 2012 and CMT in January 2013. In addition partners were given the opportunity to feedback on the draft strategy in January 2013.

4. Financial Implications
Prepared by Martin Henwood, Deputy Chief Financial Officer, ext 5502

4.1 The Corporate Plan reflects the Council’s context and priorities, and then identifies at a high level the Medium Term Financial Strategy (MTFS) as to how these will be funded.

4.2 Complementary to this is the Community Strategy, and this, together with the work that went into creating it, is a key driver in helping the Council to determine its priorities and how these can be delivered. The impact of this is reflected in the derivation of the MTFS.

5. Legal Implications
Prepared and verified by Paul Feild Corporate Governance Solicitor
Telephone 020 8227 3133 e-mail paul.feild@lbld.gov.uk
5.1 The final determination of the Corporate Plan is an Assembly Function. The Council’s Constitution at Part B Article 2 paragraph 2.1 requires that the Assembly agrees the Corporate Plan.

5.2 In establishing the Corporate Plan in accordance with local government practice the Cabinet’s role is to establish the final proposals in the Plan for the Assembly’s consideration and approval. Once the Assembly approves and adopts the Plan, the responsibility for implementation will rest with Cabinet.

9. Other Implications

9.1 Risk Management
The Corporate Plan clearly describes how risks are mitigated by linking with the Corporate Risk Register.

9.2 Contractual Issues
Any contractual issues relating to delivering activities to meet borough priorities will be identified and dealt within the individual project plans.

9.3 Staffing Issues
There are no specific staffing implications. Work has been refocused from servicing boards (e.g. Public Service Board) to delivering the Corporate Plan, Community Strategy and conference.

9.4 Customer Impact
The joined up approach to developing a shared vision for the borough will improve the customer experience in the borough because the services provided across all sectors will be striving to achieve the same aims.

9.5 Safeguarding Children
The priority “Ensure every child is valued so that they can succeed” encompasses activities to safeguard children in the borough and is delivered through the Local Safeguarding Children Board and Children’s Trust.

9.6 Health Issues
The priority “Improve health and wellbeing through all stages of life” will ensure that there are activities to prevent and cure health issues in the borough and are delivered through the Health and Wellbeing Board.

9.7 Crime and Disorder Issues
The priority “Reduce crime and the fear of crime” encompasses activities to tackle crime and disorder issues and will be delivered through the Community Safety Partnership.
Barking and Dagenham Council's

Corporate Plan 2013/14

This document sets out the aim and priorities for the London Borough of Barking and Dagenham
The 2013/14 year will be another challenging one with the financial pressures we all face. Despite this we have lots to celebrate with much being achieved in the previous year as we look forward to the year ahead.

We know that again in 2013/14 many local people are facing tough times so we will freeze Council Tax once more this year, and continue to provide support to individuals, families and businesses by working closely with our partners.

The Council continues to face challenges. We have had to make difficult budget decisions already and will continue to do so. The reduction in our funding from the Coalition Government comes at a time when our community’s needs are becoming ever more complex and our population is growing faster than in other parts of London and the rest of the country. We are facing these challenges head on, and are working on new ways to continue to deliver services with less money. Some examples include:

- Saving money in administration and costs of running the Council to ensure front-line services are protected and reducing senior management costs,
- Strongly pursue opportunities to share services with partners and other Councils including Thurrock,
- Achieving significant savings over seven years through Elevate, our Joint Venture with Agilisys.

We worked hard to involve local people in the budget setting process this year to ensure we focus resources in the right places. Despite reductions in resources, our key achievements in 2012/13 include:

- All ten Children’s Centres that have been inspected so far have been awarded ‘outstanding’ by Ofsted,
- The successful Olympic and Paralympic games saw £1.95million being invested in the borough; the Olympic flame came through the borough; we hosted five training venues and provided the ceremonies rehearsal site. More than 1,400 contractual job offers were made to borough residents for work during the Games,
- Our young people are now able to access high quality training at the Technical Skills Academy which opened in October 2012. This improves access to training and raise skills levels and confidence of the local community to get quality jobs. It provides a real work environment rather than a school or college.

Councillors, the senior management team, and staff from across the Council will work together with our partners in health, voluntary groups, businesses, the Police, Job Centre Plus and Barking and Dagenham College, to deliver our aims for the borough.

Councillor Liam Smith
Leader
Our Borough

Barking and Dagenham is located at the heart of the Thames Gateway, approximately 11 miles east of central London. It is a dynamic place with a vibrant community, significant investment opportunities and complex challenges. The borough offers a unique mix of urban living with good and improving transport links both into London and the Essex countryside. There are two main centres - Barking and Dagenham – with investment opportunities through the substantial brownfield sites for development and growth. There has been recent investment in housing estate renewal, leisure facilities and the new technical skills academy. There are also impressive parks and open spaces across the borough’s 14 square miles.

Demographic Changes

Barking and Dagenham’s population has seen unprecedented change in recent years. The 2011 Census recorded a significant overall population increase of 13.4% to 185,911. This is 22,000 more people since 2001. Barking and Dagenham has the highest population percentage of 0-19 year olds in the country including a 50% increase in 0 – 4 year olds, placing a huge pressure on school places. In addition there has been the largest decrease in the 65+ age group in London. The growth in population has outstripped the increase in households causing a rise in the average number of occupants per household, meaning that Barking and Dagenham now has one of the highest occupancy rates in London. The impact of this is combined with increasing housing costs. It has the highest percentage of lone parent households in England and Wales at 14.3%.

