

Governance Committee

Monday, 12th November, 2018
at 5.00 pm

PLEASE NOTE TIME OF MEETING

Committee Room 1 - Civic Centre

This meeting is open to the public

Members of the Committee

Councillor Keogh (Chair)
Councillor Kataria (Vice-Chair)
Councillor Harwood
Councillor Noon
Councillor Parnell
Councillor White
Councillor Whitbread

Contacts

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Richard Ivory
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PUBLIC INFORMATION

Role of the Governance Committee

Information regarding the role of the Committee's is contained in Part 2 (Articles) of the Council's Constitution.

[02 Part 2 - Articles](#)

It includes at least one Councillor from each of the political groups represented on the Council, and at least one independent person, without voting rights, who is not a Councillor or an Officer of the Council.

Access – Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Public Representations At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda

The Southampton City Council Strategy (2016-2020) is a key document and sets out the four key outcomes that make up our vision.

- Southampton has strong and sustainable economic growth
- Children and young people get a good start in life
- People in Southampton live safe, healthy, independent lives
- Southampton is an attractive modern City, where people are proud to live and work

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Mobile Telephones:- Please switch your mobile telephones to silent whilst in the meeting

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Fire Procedure – in the event of a fire or other emergency a continuous alarm will sound and you will be advised by Council officers what action to take.

Dates of Meetings: Municipal Year 2018/19

2018	2019
11th June	11th February
30th July	15 th April
10 th September	
12th November	
10th December	

CONDUCT OF MEETING

Terms of Reference

The terms of reference of the Governance Committee are contained in Part 3 of the Council's Constitution.

[03 - Part 3 - Responsibility for Functions](#)

Rules of Procedure

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

Business to be discussed

Only those items listed on the attached agenda may be considered at this meeting.

Quorum

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 STATEMENT FROM THE CHAIR

4 MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)

(Pages 1 - 2)

To approve and sign as a correct record the Minutes of the meeting held on 10th September 2018 and to deal with any matters arising, attached.

5 SOUTHAMPTON CITY COUNCIL COMPLAINTS REVIEW 2017/2018

(Pages 3 - 20)

Report of the Director Legal and Governance detailing the Southampton City Council Complaints Review 2017/18, attached.

6 HEALTH AND SOCIAL CARE CONTRACTS MANAGED BY THE INTEGRATED COMMISSIONING UNIT

(Pages 21 - 36)

Report of the Director of Quality and Integration outlining the major contracts managed by the Integrated Commissioning Unit on behalf of Southampton City Council, and detailing current arrangements for monitoring these contracts, including mechanisms for assurance of quality, performance, and governance, attached.

7 REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR REVIEW 2018/19

(Pages 37 - 60)

Report of the Director Finance and Commercialisation providing an overview of the Treasury Management (TM) activities and performance for 2018/19 against the approved Prudential Indicators for External Debt and Treasury Management.

8 STRATEGIC RISK REGISTER

(Pages 61 - 130)

Report of the Director for Finance and Commercialisation detailing the Council's Strategic Risks for 2018-19, attached.

9 PROGRAMME AND PROJECTS OVERVIEW

(Pages 131 - 146)

Report of Director of Finance and Commercialisation providing an overview of current programmes and projects for the council.

10 UPDATE ON VALUE FOR MONEY AUDIT CONCLUSION – FINANCIAL STATEMENTS 2017/18

(Pages 147 - 154)

Report of the Director of Finance and Commercialisation providing an update on the Value For Money (VFM) conclusion and recommendations reported to Governance Committee in July 2018 as part of the Annual Audit Report for the 2017/18 Financial Statements, specifically relating to procurement and contracting policies, attached.

11 INTERNAL AUDIT PROGRESS REPORT 2018-19

(Pages 155 - 174)

Report of the Chief Internal Auditor providing an update on progress against the Annual Audit Plan, attached.

12 EXTERNAL AUDIT ANNUAL AUDIT LETTER

(Pages 175 - 198)

Report of the External Auditor detailing the Annual Audit Letter for the year ending 31st March 2018, attached.

Friday, 2 November 2018

Director of Legal and Governance

GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 10 SEPTEMBER 2018

Present: Councillors Keogh (Chair), Fielker, Harwood, Kataria, Noon, Parnell and White

20. **APOLOGIES AND CHANGES IN MEMBERSHIP**

The Committee noted the resignation of Councillor Whitbread and the appointment of Councillor Fielker in place thereof in accordance with the provisions of Council Procedure Rule 4.3.

21. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED: that the minutes for the Committee meeting on 30th July 2018 be approved and signed as a correct record.

22. **APPOINTMENT OF VICE-CHAIR**

Councillor Kataria was appointed as Vice-Chair for the remainder of the Municipal Year.

23. **ANNUAL REPORT ON THE MEMBERS CODE OF CONDUCT**

The Committee received and noted the report of the Director of Legal and Governance and the Monitoring Officer detailing the Members' Code of Conduct Annual Report 2017/18.

24. **SOCIAL MEDIA POLICY FOR MEMBERS**

The Committee considered the report of the Director of Legal and Governance recommending the adoption of a Social Media Policy for Members in order to encourage and promote sharing of information in line with popular and emerging channels of communication with the public whilst ensuring that all relevant legal, conduct and reputational requirements and conventions were met.

RESOLVED: that the proposed Social Media Policy for Members be recommended to Full Council at its meeting on 19th September 2018 for approval and inclusion in the Council's Constitution.

25. **RISK MANAGEMENT ACTION PLAN 2018-19 : STATUS REPORT**

The Committee received and noted the report of the Chief Finance Officer detailing the status of the Risk Management Action Plan 2018-19.

The Committee referred to any emerging risk from the decision for the Council to withdraw from the Capita Contract and noted that they would be kept informed of any potential risks via email outside of the meeting.

26. **INTERNAL AUDIT PROGRESS REPORT 2018-19**

The Committee received and noted the report of the Chief Internal Auditor detailing the Internal Audit Progress Report 2018-19.

The Committee particularly noted the audit that had taken place relating to Procurement Compliance and Payables which had been given No Assurance. The Committee noted that there was an appropriate framework in place which was law compliant however there were specific areas of compliance that were not being dealt with which required attention by Management. To that end the Committee noted that Management had welcomed the audit and the need for improvements accepted, additions had been made to the strategic risk register and disciplinary processes were a potential consequence of non-compliance and the service were returning to the Council from Capita albeit there would be no changes in policies or the framework that was in place.

27. **QUARTERLY HR STATISTICS**

The Committee received and noted the report of the Service Director Human Resources and Organisational Development detailing Quarter 1 2018-19 HR Statistics.

The Committee requested that Staff Sickness be incorporated in the forthcoming Quarter Stats.

Agenda Item 5

DECISION-MAKER:		GOVERNANCE COMMITTEE	
SUBJECT:		SOUTHAMPTON CITY COUNCIL COMPLAINTS REVIEW 2017/2018	
DATE OF DECISION:		12 November 2018	
REPORT OF:		DIRECTOR LEGAL AND GOVERNANCE	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Mark Naylor, Complaints Resolution Manager	Tel: 023 80 833154
	E-mail:	Mark.naylor@southampton.gov.uk	
Director	Name:	Richard Ivory Service Director; Legal and Governance	Tel: 023 80 832794
	E-mail:	Richard.Ivory@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>This report summarises the type and number of complaints received from the 1 April 2017 and 31 March 2018 together with the Local Government and Social Care Ombudsman annual review for the same period. Overall complaints registered with the council have decreased by 16%.</p> <p>Corporate complaints 16% decrease Adult Services complaints 8% increase Children and Families complaints 30% decrease</p> <p>The Complaints Resolution Team (CRT), based in Legal and Governance, administers complaints from all areas within the Council (stage 2) that the service area has been unable to resolve at initial point of contact (Stage 1), alongside and responsible to the Service Lead: Legal Services Partnership who acts as the Council's single point of contact for Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman (HO) complaints.</p>			
RECOMMENDATIONS:			
	(i)	That the report be noted and to offer any feedback on governance or performance relating to the complaints function to inform future service delivery.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	<p>To update members of this Committee on performance trends and any learning points arising out of complaints made by the public via the Council's complaints procedures during 2017/2018. Identifying these issues assists the Council in understanding where things have "gone wrong" in the past year in order to improve service delivery.</p> <p>This report is presented to Governance Committee for information and feedback purposes.</p>		

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. N/A. The LGSCO requires the Council to report and consider complaints trends and outcomes annually with members and senior management.

DETAIL (Including consultation carried out)

3. The effective and responsive management of complaints is a vital part of the Council’s overall approach to customer care. In addition, the customer feedback, that valid complaints provide, can be used to improve service delivery, facilitate council wide learning and demonstrate continuous improvement.

4. At the conclusion of a complaints investigation, the complainant is advised that if they are not satisfied with the outcome, they may pursue their complaint to the LGSCO or the HO. This provides the customer with an entirely independent source of redress if they remain aggrieved. The Council works closely with the LGSCO or HO to resolve outstanding complaints where appropriate.