The borough is more ethnically diverse than it has ever been. Since 2001, there has been just over a 30% decrease in the borough’s White British population and the Black African population has grown by over 20,000, which is the largest increase of the Black African population in London. The White Other population has also continued to grow from 4,348 in 2001 to 14,525 in 2011. Increasing diversity offers considerable opportunities, but the pace of change poses a number of real challenges for community cohesion.

Education and Employment

The 2011 Census shows that although 28% of 16 year olds and above were recorded as having no qualifications, there has been a 14% drop since 2001. The number of residents aged 16-64 with a level 4 qualification and above has more than doubled in number from 11,600 to 28,700 but this is still below national averages. The number of full time students aged 18 and over has more than doubled and educational attainment has continued to improve.

Like many other boroughs, unemployment is an issue and Barking and Dagenham has a higher level of long term unemployment at 42% when compared to London and England, both at 39%. The number of residents aged 16-64 who have never worked has increased from 644 in 2001 to 2,050 in 2011 - a 218% increase. Approximately 1 in 10
households with dependent children have no adults in employment. This is 50% higher than London.

**Deprivation and Health**

Barking and Dagenham still experiences higher than average levels of deprivation ranking 6th most deprived in London and 22nd most deprived nationally and our residents are not as healthy as they should be. Compared to other parts of the country they do not live as long.

The Joint Strategic Needs Assessment (JSNA) in 2011 showed that there are high levels of lifestyle risk to health and wellbeing including smoking, obesity and physical inactivity. There are continued high death rates from various diseases, especially heart disease, cancer and chronic lung disease. Other single issues remain problems, for example dementia and the impact of income and fuel poverty on mental health.

**Cohesion and Crime**

The 2011 Residents’ Survey showed that 64% of respondents were satisfied with the area as a place to live but that only 52% felt that people from different backgrounds get on well together in the borough. There have been tensions but partners continue to work hard to promote community cohesion and neighbourliness to ensure the place is safe and peaceful.

Crime levels in the borough continue to reduce, with overall crime falling to 97.18 per 1,000 population in September 2012 compared to 104.53 in the same period the previous year.

Policing on our streets with Safer Transport, Safer Neighbourhoods and Town Centre Teams, as well as the new tenant funded Estates Policing Team in 2012, has also made significant contributions to the reduction in total offences especially around key volume crimes such as motor vehicle crime and the crimes associated with drunkenness and anti-social behaviour. Challenges remain though, for example, in tackling residential burglary.

The speed of change has been rapid across the borough and there are no signs of it slowing down. This will present many challenges and opportunities moving forward and will have a significant impact on future planning and policy for all partners. Barking and Dagenham is a dynamic place with a vibrant community and complex challenges.
The Council and borough’s vision is to **encourage growth and unlock the potential of Barking and Dagenham residents**. Despite the challenging economic climate, the Council is determined to continue to focus on our borough’s priorities. The Council’s commitment to these priorities is shown in the actions we will take below:

1. **Ensure every child is valued so that they can succeed**

   Our Council will improve standards in school and post 19 education by:
   - Investing £75 million over three years in the borough’s primary and secondary schools and other programmes to provide additional places
   - Continued improvement in GCSE results aiming to match national levels for pupils gaining A*-C and maximise the opportunities for post 16 education and training

2. **Reduced crime and the fear of crime**

   - Reduce violent crime by tackling domestic violence and addressing the issues of gangs
   - Reduce substance misuse as a driver for crime and disorder through the delivery of the Alcohol, Drugs and Licensing strategies
   - Deliver the priorities identified in the anti-social behaviour strategy and respond to the Anti-social Behaviour Act 2013
   - To work with partners to reduce Acquisitive Crime and support victims
   - Build and support a place where people respect one another and enjoy safe and peaceful lives through the delivery of the Cohesion Strategy

3. **Improve the health and wellbeing through all stages of life**

   - Work with partners to reduce health inequalities and encourage healthy lifestyle choices
   - Work with GPs and local providers to improve joined up services through children’s centres and schools to improve children’s health and give them the best start in life
   - Promote physical activity including the re-building of Abbey Sport centre by 2014
   - Support older people to be active and healthy by providing free leisure activities

4. **Maximise growth opportunities and increase the household income of Borough residents**

   To raise household income and deliver housing and estate renewal we will:
   - Complete the estate renewal programmes to provide 1,200 new Council and mixed-tenure homes in 2015
   - Deliver a major regeneration programme on key sites such as Academy Central and Lymington Fields by 2016 and 10,000 new homes on Barking Riverside
   - Deliver 472 new and affordable homes through the innovative Housing Local Education Partnership by 2014
   - Deliver key strategies e.g. the Economic Regeneration Strategy and the Barking Town Centre Strategy to improve Barking Station, add commercial space, develop 4,000 new homes and create 10,000 new jobs by 2026
   - Redevelop Dagenham Dock as a sustainable industrial area
Tracking progress

Our aim and priorities are underpinned by the theme, a well-run organisation. We will continue to provide a range of day-to-day services and effective behind the scenes support to ensure we meet both our legal responsibilities and the needs of the community.

In 2013/14 we will focus on ensuring that we implement innovative ways of working through our IT and customer access strategies enabling quicker and easier access to our services for customers and more efficient ways of working for our staff.

Our People Strategy sets out what we will do to ensure that our workforce are equipped with the skills and knowledge to succeed and are motivated and managed to perform at their best. We will also implement the budget savings agreed for the coming year, completing restructuring in services and management teams.

We are working hard with other growth boroughs (Olympic host boroughs) to close the gap between our performance and the average across London.

Business planning and risk management

To support the implementation of the Corporate Plan, each of the Council’s services develops its own business plan setting out its delivery plans for the year and beyond.

We manage the risks associated with the achievement of our priorities and the management of the Council and its budget through a robust risk management process. The headline risks are summarised in the Corporate Risk Register.

Tracking our progress

To track delivery of our priorities we monitor a range of performance measures. These are reported quarterly to senior managers and Members including Cabinet to inform decision making and where resources should be focused. Detailed performance monitoring is also carried out in departments to support day-to-day service delivery.

In addition the Annual Governance Statement (AGS) sets out how the Council is operating all its activities within a robust governance framework. The AGS includes a section on the Council’s performance management arrangements.
How we will fund our plans - our Medium Term Financial Strategy

The financial principles the Council follows are:

- A balanced budget with decisions based on Members’ priorities
- All employees, partners and contractors are required to “treat every pound spent as though it is the last pound in your purse” ensuring continued efficiency, elimination of waste and value for money
- Managers are responsible and accountable for their budgets delivered through strong financial systems and processes
- Robust but not excessive levels of reserves and contingencies, with affordable investments to improve services and maintain assets,
- Effective commissioning of services and a continued focus on income maximisation.

The Council continues to face a significant reduction in its budget due to reduced resources from Government. Our financial analysis shows that we are facing an overall reduction in funding of £17.3m (10%) over a two year period which account for approximately 18% of the Council’s overall gross budget which is £708m for 2013/14. Other funding comes from Council Tax (8%), dedicated schools grant (23%) and the remainder from income from services and other third party payments (51%).

The Council’s net budget in 2013/14 is £172.2 million, a reduction of £5.2 million from £177.4 million in 2012/13 and £183.4million in 2011/12. When compared to other authorities, the Council hold a relatively modest level of reserves of £14m which are held in case of significant financial difficulty and it is therefore essential that a robust and balanced budget is set each year.

While we try to influence Government decisions in the interests of local residents, the Council has no choice about how much money it receives. The Council’s Medium Term Financial Strategy (MTFS) prudently estimates further reductions in 2013/14 and 2014/15. We have had to identify and agree savings for 2013/14 of £17.2m in order to set a balanced budget for the year ahead. We are already working hard to identify ways to meet the remaining budget gap of £5.2million for 2014/15 in addition to planned savings of 7.7m. Significant savings are being achieved such as aiming to save 70million over seven years through Elevate our Joint Venture with Agilisys. Further savings required have meant some difficult decisions particularly in the light of ongoing pressures such as:

- Welfare reforms including the localisation of Council Tax benefit with a 10% (£2m) reduction in funding from Government and potential impact on collection rates
- Changes to Adult Social Care income/charging
- Increase in people presenting themselves as homeless putting pressure on temporary accommodation
- The need to provide sufficient school and education places (2-19) given the highest population growth in London, and the increasingly complexity of need.
- A projected population increase of 20% between 2010 and 2020

We can mitigate against some of the pressures such as allocating £300,000 for non-payment of Council Tax due to the changes in welfare reform.
We do however have the ability to choose how we spend our money and how much money we raise from local residents – and have chosen, again, to freeze Council Tax. This enables us to take advantage of the Council Tax freeze grant from Government equivalent to a 1% increase (a reduction on the 2.5% offered in 2012/13).

Members decide the priorities for the Council and where to focus spending by listening to local people through their surgeries, ward activity, Residents’ Survey and from their own policy perspective.

The Council has listened to the views of local people in setting its budget for 2013/14. Residents were able to share their views on the budget proposals through a series of select committee meetings, Leader and Deputy Leader Question Time sessions, on Facebook and Twitter, and through the Council’s website. In response to the feedback, changes were made to several proposals including keeping the Broadway Theatre open, funding the Summer Sorted programme from the Public Health Fund, keeping green waste collection and further consultation on sheltered housing provision. Residents and partners played a valuable part in the process ensuring the budget has gone through a robust challenge process before Councillors made their final decisions.

In addition to the General Fund budget referred to above, the Council’s Housing Revenue Account, with income mainly from rents, will be used to invest £530.8 million on building new Council houses, the renewal of existing estates and investment in the current housing stock over the next ten years. The Council also receives a Dedicated Schools Grant from the Government’s Department of Education to fund services for schools such as support for children with special educational needs and the admissions service. The Council will also be taking on the responsibility for the promotion of public health within the Borough and this will be funded from a separate source of funding which can only be used for that purpose.

In addition to the significant expenditure on new and improved housing in the Borough, there is also an ambitious capital programme to invest in the Council’s priorities. Between 2012/13 and 2014/15, there will be capital expenditure in excess of £373m on:

- a new leisure centre in Barking,
- providing new primary and secondary schools,
- improvements to highways,
- economic development,
- modernising our IT systems.