Corporate Complaints (1 April 2017 and 31 March 2018)

5. From 1 April 2017 to 31 March 2018 the council recorded 260 corporate complaints. This represents a 16% decrease on the 312 complaints recorded in 2016/17. 45 Complaints (17%) required investigation at stage two of the process, compared to 51 (16%) in 2016/17.

6. Continuing with an “immediate service recovery” ethos adopted three years ago, customer facing areas have been able to decrease the number of complaints recorded by taking immediate effective action on receipt of an issue from a member of the public. Where immediate action is not possible or the issue is identified as a continuing failure within the service area, matters are recorded as complaints and enter the complaints procedure and therefore recorded as such.
By adopting this approach, members of the public are receiving an immediate resolution to the issue, which is generally what is required.

7.

TABLE 1					
Rank of 5 Areas with the highest proportion of complaints					
2017/2018		2016/2017		2015/2016	
Housing Services	111 (42.7%)	Housing Services	35%	Housing Services	39%
Capita Delivered	54 (20.8%)	Libraries	21%	City Services (waste management)	24%
City Services (Parks and open Spaces)	34 (13%)	Capita delivered	18.5%	Local Taxation	16%
Highways	5 (2%)	City Services (waste management)	12.5%	Capita Delivered	12%
Libraries	2 (0.8%)	Planning	5.9%	Planning	1%

It is not unusual for the largest service area involved in direct delivery (usually housing) to feature high in the percentage of complaints received due to the sheer number of

customers they interact with. This is broadly comparable to the picture nationally. Neither Waste Services nor Planning recorded any stage one complaints on the system in 2017/18.

Complaints are recorded into one of a number of categories. The table below indicates the percentage of complaints within each category and compares this with figures for the previous two years.

TABLE 2

Category	2017/2018	2016/2017	2015/2016
Discrimination	0.3%	0.9%	0.5%
Misinformation	3.5%	4.8%	4.2%
Charges	1.9%	2.9%	6.2%
Speed	4.2%	0%	3.3%
Behaviour	11.9%	12.2%	16.3%
Performance	56.9%	53.2%	53.2%
Avoidable Contact	1.9%	2.2%	0.2%
Disagree with Decision	10.3%	7.3%	7.6%

Complaints which cover more than one category are not included (therefore, total not 100%)

8.

Table 3 below provides a breakdown of this Council's performance in relation to complaints compared to statistical neighbours (as used for formal audit purposes). This helps the Council compare like for like in terms of type of authority, geographical area within the country and broadly similar population sizes and make-up. The Corporate Complaints policy is not a statutory requirement. The systems and processes that individual councils have in place are based on LGSCO/HO guidance and are tailored to individual council structures. Comparison is therefore difficult, as other Council's may operate variations in their complaints regimes. The following table sets out the overall figures for the number of complaints received and demonstrates that, per head of population, dissatisfaction with Council services remains low.

TABLE 3

Authority	Corporate Complaints received 2017/2018	Corporate Complaints received 2016/2017	Corporate Complaints received 2015/2016	Population	Complaints per head of adult population 2017/2018
Southampton	260	312	355	249,500	0.001
Portsmouth	494	489	465	207,100	0.002
Brighton	1431	1500	Not Held	277,500	0.005
Plymouth	5340	2169	1865	258,808	0.020

9.

Table 4 below shows the number of complaints responded to at each stage of the procedure. Those complaints that cannot be responded to within the target period are frequently those that are more complex, and can involve investigating actions across more than one service area. Where this situation occurs the complainant will be contacted and a revised completion date agreed.

TABLE 4						
	Working days to close 2017/18		Working days to close 2016/2017		Working days to close 2015/2016	
Stage	< 20 days	> 20 days	< 20 days	> 20 days	< 20 days	> 20 days
1	79%	21%	78%	22%	75%	25%
	< 20 days	> 20 days	< 20 days	> 20 days	< 20 days	> 20 days
2	93%	7%	98%	2%	92%	8%
10.	Children and Families (Social Care) Complaints 1 April 2017 to 31 March 2018					
	<p>Children and Families complaints are classified according to the following definitions:</p> <ul style="list-style-type: none"> ▪ Social care complaints are those investigated under the Children and Families Social Care Complaints Policy (which reflects statutory regulations); ▪ All other Children and Families complaints are investigated using the Council's Corporate Complaints Policy (mainly Education and some Early Years areas); 					
11.	The Council recorded 69 (52 Statutory and 17 Corporate) complaints regarding Children and Families. This represents a 30% decrease on the 99 (84 Statutory and 15 Corporate) received in 2016/2017 and reflects a continued body of work undertaken by Children and Families working with and through the CRT to improve front line and service managers ability to resolve matters earlier, at point of initial contact.					
12.	The majority of those going on to be registered as complaints continue to be resolved at the first stage of the procedure through work by managers and staff in the service supported by advice and guidance from the CRT as required. Where resolution is not possible at stage 1 (statutory), the Council's Complaints Resolution Manager A) commissions an Independent Investigator (external to the Council who is responsible for investigating the complaint) or B) allocates the investigation to a member of the CRT under the guidance of the Complaints Resolution Manager and C) an Independent Person (whose role is to oversee the investigation to ensure fairness and that the children involved in the process are represented), to look into complaints at Stage 2 of the procedure.					
13.	11 (16%) complaints required investigation at stage two of the process, compared to 8 (9.5%) in 2016/2017.					
14.	TABLE 5					
	Investigation of Complaints					
	Year	No of Stage 1 Complaints		Percentage (number progressing to Stage 2)		
	2017/2018	69		16% (11)		
	2016/2017	84		9.5 % (8)		
	2015/2016	157		2.9% (5)		
15.	<p>If the complainant still remains dissatisfied after Stage 2 completion they can request a Stage 3 Independent Review Panel or, if both the Local Authority and the Complainant believe the dissatisfaction that remains is not resolvable at a stage three panel, the matter can be referred directly to the LGSCO.</p> <p>There have been no Stage Three panels held in the last three years.</p>					

16.	<p>Table 6 shows a comparison in the total number of contacts (complaints, representations, comments and compliments) received over the last three years.</p> <p>This is unlikely to be a true reflection of the number of compliments received by staff but recording is historically an issue. All staff are encouraged to send copies of compliments they receive to the CRT in order that they can be recorded and reported to the relevant Service Director so that good service can be recognised.</p> <p>Professional to professional compliments are not recorded, in line with professional to professional complaints non recording under the complaints policy For example where a Head Teacher complains regarding a persistent delay in providing documents for a meeting for example, the matter will be referred directly to the Service Director of the area concerned. It will not be recorded as a complaint</p> <p style="text-align: center;">TABLE 6</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: black; color: white;"> <th colspan="4" style="text-align: center;">TABLE 6</th> </tr> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">2017/2018</th> <th style="width: 20%;">2016/2017</th> <th style="width: 30%;">2015/2016</th> </tr> </thead> <tbody> <tr> <td>Record Type</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Complaints</td> <td style="text-align: center;">69</td> <td style="text-align: center;">99</td> <td style="text-align: center;">168</td> </tr> <tr> <td>Comments</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Referrals</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Compliments</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">72</td> <td style="text-align: center;">102</td> <td style="text-align: center;">185</td> </tr> </tbody> </table>	TABLE 6					2017/2018	2016/2017	2015/2016	Record Type				Complaints	69	99	168	Comments	0	0	0	Referrals	0	0	2	Compliments	3	3	15	Total	72	102	185
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17.	<p>Table 7 provides a breakdown of complaints by complaint issue and type. As most complaints relate to more than one issue, this approach to breaking them down allows us to maximise our learning from them. The majority of complaints relate to either service provision, individual staff or poor communication. The high staff turnover in this service area may be a contributing factor.</p> <p style="text-align: center;">TABLE 7</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: black; color: white;"> <th style="width: 70%;">Complaint Reason / Issue</th> <th style="width: 30%;">Number</th> </tr> </thead> <tbody> <tr> <td>Communication/Information</td> <td style="text-align: center;">14</td> </tr> <tr> <td>Unhappy with social worker</td> <td style="text-align: center;">16</td> </tr> <tr> <td>Unhappy with service provided/received</td> <td style="text-align: center;">14</td> </tr> <tr> <td>Disagree with LAC review/court report/Decision made</td> <td style="text-align: center;">12</td> </tr> <tr> <td>Not full filing duty</td> <td style="text-align: center;">6</td> </tr> <tr> <td>School Admissions/exclusions</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Special Educational Needs (SEND)</td> <td style="text-align: center;">4</td> </tr> <tr> <td>School Related Services</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Complaint Reason / Issue	Number	Communication/Information	14	Unhappy with social worker	16	Unhappy with service provided/received	14	Disagree with LAC review/court report/Decision made	12	Not full filing duty	6	School Admissions/exclusions	2	Special Educational Needs (SEND)	4	School Related Services	1														
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18.	<p>Table 8 shows an overall decrease in compliant response rates (within policy timescales) to complaints in Children and Families in 2017/2018.</p>																																

TABLE 8

Overall Performance Report - 1/04/2015 to 31/03/2018

Record Type	Acknowledgement (< 3 days)			Full Response (< 10 days)		
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16
Childrens Services Statutory						
Stage 1 complaint	100%	100%	100%	37.5%	55.2%	48.4%
Childrens Services (Learning Services) Corporate						
Acknowledgement (< 3 days)			Full Response (<20 days)			
Stage 1 complaint	100%	93.3%	100%	76.5%	86.7%	76.9%
Complaint Outcomes 2017/2018						
Stage 1	Upheld	Partially Upheld	Not Upheld	Stopped / Withdrawn		
Stage 1 (Statutory)	10 (20.4%)	11 (22.4%)	25 (51%)	3 (6.1%)		
Stage 1 (Corporate)	3 (18.8%)	3 (18.8%)	9 (56.3%)	1 (6.3%)		
Stage 2 (Statutory)	0	2 (40%)	3 (60%)	0		
Stage 2 (Corporate)	1 (20%)	0	4 (80%)	0		
Remedies used at Stage 1						
Type	Number					
Apology / Advice given	6					
Explanation	28					
Apology + Explanation	16					
Meeting offered / taken place	3					
Review of Case Handling	1					
Change of social worker	5					

19.