The Council has also worked with private sector partners to develop self financing schemes to provide over 500 new affordable homes within Barking & Dagenham. On a lesser scale, a number of smaller schemes have been initiated to improve the efficiency of Council operations and the service received by residents.
Commissioning
In commissioning Council services we aim to ensure best value from our partners and providers so that we can attempt to ensure efficient and effective delivery. The Council’s commissioning framework below and procurement policies are used to help secure this:

Comments, ideas or questions?

London Borough of Barking and Dagenham

If you have questions about this statement, or you require this information in another format e.g. in large print or in a language other than English, please contact the Council’s Policy & Performance team on 020 8227 2343.

Civic Centre
Dagenham
RM10 7BN

Phone: 020 8215 3000
Email: 3000direct@lbbd.gov.uk

February 2013
Barking and Dagenham’s

Community Strategy
2013 - 2016

This document identifies the shared vision, priorities and outcomes for Barking and Dagenham
Our Borough: Barking and Dagenham

Barking and Dagenham is located at the heart of the Thames Gateway, approximately 11 miles east of central London. It is a dynamic place with a vibrant community, significant investment opportunities and complex challenges. The borough offers a unique mix of urban living with good and improving transport links both into London and the Essex countryside.

There are two main centres - Barking and Dagenham - with investment opportunities through the substantial brownfield sites for development and growth. There has been recent investment in housing estate renewal, leisure facilities and the new technical skills academy. There are also impressive parks and open spaces across the borough's 14 square miles.

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Like many other boroughs, unemployment is an issue and Barking and Dagenham has a higher level of long term unemployment at 42% when compared to London and England, both at 39%. The number of residents aged 16-64 who have never worked has increased from 644 in 2001 to 2,050 in 2011 - a 218% increase. Approximately 1 in 10 households with dependent children have no adults in employment. This is 50% higher than London.

**Deprivation and Health**

Barking and Dagenham still experiences higher than average levels of deprivation ranking 7th most deprived in London and 22nd most deprived nationally and our residents are not as healthy as they should be. Compared to other parts of the country they do not live as long.

The Joint Strategic Needs Assessment (JSNA) in 2011 showed that there are high levels of lifestyle risk to health and wellbeing including smoking, obesity and physical inactivity. There are continued high death rates from various diseases, especially heart disease, cancer and chronic lung disease. Other single issues remain problems, for example dementia and the impact of income and fuel poverty on mental health.

**Cohesion and Crime**

The 2011 Residents’ Survey showed that 64% of respondents were satisfied with the area as a place to live but that only 52% felt that people from different backgrounds get on well together in the borough. There have been tensions but partners continue to work hard to promote community cohesion and neighbourliness to ensure the place is safe and peaceful.

Crime levels in the borough continue to reduce, with overall crime falling to 97.18 per 1,000 population in September 2012 compared to 104.53 in the same period the previous year.

Policing on our streets with Safer Transport, Safer Neighbourhoods and Town Centre Teams, as well as the new tenant funded Estates Policing Team in 2012, has also made significant contributions to the reduction in total offences especially around key volume crimes such as motor vehicle crime and the crimes associated with drunkenness and anti-social behaviour. Challenges remain though, for example, in tackling residential burglary.

The speed of change has been rapid across the borough and there are no signs of it slowing down. This will present many challenges and opportunities moving forward and will have a significant impact on future planning and policy for all partners.
What is a Community Strategy?

The Community Strategy explains partners’ ambitions for the borough of Barking and Dagenham. It does not try to solve everything; rather it clearly defines the issues that partners have agreed to prioritise. This does not mean that other work ceases, but it enables partners to deliver services consistently. Partner boards will promote the borough and its shared aims on a local and national level.

Who has written the Community Strategy?

The work of the partners in Barking and Dagenham is co-ordinated and delivered through the four partner boards. Each of these boards has their own strategy that is developed in consultation with residents and partners in the borough.

These partner boards are:

<table>
<thead>
<tr>
<th>Board</th>
<th>Strategy / Plan</th>
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<tbody>
<tr>
<td>Children’s Trust (including the Local Safeguarding Children’s Board)</td>
<td>Children and Young People’s Plan 2011 - 2016</td>
</tr>
<tr>
<td>Health and Wellbeing Board</td>
<td>Health and Wellbeing Strategy 2012 - 2015</td>
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In addition to the priorities identified in these strategies a conference was held on 8th November 2012 in Dagenham. At this event over 80 partners, including residents, service providers, voluntary and community organisations attended to provide their views on the priorities of the borough.

A range of issues were raised in workshops, these have been collated and fed in to the vision and priorities for the borough. In addition a number of **principles** behind the strategy were identified, including that Barking and Dagenham should have:

- **Individuals** who are healthy, safe and are supported in their aspirations

- **Family groups** that are above the poverty line with access to education, employment and appropriate housing

- **Local community pride** where there is co-design in local services for local people, there is respect for the environment and one another

- **A positive image of the borough** which attracts investment, widens opportunities for local communities and builds on existing legacies.
How does the Community Strategy deliver?

The way the Community Strategy drives action within the borough is set out below:

Who monitors the Community Strategy?

It is important that the Community Strategy is monitored to ensure that it is delivered effectively and partners are accountable for the work delivered. There are two monitoring processes in place, through the partner board and through the conference.

The partner board will scrutinise the detail of the actions for their board, considering specific performance targets highlighted within their strategies or plans. These targets will be monitored both in terms of progress locally and in comparison to trends nationally or with neighbouring boroughs. The partner boards are responsible for taking action or amending how services are delivered for their area in partnership to ensure the targets are met.

The conference will be held on an annual basis to monitor the overall progress of partnership working. Workshops will be planned to review whether the priorities identified are still relevant, especially in the fast changing climate, and to ensure that the work of the individual boards are still meeting the strategic priority needs.
Barking and Dagenham’s Vision

To achieve the vision for Barking and Dagenham there are five priorities that underpin its delivery.

**Priorities**

- **Ensure every child is valued so that they can succeed**
  - Ensure children and young people are safe and healthy
  - Improve support and fully integrate services for vulnerable children, young people and families
  - Challenge child poverty and narrow the gap in attainment and aspiration

- **Reduce crime and the fear of crime**
  - Tackle crime priorities set via engagement and the annual strategic assessment
  - Build community cohesion
  - Increase confidence in the community safety services provided

- **Improve health and wellbeing through all stages of life**
  - Improving care and support for local people including acute services
  - Protecting and safeguarding local people from ill health and disease
  - Preventing future disease and ill health

- **Maximise growth opportunities and increase the household income of borough residents**
  - Attract Investment
  - Build business
  - Create a higher skilled workforce
  - Widen the housing choice
Who are the partners in Barking and Dagenham?

There are a range of partners from all over the borough that are involved in shaping and influencing the work that we undertake. These groups are engaged through a variety of different mechanisms, including community events, an annual conference, the website, membership of partner boards and resident groups.

The Health and Wellbeing Board and the Community Safety Partnership Board are both statutory. The legislation states that some partners e.g. the Police in the Community Safety Partnership, have a clear role and responsibility to actively attend the meetings and ensure that the agreed priorities are delivered.

In the case of the other boards (Children’s Trust and Skills, Jobs and Enterprise Board) there is not a legal requirement to be part of the board, however partners show strong commitment to the agreed priorities.

We recognise that there are a range of partners who actively contribute to the work of the partner boards however the principle organisations for each board are:

<table>
<thead>
<tr>
<th>Board</th>
<th>Partners</th>
</tr>
</thead>
</table>
| **Children’s Trust**          | • Education Partners e.g. schools  
|                               | • Health Partners  
|                               | • London Borough of Barking and Dagenham  
|                               | • Metropolitan Police Service  
|                               | • Voluntary and Community Sector |
| **Community Safety Partnership** | • London Fire Service  
|                               | • London Borough of Barking and Dagenham  
|                               | • Metropolitan Police Service  
|                               | • Probation Services  
|                               | • Voluntary and Community Sector |
| **Health and Wellbeing Board** | • Health Partners  
|                               | • Local Involvement Network (LINKs / Healthwatch)  
|                               | • London Borough of Barking and Dagenham  
|                               | • Metropolitan Police Service  
|                               | • Voluntary and Community Sector |
| **Skills Jobs and Enterprise Board** | • Barking and Dagenham College  
|                               | • Chamber of Commerce  
|                               | • Job Centre Plus  
|                               | • London Borough of Barking and Dagenham  
|                               | • Private Sector Representatives  
|                               | • Voluntary and Community Sector |
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**Title:** Information Governance Update

**Report of the Divisional Director of Finance**

<table>
<thead>
<tr>
<th>Open Report</th>
<th>For Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wards Affected:</strong> All</td>
<td><strong>Key Decision:</strong> No</td>
</tr>
</tbody>
</table>

**Report Author:** Rupert Hay-Campbell  
ICT and Information Governance Officer

**Contact Details:**  
Tel: 020 8227 3190  
E-mail: rupert.hay-campbell@lbdd.gov.uk

**Accountable Divisional Director:** Jon Bunt, Divisional Director of Finance

**Accountable Director:** Graham Farrant, Chief Executive

**Summary:**

This report provides an update on Information Governance issues in the Council. It includes statistics on Freedom of Information requests and Data Protection Subject Access requests. The report also sets out work that has been completed in the past year by the Information Governance board.

**Recommendation(s)**

The committee is recommended to:

(i) Note the data on Freedom of Information requests and Data Protection Act subject access requests

(ii) Note the work that has been on going to improve Information Governance in the Council

(iii) Note the planned actions for 2013

(iv) Note that the internal audit recommendations for the Council’s Data Quality policy will be deferred until resources become available

**Reason(s)**

To provide the Public Accounts and Audit Select Committee with an update on the Council’s Information Governance work.
1. Introduction and Background

1.1. The previous Information Governance report provided data up to September 2011. This report provides data up to September 2012, but it includes data for the whole financial year 2011/12 for comparison.

1.2. Corporate Complaints and Members Case work are no longer covered by the Information Governance report, as these were covered in a separate report that was presented to PAASC on 22 September 2012.

1.3. The risks associated with Information Governance are identified as corporate risks (CR 10) and an action plan remains in place to mitigate the risks.

1.4. The Information Commissioner’s Office (ICO) continues to make use of its powers to fine organisations responsible for the loss of personal data. The ICO has now fined 19 local councils a total of £1,885,000 (the single biggest fine was £250,000) and was recently quoted as saying “there is an underlying problem with data protection in local government”.

1.5. Effective Information Governance will be key to how the Council responds to the Government’s code of recommended practice on Data Transparency. The Department of Communities and Local Government (DCLG) has been consulting on making the code of recommended practice a legal requirement.