Adults Services (Social Care) Complaints 1 April 2017 to 31 March 2018

Adult Care complaints are dealt with under the standard complaint procedure. The Council recorded 64 complaints regarding Adult Social Care. This represents an 8% increase on the 59 complaints received in 2016/2017. 9 complaints (14 %) required investigation at stage two of the process, compared to 8 (13.5%) in 2016/2017.

TABLE 9			
Investigation of Complaints (Stage 2)			
Year	No Complaints	No progressing to stage two	Percentage progressing to Stage 2
2017/2018	64	9	14%
2016/2017	59	8	13.5%
2015/2016	77	4	5.2%
20.	<p>Table 10 provides a breakdown of complaints by complaint issue and highlights some of the major themes contained with the complaints received. The issues raised can be classified in ten specific ways. NB. Some complaints cross over one or more categories which explains why the total number of complaints received differs from the total in the below table.</p>		
TABLE 10			
Reason / Issue for complaint	No of Issues		
Disabled Parking Badge	1		
Eligibility Criteria	3		
Finance	20		
Information/ Communication	8		
Miscellaneous: Housing/Environment	0		
Policy and Procedure	1		
Unhappy with Care Manager / Social Worker	3		
Provider Services	2		
Unhappy with service	29		
TOTAL	67		
TABLE 11			
ASC COMPLAINTS BY SERVICE AREA (2017/2018)			
Safeguarding	1		
Single Point Access (SPA)	6		
Disabled Parking Badges	2		
Hospital Discharge Team	4		
Learning Disabilities	16		
Re-enablement Team / Support Planning Team	8		
External Provider – Domiciliary/Residential Care	4		
Joint commissioning	3		
Finance (All)	3		
West Care + Support	10		
East Care + Support	7		

21.	Complaint Outcomes 2017/2018									
TABLE 12										
	Stage	Upheld	Partially Upheld	Not Upheld	Stopped / Withdrawn					
	Stage 1	21	10	27	6					
	Stage 2	0	3	6	0					
22.	Under the combined adult social care / corporate complaints procedure, the council aims to send complainants a full reply within 20 working days, or if the matter is more complicated, this can be extended and the complainant kept informed of the reasons for delay.									
TABLE 13										
Overall Performance Report – 1 April 2016 to 31 March 2017										
	Acknowledgement Within 3 days			Full Response Within 20 days			Full Response Over 20 days			
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16	
Adult Statutory										
Stage 1	100%	100%	100%	65.3%	50.9%	42.9%	34.7%	49.1%	57.2%	
Adult Corporate				Full Response Within 20 days			Full Response Over 20 days			
Stage 1	100%	100%	100%	80%	83.3%	63.6%	20%	16.7%	36.4%	
TABLE 14										
Remedies used at Stage One										
Type							Number			
Apology							4			
Apology + Explanation							21			
Change of Service Provider							1			
Explanation							26			
Reimburse / Credit Charges							2			
Review Decision made							1			
Review of Care Package							2			
Review Process / Policy							3			
Review Systems used prior to invoicing run							0			
Complaint Stopped / Withdrawn							0			
Waive Charges							3			

24.	<p>CONCLUSIONS</p> <p>Overall the total number of complaints recorded by the council in 2017/18 decreased by 16%. It is believed that a more robust and immediate response to complaint issues by members of the public, when they first contact the council, is responsible for the overall decrease in recorded complaints.</p> <p>Corporate</p> <p>Recorded complaints decreased by 16 %</p> <p>Stage 1 response within target time (20 days) has increased to 79% compliance rate.</p> <p>Stage 2 response within target time (20 days) has decreased to 93% compliance.</p> <p>Children and Families</p> <p>Complaints decreased by 30%</p> <p>Stage 1 response within target time saw a decrease to 37.5% (statutory time scales) and 76.5%(corporate time scales)</p> <p>Stage 2 response (CRT investigation) within target had 100% compliance rate.</p> <p>(The one investigation sent outside the council took 90 days to complete due to nature and complexity. The complainant was updated every week with progress.)</p> <p>Adults</p> <p>Complaints increased by 8%</p> <p>Stage 1 response within target time saw an increase in performance to 65.3%.</p> <p>Stage 2 response within target time decreased to 80%.</p>
25.	<p>Learning from Complaints</p> <p>Whilst many issues are unique to a particular complaint, some highlight deficiencies in policy and process. They also highlight good or poor practice within individual teams or services.</p> <p>In both Children and Families and Adult Social Care, the Respond complaints recording system automatically generates an improvement plan for the investigating officer to complete when the complaint is finalised. This improvement plan is then used to drive change. Implementation is monitored by service managers in the particular service.</p> <p>In all other areas of the Council, the complaints are recorded on the Lagan system. This does not generate an improvement plan and service areas are relied upon to follow through on investigator recommendations.</p> <p>Both the existing Lagan system and the stand alone Respond systems have been replaced on 1st April 2018 with a new updated version of the Lagan system. The lagan system, now in use, reflects the new council structure and incorporates all council areas.</p>

During 2017/18, all Council policies in relation to complaints have been reviewed and updated where necessary as part of the annual review of the CRT service provision. The updates have attempted to reflect the change in council structure and process (as the Transformation Project continues) and also reflect findings by the LGSCO and HO in respect of both Southampton related complaints referred to them and also generic National learning as a result of cases from other areas of the country.

Manager / Team Leader training in complaints handling has been completed again in 2017 to update existing Manager / Team leaders and provide guidance for new staff in the area of complaints. E learning packages are now available since Autumn 2017 and new style scenario based workshops replaced the old style “front loading” training for all workshops run in 2017/18.

The most significant issue recorded as cause for complaint continues to be communication, especially with individuals but also to a lesser extent, with individual departments. Other than communication and contact issues, there were no identified themes running through any Service within the council as a result of complaints.

Corporate and Adult Services during 2017/18 remained the first point of contact for those with complaints through the website. This has proved successful in the service areas being able to deal with a large proportion of matters immediately (or within three days) to the satisfaction of the member of the public, negating the need for formal recording and investigation of a complaint.

The only Children and Families area during 2017/18, where direct submission from the website existed was Education Services.

Adult Social Care

The initial impact of the Care Act 2014 introduction continues to be felt, but the initial issues of care reviews, changes in funding arrangements and the like have been dealt with by the service during 2015, 2016 and 2017. The number of complaints generated by the new Act seen in 2015 have gradually decreased through 2016 and 2017.

Housing

Despite the number of complaints recorded in the Housing area of business, the findings of complaints remain in the area of communications and interpretation of policy in a member of the public’s unique complaint circumstances.

A number of complaints this year have highlighted a delay issue in the ordering of items required to carry out repairs in council owned housing. A review of the ordering system has been carried out and the system has been refined.

Waste Management

Waste management continue to be proactive in response to issue raised in regards to missed bin collections and fly tipping (where this falls under their remit). Processes are in place to deal with missed bin collections and where matters are correctly notified to the Council missed bins and the like are collected within two working days. Missed bins are not recorded as complaints unless there is a systematic or persistent failure.