1.6. This report is divided into four main sections:

- Information Management & Security
- Freedom of Information requests
- Data Protection Act Subject Access requests
- Data Quality

1.7. The report concludes by setting out the planned Information Governance activities for the year ahead.

2. Information Management & Security

2.1. Significant work has taken place in 2012 to build an electronic corporate library. The aim of this library is to ensure that the many documents and policies generated across the Council are properly structured and accessible to those staff who need them.

2.2. The corporate library has been implemented as part of the Council’s new intranet system. The corporate library will provide an electronic file plan based upon a nationally defined structure and will be crucial to help ensure that the Council can respond effectively and efficiently to Freedom of Information requests in the future.

2.3. Work has been ongoing to raise awareness of good information governance practices. Posters based on material made freely available by the Information Commissioner’s Office have been distributed across the Council. The “Managing Information” online training course was made available on the Council’s new i-Learn system in October 2012. The following table shows the uptake of this course:

| Total enrolled | 2173 |
| Total "completed" | 504 |
| Total "incomplete" | 79 |
| Total "not attempted" | 1589 |
2.4. All staff are required to take this course annually and additional messages will be sent to staff and managers in January 2013 to remind them of this obligation. Data will be provided to departments on a regular basis detailing how many staff within the department have completed the training.

2.5. New Information Governance pages have been created on the Council’s Intranet. These pages will continue to be refined and updated to reflect issues that are identified by staff.

2.6. The Council has successfully retained its accreditations for the Public Sector Network (PSN) and the NHS N3 networks. These crucial connections are vital to support partnership working with central government, other local authorities and the NHS.

2.7. Information security incidents continue to be reported and investigated internally to ensure that lessons are learnt. The latest information on security incidents is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bogus email / phone call</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Attempted hack</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Computer / laptop stolen</td>
<td>3</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Confidential information disclosure</td>
<td>1</td>
<td>8</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Papers left on printer / public area</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>RSA token lost / stolen</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Security pass issue</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unsecure email sent</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Improper storage of information</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Password mis-management</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>IT permissions incorrect</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>USB memory device lost / stolen</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>No breach</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>16</td>
<td>38</td>
<td>25</td>
<td>17</td>
</tr>
</tbody>
</table>

2.8. Underreporting of security incidents remains a concern. Staff will be reminded of the importance of reporting any issues for investigation during the year ahead.

2.9. Trends are being observed with:
- The Council’s MFD printers where items are being scanned and emailed to the wrong internal recipient. It is expected that this issue will be addressed through the planned use of ID badges to log on to the printers.
- Emails being sent to the wrong internal recipient. The Information Governance board will be considering these cases to identify any actions that can be taken to reduce the risk of this type of problem occurring in the future.

2.10. The Council self-reported one issue to the Information Commissioner’s Office (ICO). This involved the unauthorised release of information from the Council’s housing system. The ICO confirmed that they considered the release of information to be a breach of the Data Protection Act but they were not planning to take further action against the Council.

ICO Complaints

2.11. There have been three complaints made by members of the public to the Information Commissioner’s Office in the past year relating to the unauthorised releases of personal data:
A social worker left details in a report which were inappropriately shared with the client. The ICO found that the Council had breached the Data Protection Act but took no further action. Breach occurred: September 2011; complaint to ICO: November 2011; complaint closed: August 2012.

**Response from department:** It is now accepted good practice that children who are adopted have this explained to them as soon as they are considered able to deal with the information. However this would not have been the case in the 1950s when the service user concerned was adopted by the complainant.

This situation arose because of an administrative error when we moved from paper files to all electronic records in social care around 2004/5. The service user’s previous surname was entered on the main client records. A small dedicated team undertook the process of creating new records on an electronic system from paper files and scanning previous documents into the new system. Their work was meticulous and carefully supervised by an experienced member of staff who was trained and well versed in the requirements of the Data Protection Act as it applies to Social Services clients. There were appropriate controls in place.

The social worker concerned was not aware of the previous adoption and unwittingly used the name on the records in error. The particular set of unfortunate circumstances that led to this particular Data Breach is extremely unlikely and there is a very low risk of it occurring again.

The parking service enclosed the wrong photo of a vehicle when sending a penalty charge notice to the owner. The ICO found that the Council had breached the Data Protection Act but took no further action. Breach occurred: July 2011; complaint to ICO: May 2012; complaint closed: July 2012.

The parking service sent details of the wrong penalty charge notice to a member of the public and the Parking Appeals Tribunal Service disclosing the personal data of a third party. The ICO found that the Council had breached the Data Protection Act but took no further action. Breach occurred: June 2011; complaint to ICO: May 2012; complaint closed: July 2012.

**Response from department:** As a result of these two complaints parking services are now moving into a secure office in Barking Town Hall. This office will have a dedicated MFD printer to avoid information from other services being mixed in with responses to PCN’s. Staff are also completing more stringent check sheets to ensure only the correct data is being posted.

### 3. Freedom of Information Requests

3.1. The number of Freedom of Information requests received by the Council continues to rise year on year:

- In 2009/10 the Council received 711 requests
- In 2010/11 the Council received 818 requests
- In 2011/12 the Council received 1159 requests

3.2. The monthly breakdown of the number of requests is shown in the table below:
3.3. In 2011/2012 the Council started monitoring the number of requests that were being responded to within the statutory deadline:

- In 2011/12 the Council responded to 72% of requests within the deadline
- In 2012/13 the Council responded to 75% (to date) of requests within the deadline

3.4. In order to improve the management of Freedom of Information requests, new performance indicators were agreed with Elevate who provide the FoI handling service as part of the B&D contact centre. This new performance indicator measures both how quickly FoI requests are logged and if they are assigned to the correct service area. This data is shown in the table below:

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests correctly handled (Target &gt; 91.42%)</td>
<td>74.29%</td>
<td>91.42%</td>
<td>95.71%</td>
<td>100%</td>
<td>94.28%</td>
<td>100%</td>
<td>92.62%</td>
</tr>
</tbody>
</table>

3.5. Requests are received from a wide range of people. The origin of a request is not logged, as requestors only needs to provide their name and contact details when making requests.

3.6. It is not practical to break down all the requests by origin. However an analysis of the requestors making more than 4 requests has been conducted. By reviewing the requests, they have been manually categorised as shown in the table below:

<table>
<thead>
<tr>
<th>Number of requests</th>
<th>Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Media (1 individual)</td>
</tr>
<tr>
<td>8</td>
<td>Local community group (1 individual)</td>
</tr>
<tr>
<td></td>
<td>Not specified (1 individual)</td>
</tr>
<tr>
<td>7</td>
<td>Member of the public – LBBD resident (1 individual)</td>
</tr>
<tr>
<td>6</td>
<td>Media (1 individual)</td>
</tr>
<tr>
<td>5</td>
<td>Solicitors (1 individual)</td>
</tr>
<tr>
<td>4</td>
<td>Member of the public – non-resident (1 individual)</td>
</tr>
<tr>
<td></td>
<td>Commercial (2 individuals)</td>
</tr>
<tr>
<td></td>
<td>Media (2 individuals)</td>
</tr>
<tr>
<td></td>
<td>MP – non-LBBD (1 individual)</td>
</tr>
</tbody>
</table>

3.7. Over the past year work has been undertaken to improve the Council’s handling of Freedom of Information requests. The process followed by staff when they receive a request has been reviewed, updated and simplified. Regular meetings of the Council’s network of “Freedom of Information Champions” have restarted.

Financial impact

3.8. Currently information is not collected on the amount of time the council spends on responding to Freedom of Information Requests. It is estimated that, on average,
each request takes one hour to respond to. Using a rate of £25 per hour it is estimated that it cost the council approximately £29,000 to respond to these requests in 2011/12.

3.9. The process for responding to Freedom of Information Requests will be updated to collect an estimate of the amount of time it took to respond to the request. This will allow a more accurate estimate to be calculated in the future.

**Next steps**

3.10. It is planned to implement the new Freedom of Information process from 1 February 2013. Further work is planned to increase awareness of the processes that staff should be following if they receive a request and to ensure that exemptions are correctly applied.

3.11. Work is planned to update the Council’s Publication Scheme and update the Council’s web site to ensure that information made available under the Department of Communities and Local Government recommended code of practice is easily accessible.

4. **Data Protection Act Subject Access Requests**

4.1. The Data Protection Act gives the “data subject” a right to request a copy of the information held about him or her. This is known as a Data Protection Act Subject Access request.

4.2. The Council receives a significant number of Data Protection Act Subject Access requests every year. The month by month breakdown of these requests is shown below:

<table>
<thead>
<tr>
<th>DPA Requests</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>10</td>
<td>8</td>
<td>15</td>
<td>22</td>
<td>14</td>
<td>9</td>
<td>3</td>
<td>11</td>
<td>9</td>
<td>18</td>
<td>10</td>
<td>10</td>
<td>139</td>
</tr>
<tr>
<td>2012/13</td>
<td>16</td>
<td>15</td>
<td>20</td>
<td>17</td>
<td>6</td>
<td>13</td>
<td>18</td>
<td>13</td>
<td></td>
<td></td>
<td>10</td>
<td>10</td>
<td>118</td>
</tr>
</tbody>
</table>

4.3. **Note**: the number of Data Protection Act Subject Access requests was under reported in 2011. Work during 2012 identified the fact that Subject Access requests for social care clients are logged in a different system. The figures in this report have been updated to include the social care data.

4.4. Although the number of Data Protection Act subject access requests is lower than Freedom of Information requests they are often more complex to respond to.

4.5. A full review of the process for handling Data Protection Act Subject Access requests is planned for 2013. This review will seek to simplify the process and ensure that there is clarity around how requests should be handled – especially from members of staff. The process for requesting a review of the Council’s handling of a Subject Access request also needs to be clarified.

**ICO Complaints**

4.6. There have been two complaints about the Council’s handling of Data Protection Subject Access requests during the 2012:

- A member of staff complained that exemptions had been incorrectly applied to a Data Protection Act Subject Access request. On reviewing the case it was decided that the exemptions no longer applied and the information was released. Complaint to ICO: October 2012; this case is still being considered by the ICO.
• Information was only provided electronically to another member of staff in response to a Subject Access request. On reviewing the case it was decided that the cost of printing and posting the material was lower than the statutory limit set out by the Data Protection Act and the information was therefore released. The ICO upheld the complaint. Complaint to ICO: July 2012; complaint closed: August 2012.

4.7. The Council will be conducting a review of the guidance and processes staff use when responding to Data Protection Act Subject Access. This review will include addressing the issues raised by the above two complaints to the ICO.