	<p>Children and Families</p> <p>The number and type of complaints with regard to C and F vary. The theme with complaints is very strongly associated with timeliness and communications.</p> <p>Unique to Children and Families (as the Complaints process is governed by the Childrens Act 1989) is that the Stage two investigation process is undertaken by an independent Investigator OR and internal independent manager.</p> <p>Until 2016/17 all stage two Children’s complaints were allocated to an Investigator not employed by or associated with the Council. The average invoice for a stage two Independent Investigator is £2831.70. The CRT manager assessed each request for a stage two Independent Investigation. Of the 11 requests (complaints initially registered between 1.4.16 and 31.3.17), seven were felt suitable for internal independent investigation.</p> <p>The undertaking of these seven investigations saved £19,821.90 in external fees</p> <p>In 2017/18 only 1 of the 11 requests for stage two investigation was allocated externally. The undertaking of the remaining 10 investigations saved £28,317 in external fees. There will be investigations/escalations that the CRT manager feels should be externally investigated for a variety of reasons and therefore this option will always be considered and exercised where necessary. The time spent on these investigations by CRT staff was made available as a result of the majority of initial complaint enquiries being directed to the service areas (via the WEB or the IVR). Mediation roles are explored by CRT staff, to prevent escalation of complaints to stage two and beyond to the LGSCO/HO.</p>
26.	<p>Complaint Process Changes</p> <p>In recent years a significant amount of change has been necessary within the Local Authority and a number of transformation projects have been undertaken and implemented. These projects have provided a platform for issues raised within the complaints process to be incorporated in the changes put in place. As a result, common themes within areas of the council have been identified at a much higher authority level and implementation of major change have encapsulated the majority of common faults and issues that have been historically subject of complaint. The advent of single points of contact within the Social Care areas, more efficient and available contact and reporting points and availability of pay on line for a significant number of services through the web pages have significantly reduced complaint issues in regards to contact with the council. The development of the “My Southampton “account process continues to reduce customer frustrations.</p> <p>Where contact issues are identified they are resolved quickly by nominated officers identified in the affected areas. These officers are identified before system changes go live and therefore new processes and projects, where issues are identified, can be rectified quickly without the need for a long process. The service recovery ethos is now well embedded and has contributed significantly to the reduction in the number of issues that have to be recorded as complaints.</p> <p>On the 1st April 2018 changes of IT systems and completion of a number of transformation projects in both Adult and Children’s Social Care have allowed the completion of all council service areas “self-servicing” with the triage, recording, and</p>

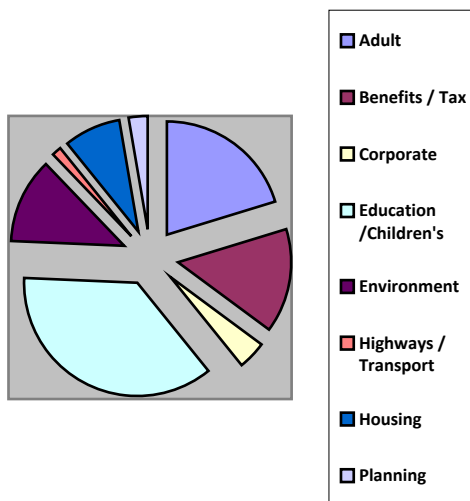
	<p>investigation/responding to their own service areas issues. Corporate areas of the Council have been doing this for a number of years and have now been joined by all social care functions. This has allowed a change of focus for the Customer Relations Team.</p> <p>Therefore as of 1 April 2018 all email, web submission, telephone calls and letters regarding issues with a service area are directed to a point of contact within the affected service area. This allows the Service area to triage issues effectively and where necessary can deal with issues swiftly in line with the service recovery ethos. here the matter cannot be dealt with swiftly, the service area will record the matter as a complaint and allocate to the most appropriate manager to investigate and respond. The Customer Relations Team will now concentrate solely on the review and investigation of complaints at stage two of the complaints process (and beyond). These complaints are those that have not been resolved to the satisfaction of the complainant at stage one (service area investigation) of the complaints process. The CRT will however continue to provide advice, support and training for Local Authority staff in relation to complaints.</p> <p>The annual Governance report for 2018/19 will remain the responsibility of Legal and Governance. Details will be produced from the Lagan complaints data base. However several service areas have chosen not to use the Lagan database to record complaints namely Waste Management, Highways and Council Tax, therefore they will be asked to supply relevant information from the data bases they have chosen to use. Other smaller service areas who were not recording onto Lagan have agreed to record complaints onto Lagan during 2018/19. The report will be redesigned to ensure that all service areas will be reported on in the same way (in respect of compliance with timescales and remedies used) and will therefore be more informative as a performance management document.</p>
27.	<p>Local Government & Social Care Ombudsman (LGSCO) Complaints</p> <p>LGSCO (formerly LGO) complaints, the final ‘independent’ stage for all complaints processes, are dealt with by the Service Lead: Legal Services Partnership on behalf of the Council. The LGSCO (the Commission for Local Administration in England) provides an independent review of all complaints falling within their jurisdiction. In an effort to simplify outcomes for complainants the LGSCO has in recent years moved from findings of ‘Maladministration’ and ‘Injustice’ to a more commonly understood term ‘fault’. If ‘Fault’ is found a complaint is recorded as upheld, even if the Council has already taken steps to remedy that fault and the LGSCO is satisfied with the remedy offered by the Council. All findings are now reported on the LGSCO website within 3 months of the decision being published.</p> <p>Statutory reports still remain the highest ‘fault’ finding the LGSCO can make. These require the Council’s Monitoring Officer to prepare a report for consideration at full Council following a period of statutory publication of the findings. Council’s that fail to co-operate with the LGSCO or any of their findings may be subject to Judicial Review.</p>

	2017/18	2016/17	2015/16
Complaints received	74	60	67
Decisions made	68	58	65
Statutory Reports	0	0	0
Upheld	7 (50%)	5 (50%)	7
Not Upheld	7 (50%)	5(50%)	5
Closed / Invalid etc.	15	18	19
Premature referrals	39	30	34

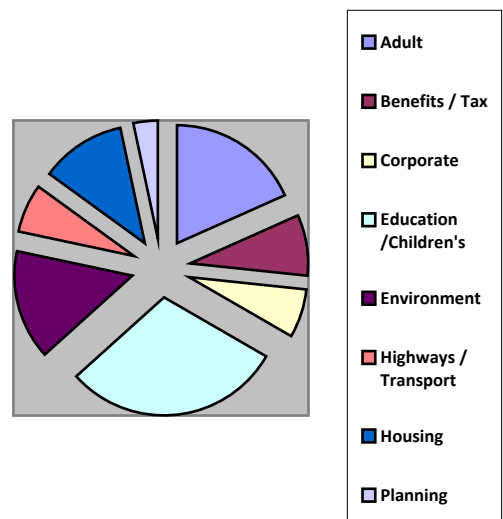
28.

LGSCO Complaints received by Area

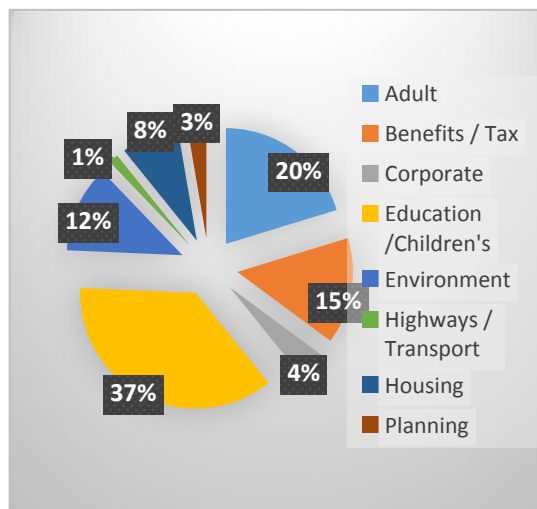
2017/18



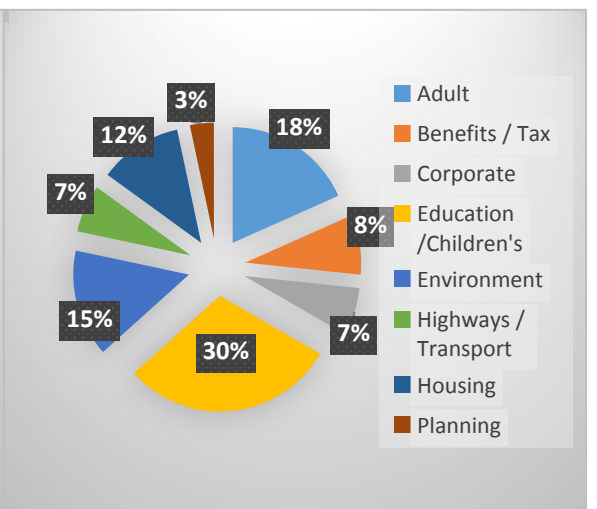
2016/17



2017/18



2016/17



29.

Details of Complaints Upheld

Of the 7 complaints upheld by the LGSCO last year, 1 related to housing, 2 related to planning and 4 related to Education & Children's Services.

The statistics show a demonstrable jump in both the number of complaints being received about education & children's services matters and, significantly, the number not being resolved by the service area prior to referral to the LGSCO.

The Education & Children's Services matters related to:

- Fault by the Council in dealing with a request for a change of school for her son under the complaints process rather than referring her to the SEND Tribunal. There was fault in not carrying out proper long-term planning for the child's future and not properly considering his status as a 'looked after' child under S20 of the Children Act 1989. The Council agreed to carry out proper long-term planning. It also agreed to pay the complainant and the child £500 each as recognition of the faults and the injustice to them and to ensure IROs are equipped to carry out the reviewing role in the future.
- Fault by the Council in not maintaining adequate records of available school gates on sites and to calculate distances to schools in accordance with those updated records. In the case complained of, the Council was able to demonstrate the child would not have gotten a place as a result of its error in omitting a gate as other children still lived closer to the school but had to give an undertaking to complete a housekeeping exercise reviewing all of the designated gates at all schools in order to ensure that all open gates that are safe to use as included on the system and that it is kept regularly reviewed going forward. All distance calculations for admissions to be calculated in accordance with maintained data going forward.
- Fault by the Council in how it approached its decision about whether a child should be admitted to Year R or Year 1 following a parental application to seek admission out of their normal year of entry. Failure to provide a properly reasoned decision compliant with the statutory admissions Code. The Council agreed to carry out a fresh decision about which year group it would be in the best interests of the child to join in September 2018 and to communicate this to the complainants giving its decision about what is in their son's best interest, with reasons. The Council also agreed to offer the complainants a place at their chosen School, in whichever year the Council decided it was in his best interests to start school. The Council also agreed to pay £600 compensation in recognition of time & trouble and the distress caused as the Service area had not followed the recommendations of its own stage 2 complaints decision in a timely manner
- The Council failed to make the SEN provision for the complainants child because there has not been a full-time teacher of the deaf since July 2016 and the Council also failed to transfer her son to a new EHC plan in time for him to start school in September 2015 and still had not done so by the time of the complaint. The Council also failed to implement the LGSCO's recommendations by the deadline imposed by the LGSCO and had to issue a further letter of apology and compensation payment following that failure. The complaint was eventually resolved by completing the EHC Plan , an apology and payment of £1200 towards additional resources to support his development arising from the time he had no teacher for the deaf to support him.

The housing matter related to the position of a tenant on the Council's housing allocations list and his eligibility to bid for certain properties based on the age of his partner / inadequate wording on the Council's bidding portal clarifying that position. The Council agreed to treat the complainants housing application as continuous from when he was accepted for an accessible property in March 2015 and record his position on the list accordingly.

The Planning complaints related to the adequacy of enforcement action relating to work in a conservation area and where there was a suggestion that building works and change of use had taken place without adequate intervention by planning to ensure compliance with planning conditions relating to the works. The Council agreed to pay £600 compensation and apologise along with resurrecting enforcement action using BCN process if required following consultation with the Conservation officer to assess impact, to keep the complainant informed (and anonymous) throughout, to liaise with Building Control to address concerns around surface water drainage and to take enforcement action or investigation into use of the garage as a commercial kitchen. The Council also agreed to improve its procedures in relation to reviewing its planning policy re enforcement, keep proper records of all site visits and meetings and properly communicate with complainants going forward.

Nationally in 2016/17 the LGSCO registered 16,963 complaints (broadly comparable with the previous year at 16,863 complaints). Only 2275 complaints were upheld (13.4%) – significantly lower than the uphold rate for Southampton. Within this the largest area for complaints was Children’s & Education, followed by Adult Social Care and Planning. The Housing Ombudsman service operates separate from the LGSCO (who now only deals with limited policy matters relating to Housing) with the Housing Ombudsman dealing with ‘landlord’ related tenant complaints and there remains a significant backlog of complaints with that service with many months delay before complaints reach the Council for either mediation through the Ombudsman or investigation by their service. The figures in relation to Housing Ombudsman complaints and the true picture in relation to those that remain outstanding is in significant doubt as it was last year and the year before.

The LGSCO nationally has raised their concern with the operation and effectiveness of the Housing Ombudsman Service and is seeking further regulatory change to reintegrate the services. It is not known at this time whether that is likely to be accepted by Parliament.

30. So how does Southampton compare?

The table below shows how Southampton performs against key local and unitary comparators. This is an edited snapshot of total number of complaints and % upheld and is not intended to give more than a brief overview of comparative pressures / performance. More detail, and statistics for all other Councils, is included in the LGSCO Annual Report referred to above.

	2017/18 Complaints	% Upheld	2016/17 Complaints	% Upheld
Bournemouth	58	44%	49	44%
Bristol	133	46%	156	56%
Brighton & Hove	124	57%	134	67%
Hampshire	118	52%	92	63%
Plymouth	121	58%	98	56%
Portsmouth	46	75%	42	58%
Southampton	68	50%	60	50%

Full details of both the Council’s annual performance letter and the LGSCO Annual Review can be viewed on www.LGSCO.org.uk

31.	<p>Learning from Complaints</p> <p>Steady and sustainable reduction in complaints for the last four years has been centred on trends within individual service areas. The SCC has been able to identify common themes in respect of service area delivery. However, as numbers or recorded complaints have reduced it is much more difficult to identify any common themes due to such low numbers. However, underpinning virtually all complaints, is the missed opportunity to resolve issues at an early stage, usually initial contact. Matters appear to get to formal complaint stage where communication (or lack of it) tests the patience and adds to the frustration of members of the public wishing to deal with an issue with Southampton City Council. The adoption of the “Immediate Service Recovery” ethos saw a decrease in matters that need to go through formal complaints process. The subsequent introduction and then improvement in the web based service has contributed to another drop in recorded complaints. A more robust approach, when matters are not resolved at stage one and matters are requested to proceed to stage two of the complaints process, to return the issue to the service area through mediation are proving effective.</p> <p>The SCC’s vision and implementation of a Restorative Practice approach across all council services, together with partner agencies, is now being rolled out. The ethos is of early communication and intervention thus preventing issues growing into more unmanageable forms. herefore it is envisaged that complaints recorded in the 2018/19 period will hold at present level or see another small decrease.</p> <p>It must be noted however that the percentage of complaints not responded to within the policy/legislation time frames is giving cause for further frustration to members of the public. New and updated guidance with regard to process and investigation of complaints, together with advice and guidance from the LGSCO is now published on the SCC “staff stuff” site to aid managers and others tasked with resolving complaints to do so at the earliest opportunity. Even when formal complaints process has started.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
32.	None
<u>Property/Other</u>	
33.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
34.	S.111 Local Government Act 1972 and s.1 Localism Act 2011.
<u>Other Legal Implications:</u>	
35.	Individual complaints touch on a wide variety of Council duties and powers which are taken into account (alongside pervasive legislation such as the Equalities Act 2010) when reviewing and responding to customer complaints and areas of service recovery or improvement.

RISK MANAGEMENT IMPLICATIONS	
36.	None in relation to this report. No major issues or areas of concern for the Council as a whole highlighted in this year's review however individual complaints are risk assessed on a case by case basis.
POLICY FRAMEWORK IMPLICATIONS	
37.	The complaints function is exercised wholly in accordance with the Council's Policy Framework.
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	N/A
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
	None
Documents In Members' Rooms	
	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
	None

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DECISION-MAKER: Governance Committee

SUBJECT: Health and Social Care Contracts managed by the Integrated Commissioning Unit

DATE OF DECISION: 12th November 2018

REPORT OF: Director of Quality and Integration

CONTACT DETAILS

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STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

This paper informs the Governance Committee of the major contracts managed by the Integrated Commissioning Unit (ICU) on behalf of Southampton City Council, and details current arrangements for monitoring these contracts, including mechanisms for assurance of quality, performance, and governance.

RECOMMENDATIONS:

- (i) That the Committee notes the report.

REASONS FOR REPORT RECOMMENDATIONS

1. This is for information and to provide assurance to the Committee that the ICU is managing contracts on behalf of the council in a robust manner.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. N/A

DETAIL (Including consultation carried out)

3. Background:

The Integrated Commissioning Unit (ICU) undertakes health and social care commissioning functions on behalf of Southampton City Council (SCC) and Southampton City Clinical Commissioning Group (SCCCG). This includes responsibility for the management of associated contractual arrangements for care and support services on behalf of both organisations. The team have high level of negotiation skills and a broad understanding of the health and care market, including benchmarking information. Each contract has an aligned commissioner with subject matter expertise and contract expert who work with a range of stakeholders, including service users, to review contracts.

4. The ICU currently manages 99 separate contracts including block service contracts, frameworks and partnership agreements. Of these, 89 are SCC contracts, and these have an annual value of £32m. The ICU manages 20 grant arrangements to the value of £0.1m (including Community Chest). It also manages 20 partnership agreements between the council and health agencies, and provides 10 contracts on behalf of SCCC, and works closely with the Commissioning Support Unit who provide procurement support to the CCG. Overall, this represents a significant reduction in the number of contracts managed since the ICU was formed, down from 169 in 2014/15 (a 41% reduction in the number of separate contracts). This has been as a result of reviewing and combining contracts or decommissioning. It also represents a 21% reduction in the available budget over the same period - from £43 million in 2014/15.
5. Framework agreements, including Home Care, are included in the total contract numbers, but the budget is managed separately as each individual package of care is commissioned to meet the individual needs of each client. Similarly, the ICU manages the terms under which the council accesses residential and nursing homes both within the city and across the country. The number of separate arrangements are not included in the figures above due to their number (over 200 at any one time) and because again, each individual package of care is commissioned separately so the budget is not included as being managed by the ICU. In addition, the ICU helps to provide the framework for services within which adult social care teams can micro-commission services for clients, including the individual packages of care. In addition, these services can provide support under direct payment arrangements.
6. Contract compliance

In order to ensure contract compliance and best value, the ICU Contracts Team supports the ICU Commissioners with the undertaking of contract-related functions to ensure that:

 - Contracts are appropriately and optimally designed, such that service expectations are clearly defined and the benefits of services delivered can be evidenced.
 - Suppliers are at all times compliant with contract terms, and that non-compliance with respect to performance, quality, safety, and risk is appropriately managed.
 - The contracting authority remains at all times compliant with its own obligations with respect to contracts (i.e. payments, communications, expiry).
 - Services purchased through contract represent value for money to the contracting authority and provide good outcomes in line with the contractual arrangements.

7. ICU management of contracts

The ICU manages council contracts delivering service to Adults and Children, and including Public Health requirements, and the community grants programme.

SCC Contract areas	Number of Contracts	Total Annual Value
Integrated Commissioning Unit	47	£15 million
Services to Adults	10	£10.4 million
Services to Children	20	£3.4 million
Public Health requirements	22	£3 million
Support for Communities (grants)	20	£0.1 million

8. 'Major' SCC Contracts

The ICU manages 51 block service contracts on behalf of SCC with a combined total value of £18m and an average value of £370k. Within this portfolio, there are six contracts which may be considered 'major' in financial terms in that their per annum value exceeds £1m:

Contract Title	Service Provider	Contract Start Date	Current Expiry Date	Maximum Expiry Date	Total Annual value 2018/19
Nursing home for older people (Northlands)	BUPA	24/06/05	23/06/30	23/06/30	£2.2 million
Sexual Health services	Solent NHS Trust	01/04/17	31/03/22	31/03/24	£2.2 million
Southampton Drug and Alcohol Recovery Partnership	Change Grow Live	01/12/14	30/06/19	30/06/19	£1.7 million
Housing Related Support Service for Adults – Flexible Support	Home Group Ltd	01/07/17	30/06/20	30/06/22	£1.5 million
Nursing home for people with dementia (Oak Lodge)	BUPA	08/02/10	07/02/35	07/02/35	£1.5 million
Health and Care related equipment service	Millbrook Healthcare	01/07/13	30/06/18	30/06/20	£1.5 million

9. Residential Home for Older People (Northlands House) & Nursing Home for People with Dementia (Oak Lodge) – BUPA

These two contracts were commissioned as part of long-term arrangements under what are effectively Private Finance Initiatives. With both arrangements the Council provided the land, BUPA built the nursing homes at their cost, and a long-term arrangement for providing care was established. This guarantees access to a specified volume of nursing care beds each week at a set price – 62 bedspaces at Northlands; 40 bedspaces at Oak Lodge. Both contracts contain provision for respite care. Both agreements last for 25 years, which secures a minimum level of supply in the local nursing care market. There is an associated Section 75 partnership agreement in place, through which SCCCG pays SCC for the funded nursing care element of the service. There are break clauses within both contracts, but unless the termination is the result of substantial default by BUPA there are significant financial penalties that would fall to the Council to cover BUPA’s loss of operating profit. In the current financial year, the penalties are £7.9 million in respect of Northlands House and £6.2 million in respect of Oak Lodge – confirmed by both Legal and Capita.

10. The total weekly rates paid for each client in the BUPA homes, including the Funded Nursing Care (FNC) element (£158.16 per person per week (pppw)) – payment specifically for nursing staff, are:

Home	Per Week - 2018/19
Northlands (long stay)	£701.26
Northlands (respite 1 bed)	£817.74
Oak Lodge (long stay)	£699.58
Oak Lodge (respite 2 beds)	£787.15

These rates compare favourably with those achievable in other nursing homes, where the average weekly fee is approximately £730pppw, not including the FNC element.

The performance of these contracts is managed by the ICU through the monitoring of a series of key performance indicators (KPIs) including:

- Occupancy and access levels
- Individual care plans in place and reviews undertaken
- Client and quality indicators
- GP reviews undertaken on time
- Access to activities.

These indicators focus on the key activity levels achieved within the homes and provide the initial cut of management information. In addition, the services are monitored against a range of quality indicators including hygiene inspection scores, medication errors, mortality rates, weight loss, acquired pressure ulcers, infections, accidents and incidents, as well as productivity measures (i.e. staffing numbers and turnover). The services are meeting objectives and responding positively to incidents.

11. In order to maximise the utilisation of block-contracted capacity, access to both services is managed through the ICU's Placement Service. The Placement Service manages access for adults to a range of services including residential and nursing homes, home care and respite support. This arrangement is enabling quicker access to available beds ensuring the block contracts are managed effectively. There were recently vacancies in the contracted beds at Northlands House. The placement service have worked to extend access and negotiated with BUPA to broaden the criteria of need for access on a case-by-case, resulting in greater use of these beds, including providing more respite care in the home. In the longer term, the ICU is negotiating with BUPA to re-define these access arrangements and need criteria so that vacancies are able to be managed more appropriately.

12. Sexual Health Services - Solent NHS Trust

The council has a mandate to commission confidential, open access sexual health service for its residents that provides testing, treatment and counselling for a range of sexually transmitted diseases, and also gives access to a range of contraceptive options. The service is commissioned through close working between the Public Health team and the ICU, which allows the service to deliver a fully Integrated Sexual Health service that also includes CCG commissioned services (vasectomies and terminations of pregnancy). This integrated model helps the city ensure that local residents have timely access to the high quality services to improve and manage their sexual and reproductive health. This service is currently delivered by Solent NHS Trust, to a specification which is similar across Southampton, Portsmouth and Hampshire. Funded primary care services support this offer.

13. It provides the following Local Authority commissioned services: Advice and information on all sexual health issues, screening and treatment of sexually transmitted infections, all methods of contraception including Long Acting Reversible Contraception (LARC) methods, condoms, HIV testing and follow-up care, emergency contraception, pregnancy testing, help and advice on unplanned pregnancy, safer sex advice, psychosexual counselling, Hepatitis B screening and vaccination, and sexual health promotion and outreach to vulnerable groups.

The contract sets clear targets in a range of areas, including:

- Access to services and response times
- Availability and utilisation of contraception
- Availability and utilisation of support and services to manage sexually transmitted diseases, including screening
- Chlamydia screening and partner notification
- Sexual health promotion and outreach to young people, Men who have sex with men (MSM), BAME and people living with HIV
- Behaviour change and making every contact count
- Network and clinical leadership
- Development and management of broader access pathways to other services e.g. substance misuse, stop smoking, safeguarding agencies
- Service user feedback on the quality of the services.

14. With such a complicated and comprehensive range of services, monitoring is undertaken jointly via returns and quarterly contract review meetings with all three Local Authorities and Hampshire, Southampton and Portsmouth CCGs. The service is meeting the service criteria and it is considered a good service overall. There is on-going discussion with the provider over appropriate access arrangements within budget constraints, and to ensure consistency across the three areas, including payment terms where there is over-provision in one area. The contract can be terminated by providing a minimum of 12 months written notice, provided by either party. This is in addition to the default clauses regarding non-performance.

15. Southampton Drug and Alcohol Recovery Partnership: Contract 2 – Change Grow Live

This contract delivers care coordination and clinical interventions for people with substance use disorders. Through a process of system redesign, this contract has brought together these two, important, elements to engage, support and provide interventions for people with problematic drug and alcohol use in the city. Historically care coordination and clinical interventions were delivered separately. This contract now includes clinical services, previously provided by a separate agency who agreed to transfer clinical responsibility to Change Grow Live (CGL) following budget reductions in 2017. Change Grow Live now provide this combined service as part of a partnership of services to this client group. The service is a key element of public health work, in keeping people safe from other infections, including blood borne viruses. Change Grow Live are experienced in providing services for drug users and in providing allied support.

16. Payment is made on a block basis for the complete service, with a reconciliation process in place on an annual basis, should performance levels fall below those specified. The Key Performance Indicators for the service reflect the national framework for drug and alcohol treatment services and local priorities. They cover (this list is not exhaustive):

- Numbers receiving outreach and brief intervention support
- Time limits for initial assessment, and comprehensive assessment
- People completing a course of Hepatitis B vaccines
- Abstinence rates (different rates set for each main drug)
- Recovery Action Plans in place
- Reduction in people injecting
- Proportion of people entering education, employment and training
- Criminal Justice Service users starting and completing treatment
- Number of people completing treatments successfully

There is also a range of other management information gathered to ensure the service is operating effectively. This includes service utilisation; numbers on substitute and relapse prevention prescribing; access to pharmacies, and a range of other data that feeds into a full picture of the service and its effectiveness.

17. The contract can be terminated by providing a minimum of six months written notice, provided by either party. This is in addition to the default clauses regarding non-performance. The contract has been performing well after a period of uncertainty as the previous contract was ended early. They have brought together a range of service functions, and the open access arrangements are working well. Arrangements are already in place to review the service in preparation for the next re-commissioning programme for 2019.

18. Housing Related Support Service for Adults – Flexible Support

In 2017, all housing related support services in the city were reconfigured and let following a tendering process. The largest of these new services offers short-term, up to a maximum of two years, flexible support to individuals in the city who are vulnerable due to homelessness, mental health issues, learning disability issues and other reasons. The ICU secured substantial savings (over £500K per annum) through a tender process after combining a number of different services into this one city-wide contract. There have been a number of challenges following these changes and these difficulties have been managed by the provider appropriately over the past year.

19. The service offers person-centred support planning and links individuals, including those with very complex needs, with support networks in the community. These will enable them to sustain new lifestyles and positive patterns of behaviour for the future. This role includes prevention of homelessness through crisis intervention, mediation support to enable individuals to return home, and the sustainment of tenancies on a broader level. The service supports individuals being resettled from prison, hospital (including institutions), residential care and supported living. It underpins and supports the work of care agencies, drug and alcohol services, probation, police and other services in providing a comprehensive support system, and coordinates the housing related support pathway, acting as a gateway to other services.
20. Although not statutory services, this contract (and others supporting vulnerable people) underpin the statutory services the council has to provide. Without this service, accommodation support to homeless people would effectively cease, with the resulting significant rise in street homelessness. It is likely that the current accommodation provided by partner agencies would be lost to the city, as agencies reconfigure their services in response. This would mean that any future work with homeless people and other vulnerable groups, would no longer have the accommodation resource required to meet needs. In addition, some individuals – including those with learning disabilities and mental health issues – would require care assessments, and without the support services available the care response is likely to cost the council more than the current range of services available.
21. Payment is made on a block basis. The service provides 2,000 hours of support in the city each week. The Performance Indicators for the service include:
- Utilisation rates;
 - The rate of positive planned moves achieved;
 - Rates of individuals supported into training, employment and volunteering;
 - Rates of positive changed behaviours;
 - Feedback from stakeholders and users; and
 - Management reporting covering other key targets regarding performance and outcomes for individuals.

In addition the service provides full management information on use, outcomes against agreed measurement tools, prevention of issues with landlords and other indicators relating to the service aims.

22. The service has managed considerable change in accommodation and staffing from the previous arrangements that were in place. Although this has taken time to settle, the service has continued providing essential support to vulnerable individuals and is now part of the coordination of the wider set of services, enabling a more effective

through-flow of clients into the most appropriate accommodation, and supporting others who have moved into the community. The service is already performing well despite the significant changes in service design it has had to incorporate and manage – this includes several changes of accommodation available in the city, increasing quality and numbers. The contract can be terminated with three months' notice or through default clauses.

23. Health and Care Related Joint Equipment Service

This service has been in place since July 2013. It operates on a five-year contract, with a potential extension of a further two years, which are now being utilised. The contract is managed jointly with Portsmouth City Council and the CCGs in both cities, saving all organisations procurement resources, and ensuring a consistent service across both areas. This contract has provided for significant improvements in service delivery, including: a new equipment store; on-line ordering; set times and standards for delivery; significantly lower costs for items of equipment; re-use and recycling of equipment; and greater access for the public to enable them to meet their own needs. Equipment can range from small items to help someone be steady on their feet, to beds and chairs to keep an individual safe at home and to reduce the risk of falls or pressure sores etc.

24. The referral routes are many and varied including hospital teams, care managers and community nursing staff. The ICU maintains oversight of specific groups of referrals. This enables requests to be monitored and reviewed by a qualified Occupational Therapist to ensure the most appropriate equipment item is requested and supplied. The service is therefore monitored on a day-to-day basis, but also through a range of indicators to show performance, including:

- Equipment delivery and collection timescales
- Service Users and prescribers reporting their experience of the service
- Percentage of orders met from recycled Equipment
- Recycling levels met.

In addition, the service provides a full range of management information on use; equipment provided to different teams in the city; recycling of equipment; financial impacts, which help to provide rich data on the service and its impact on other areas of the city. This enables commissioners to assess the service and to agree areas for further development and focus.

25. Millbrook Healthcare have developed the original service considerably, providing equipment at cheaper rates, delivering more quickly, and providing enhanced services when necessary. This included considerable work at the outset of the contract in checking that all long-term equipment in the community was safe and met legal standards. Payment includes fixed costs (for the building and warehouse from which the service is managed) and separate monthly costs associated directly with the equipment provided and delivery times met. The costs therefore, fluctuate each month in response to requirements. In addition, the recycling of equipment provides discounts for the Council. There is a Section 75 partnership arrangement in place, with the SCCC contributing 49% of the total cost, to cover health equipment. The service meets both statutory requirements for the provision of equipment to help meet needs, and underpins efforts to provide cost-effective alternative to direct, hands-on care provision and help people to remain independent. The complexity and numbers accessing the service means it requires close management, and the ICU has dedicated resources to ensure this is in place. The service overall is high-performing in terms of meeting demand, meeting timescale requirements, cost-

effectiveness and recycling of equipment. The contract can be terminated by utilising default clauses regarding non-performance.

26. Performance Management

ICU contracted services are specified as requiring quarterly performance monitoring as standard. A monitoring format has been agreed and is utilised for all new contracts issued to enable greater consistency.

27. Governance

All contracts managed by the ICU feed into the ICU's Performance Dashboard and associated KPI's, which are reported to the Joint Commissioning Board on a regular basis.

RESOURCE IMPLICATIONS

Capital/Revenue

28. N/A

Property/Other

29. N/A

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

30. The contracts identified above are currently monitored to ensure compliance with terms and conditions and to ensure service delivery against expectations. The contracts have defined financial values, and the contracts have all been drafted and agreed in cooperation with Legal Services.

Other Legal Implications:

31. N/A

RISK MANAGEMENT IMPLICATIONS

32. N/A

POLICY FRAMEWORK IMPLICATIONS

33. Contracts monitoring work carried out by the ICU ensures compliance of SCC's contracts on all levels.

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	All wards	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Governance Committee – Contracts List – Sept 18	
Documents In Members’ Rooms		
1.	N/A	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	

Contract Reference EC/MW	Contract Title	Service Provider	ICU Programme	ICU Project	Commissioning Lead	Contracts Lead	Contracting Organisation (SCC or CCG)	Contract Start Date	Current Contract Expiry Date	Maximum Expiry Date	Agreement Type	Total Annual value 2018/19	Monitoring Frequency	Contract Notice Period for termination
N/A	Supervised Methadone Consumption LCS	12 Pharmacies	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jason Horsley	Katerina Ploumakis	SCC	01/04/15	30/06/19	30/06/19	LCS	£90,000	quarterly	3 months
EC09/01/2423A	Emergency Hormonal Contraception LCS	18 Pharmacies	Prevention & Early Intervention	Business as Usual	Phil Lovegrove	Ireen Kagwa	SCCCG	01/04/16	31/03/19	31/03/19	LCS	£80,000	monthly	6 months
N/A	NHS Health Checks LCS	34 GP Practices	Prevention & Early Intervention	Business as Usual	Charlotte Matthews	Julie Skeats	SCC	01/04/15	31/03/19	31/03/19	LCS	£110,000	quarterly	3 months
N/A	DAT Shared Care LCS	7 GP Practices	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jason Horsley	Katerina Ploumakis	SCC	01/04/15	30/06/19	30/06/19	LCS	£60,000	quarterly	3 months
EC09/01/2423B	Long Acting Reversible Contraception LCS	Southampton Primary Care Ltd	Prevention & Early Intervention	22: Teenage Pregnancy Plan & Sexual Health	Phil Lovegrove	Ireen Kagwa	SCCCG	01/04/16	31/03/19	31/03/19	LCS	£125,000	monthly	6 months
EC09/01/1981	Domiciliary Care Framework	Various	Commissioning Safe & High Quality Services	33: Residential, Nursing Home & Domiciliary Care	Moraig Forrest-Charde	Adam Wells	SCC	20/04/15	31/03/19	31/03/19	Framework	£0	quarterly	3 months
N/A	Autism Support Service (all ages pre, during and post-diagnosis - Southampton)	Autism Support Hampshire	Integration	5: Mental Health	Kate Dench	Ireen Kagwa	SCCCG	01/11/18	31/10/21	31/10/21	Block Contract	£75,000	quarterly	3 months
EC01/09/2137C(i)	Outreach Services (Support in the Community) and Support in the Home (Domiciliary Care) for Disabled Children and Young People (Contract C)	Various	Integration	13: Short Breaks	Matthew Harrison	Joanne Hughes	SCC	01/04/14	30/09/18	30/09/18	Framework	£0	quarterly	4 months
EC90/01/0989	Northlands House - Care Contract - Residential Home for Older People - 61 block beds + 1 respite bed	BUPA Care Homes (CFC Homes) Limited	Managing & Developing the Market	33: Residential, Nursing Home & Domiciliary Care	Matthew Waters	Julie Skeats	SCC	24/06/05	23/06/30	23/06/30	Block Contract	£2,273,210	quarterly	N/A
EC909/01/1101	Oak Lodge - Care Contract - Residential Home for People with OPMH - 38 block beds +2 respite beds	BUPA Care Homes (CFC Homes) Limited	Managing & Developing the Market	33: Residential, Nursing Home & Domiciliary Care	Matthew Waters	Julie Skeats	SCC	08/02/10	07/02/35	07/02/35	Block Contract	£1,468,278	quarterly	N/A
SC4/15/4889(f)	Oak Lodge - Lease for Care Home and Day Centre	BUPA Care Homes (CFC Homes) Limited	Managing & Developing the Market	33: Residential, Nursing Home & Domiciliary Care	Matthew Waters	Julie Skeats	SCC	08/02/10	07/02/60	07/02/60	Block Contract	£28,297	quarterly	N/A
EC09/01/2244	Local Safeguarding Children Board (s15)	CCG, SCC, Police, NPS, HIOW CRC, CAF/CASS	Business as Usual	Business as Usual	Sarah Lawrence	Julie Skeats	SCC	01/04/17	31/03/21	31/03/23	s15	£156,805	annually	6 months
EC09/01/2137A2(i)	Specialist Residential Overnight Short Breaks for Children, Young People and Adults with Disabilities (Contract A): Lot 2: Specialist Residential Overnight Short Breaks for Children, Young People and adults with Behaviour which Challenges	Various	Integration	13: Short Breaks	Matthew Harrison	Joanne Hughes	SCC	01/04/14	30/09/18	30/09/18	Framework	£0	quarterly	4 months
EC09/01/0899 B1,2	LD LTA Day Care Services (3 Units)	Dimensions (UK) Ltd	Integration	9: LD Transforming Care	Kate Dench	Sam Wiseman	SCC	01/12/03	31/10/18	31/10/18	Framework	£0	N/A	12 months
EC09/01/0899 A1,2	LD LTA Residential Care (3 Units)	Dimensions (UK) Ltd	Integration	9: LD Transforming Care	Kate Dench	Sam Wiseman	SCC	01/12/03	31/10/18	31/10/18	Framework	£0	N/A	12 months
EC09/01/2480	Mental Capacity Deputyship Service	Hampshire County Council	Business as Usual	Business as Usual	Not assigned	0	SCC	01/04/13	31/03/19	31/03/19	Block Contract	£90,000	N/A	6 months
N/A	Needle Exchange LCS	6 Pharmacies	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jason Horsley	Katerina Ploumakis	SCC	01/04/15	30/06/19	30/06/19	LCS	£8,400	quarterly	3 months
MW243	Independent Chair (LSCB)	Keith Makin	Business as Usual	Business as Usual	Sarah Lawrence	Julie Skeats	SCC	21/10/13	31/03/19	31/03/19	Block Contract	£16,500	N/A	3 months
EC09/01/1987	Health and Social Care related Equipment Store	Millbrook Healthcare	Integration	1: Discharge	Jamie Schofield	Katerina Ploumakis	SCC	01/07/13	30/06/20	30/06/20	Block Contract	£1,464,000	monthly	1 month
EC09/01/2137A1a/b	Specialist Residential Overnight Short Breaks for Children, Young People and Adults with Learning Disabilities, Physical Disabilities and Complex Health Needs	Rose Road Association	Integration	13: Short Breaks	Matthew Harrison	Joanne Hughes	SCC	01/04/14	30/09/18	30/09/18	Block Contract	£178,250	quarterly	3 months
EC09/01/2137D(ii)	Activity Schemes (Play schemes) for Disabled Children and Young People (Contract D)	Various	Integration	13: Short Breaks	Matthew Harrison	Joanne Hughes	SCC	01/04/14	30/09/18	30/09/18	Framework	£0	quarterly	4 months
PO60042856	Housing Support for Older People at Rose Brook Court	Saxon Weald Housing Association	Prevention & Early Intervention	10: Older Person's Offer	Sandy Jerrim	Dorota Strzelecka	SCC	01/04/17	31/03/18	31/03/18	Purchase Order	£6,289	quarterly	6 months
SC4/14/443(b)	Brook Centre Lease	Saxon Weald Housing Association	Prevention & Early Intervention	10: Older Person's Offer	Sandy Jerrim	Aleksandra Burlinson	SCC	01/09/08	31/08/23	31/08/23	Block Contract	£36,144	N/A	N/A

SC4/15/4889(f)	Oak Lodge Facilities Management (day centre meals)	BUPA	Managing & Developing the Market	Business as Usual	Adrian Littlemore	Julie Skeats	SCC	08/02/10	07/02/60	07/02/60	Block Contract	£20,531	N/A	N/A
EC09/01/2563A	School & College Health & Well-being Drop-In services and Sexual Health Support & Interventions	No Limits (South)	Prevention & Early Intervention	27: 0 - 19 Prevention	Phil Lovegrove	Ireen Kagwa	SCC	01/09/18	31/08/21	31/08/21	Block Contract	£66,573	quarterly	4 months
EC09/01/1963	Breastfeeding Support Service	National Childbirth Trust	Prevention & Early Intervention	28: Wider Offer 0 - 19 Prevention & Early Help	Tim Davis	Katerina Ploumakis	SCC	20/01/14	31/03/19	31/03/19	Block Contract	£50,072	quarterly	9 months
EC09/01/2161	Independent Visitor and Advocacy Service	No Limits (South)	Prevention & Early Intervention	Business as Usual	Tim Davis	Katerina Ploumakis	SCC	01/04/14	31/03/18	31/03/19	Block Contract	£40,000	quarterly	4 months
EC09/01/1484(f)	Looked After Children Service (s76)	Southampton City Clinical Commissioning Group	Business as Usual	Business as Usual	Katherine Elsmore	Aleksandra Burlinson	SCC	01/04/08	31/03/19	31/03/19	s76	£41,665	Quarterly	6 months
EC09/01/1684	Behaviour Resource Services (s76)	Southampton City Clinical Commissioning Group	Prevention & Early Intervention	28: Wider Offer 0 - 19 Prevention & Early Help	Phil Lovegrove	Julie Skeats	SCC	01/04/09	30/09/18	30/09/18	s76	£490,000	quarterly	6 months
EC09/01/1684a	Behaviour Resource Services (s256)	Southampton City Clinical Commissioning Group	Prevention & Early Intervention	28: Wider Offer 0 - 19 Prevention & Early Help	Phil Lovegrove	Julie Skeats	SCCCG	01/04/09	30/09/18	30/09/18	s256	£490,000	quarterly	6 months
EC09/01/1788c	Specialist Short Breaks (s256)	Southampton City Council	Integration	13: Short Breaks	Matthew Harrison	Julie Skeats	SCCCG	01/05/10	31/03/18	31/03/18	s256	£168,254	quarterly	6 months
EC09/01/1874	Child and Adolescent Mental Health Services (CAMHS) (s76)	Southampton City Clinical Commissioning Group	Integration	5: Mental Health	Phil Lovegrove	Julie Skeats	SCC	01/04/11	31/03/18	31/03/18	s76	£165,898	quarterly	6 months
EC09/01/2086	Public Health Services (s75)	Southampton City Council	Prevention & Early Intervention	Business as Usual	Jason Horsley	Katerina Ploumakis	SCCCG	01/04/13	N/A	N/A	s75	£845,815	quarterly	12 months
EC09/01/1987A	Community Equipment Service (s75)	Southampton City Clinical Commissioning Group	Integration	1: Discharge	Jamie Schofield	Katerina Ploumakis	SCC	01/07/13	30/06/20	30/06/20	s75	£1,464,000	annually	6 months
MW277	Older Persons Accommodation Based and Floating Support Service	Southampton City Council	Prevention & Early Intervention	10: Older Person's Offer	Sandy Jerrim	Dorota Strzelecka	SCC	01/03/16	31/03/20	31/03/20	SLA	£806,000	quarterly	6 months
EC09/01/2384	Family Group Conferences	Daybreak Family Group Conferences	Business as Usual	Business as Usual	Tim Davis	Aleksandra Burlinson	SCC	01/04/16	31/03/19	31/03/20	Block Contract	£48,560	quarterly	3 months
MW278	Integrated Mental Health Employment Support Service	Employment Support Team	Integration	5: Mental Health	Katy Bartolomeo	Aleksandra Burlinson	SCC	01/04/17	31/03/20	31/03/22	SLA	£138,000	quarterly	4 months
EC09/01/1914	Mental Health Integration (s75)	Southern Health NHS Foundation Trust	Integration	5: Mental Health	Katy Bartolomeo	Aleksandra Burlinson	SCC	01/04/11	31/03/16	31/03/16	s75	£9,990,989	quarterly	6 months
EC09/01/1428	Natalie House 10-bed Residential Home	Home Group Ltd	Integration	5: Mental Health	Amanda Luker	Julie Skeats	SCC	03/10/08	03/10/18	03/10/18	Block	£414,020	quarterly	6 months
EC09/01/2618	Healthwatch Southampton	Southampton Voluntary Services	Managing & Developing the Market	Business as Usual	Kirsten Killander	Sam Wiseman	SCC	01/07/18	30/06/23	30/06/25	Block Contract	£134,168	quarterly	3 months
MW252	Mental Health Advocacy Service (s256)	Southampton City Clinical Commissioning Group	Integration	5: Mental Health	Amanda Luker	Julie Skeats	SCC	01/04/15	31/03/19	31/03/20	s256	£13,983	N/A	9 months
EC09/01/1428A	Natalie House (s75)	Southampton City Clinical Commissioning Group	Integration	5: Mental Health	Amanda Luker	Julie Skeats	SCC	01/