5. Data Quality

5.1. Responsibility for the Council’s Data Quality policy was taken on by the Information Governance board in 2011. This included responsibility for the following recommendations that were made in an internal audit report in 2011 and which remain outstanding:

- The Data Quality policy should be refreshed so that it is reflective of the current management structures and the resources available
- The policy should be promoted as part of a group of policies concerned with Data Management / Information Governance
- The policy needs to emphasise that Divisional Directors and their managers are responsible for the Data Quality of information upon which they rely, and stress the importance of the accuracy of the data where it is used as the basis for decision making.

5.2. The target date for implementing these recommendations was December 2012.

5.3. Although the importance of data quality is recognised by the Information Governance board, work in 2012 focused on the highest risk areas for the Council, that is information security, Data Protection and Freedom of Information processes. Consequently no work has taken place to implement Internal Audit’s recommendations for the Data Quality policy. When resources become available these recommendations will be addressed.

6. Conclusions and work plan for 2013

6.1. The rise in the number of complaints investigated by the Information Commissioner (there were none in 2011) has highlighted issues with the procedures that staff are using when responding to Data Protection Act Subject Access requests and Freedom of Information requests.

6.2. The following actions are planned for 2013:

- Freedom of Information workshops for Group Managers
- Publication of all Freedom of Information requests on the Council’s website
- Implement new Freedom of Information process
- Regular Freedom of Information Champions’ workshops
- Provide online Freedom of Information training for staff
- Review the process for handling Data Protection Act Subject Access requests
- Raise awareness of the Council’s new corporate library
6.3. Work will continue to ensure that all staff take the online Managing Information training course and to continue to raise awareness of the importance of protecting the Council’s information.

**Background Papers Used in the Preparation of the Report:**


**List of appendices:**

None
### Public Accounts and Audit Select Committee

**13 March 2013**

<table>
<thead>
<tr>
<th>No.</th>
<th>Business Items.</th>
<th>Officer.</th>
<th>Description / Notes.</th>
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<tbody>
<tr>
<td>1)</td>
<td>Internal Audit Plan</td>
<td>David Greenfield</td>
<td>• Officer request (24/05/12)</td>
</tr>
<tr>
<td>2)</td>
<td>Quarter Three Risk Management and RM Framework</td>
<td>Sharon Roots</td>
<td>• Officer request (24/05/12)</td>
</tr>
<tr>
<td>3)</td>
<td>Audit Plans 2012/13 (Main and Pension Fund)</td>
<td>External Audit.</td>
<td>• Officer request (24/05/12)</td>
</tr>
<tr>
<td>4)</td>
<td>Compliance Review?</td>
<td>Scrutiny Officer</td>
<td>• Previously discussed: Minute 9, 8 June 2011; Minute 19, 29 June 2011; Minute 79, 23 Nov 2011; Minute 93, 14 Dec 2011.</td>
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<tr>
<td>5)</td>
<td>Insurance Update</td>
<td>Sharon Roots</td>
<td>• Officer request (24/05/12)</td>
</tr>
<tr>
<td>6)</td>
<td>Review of RM Policy and Strategy</td>
<td>Sharon Roots</td>
<td>• Officer request (24/05/12)</td>
</tr>
<tr>
<td>7)</td>
<td>Contract Work to Local Business</td>
<td>Jonathan Bunt</td>
<td>• (new monthly reporting embedded?)</td>
</tr>
<tr>
<td>8)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Public Accounts and Audit Select Committee

### 1 May 2013

<table>
<thead>
<tr>
<th>No.</th>
<th>Business Items.</th>
<th>Officer.</th>
<th>Description / Notes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Audit Commission Progress Report</td>
<td>Jon Hayes / Garry Gerrish</td>
<td>Officer request (24/05/12)</td>
</tr>
</tbody>
</table>

**Time:** 18.00 – 20.00  
**Venue:** Committee Room 1&2, Civic Centre, Dagenham  
**Report Deadline:** 16 May 2013  
**Publication Deadline:** 23 May 2013

**END OF MUNICIPAL YEAR**

Scrutiny Officer:  
Christopher Owens  | 020 8227 5848  | chris.owens@lbld.gov.uk
**Public Accounts and Audit Select Committee**

26 June 2013

<table>
<thead>
<tr>
<th>No.</th>
<th>Business Items</th>
<th>Officer.</th>
<th>Description / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Year End Audit Outturn</td>
<td>David Greenfield</td>
<td>Officer request (24/05/12)</td>
</tr>
<tr>
<td>2)</td>
<td>Draft Annual Governance Statement</td>
<td>David Greenfield</td>
<td>Officer request (24/05/12)</td>
</tr>
<tr>
<td>3)</td>
<td>Quarter Four Risk Management and RM Framework</td>
<td>Sharon Roots</td>
<td>Officer request (24/05/12)</td>
</tr>
<tr>
<td>4)</td>
<td>Year End Insurance Update</td>
<td>Sharon Roots</td>
<td>Officer request (24/05/12)</td>
</tr>
<tr>
<td>5)</td>
<td>Draft Statement of Accounts</td>
<td>Kathy Freeman</td>
<td>Officer request (07/06/12)</td>
</tr>
</tbody>
</table>

**Time:** 18.00 – 20.00  
**Venue:** TBC  
**Report Deadline:** 11 June 2013  
**Publication Deadline:** 18 June 2013
By virtue of paragraph(s) 1, 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted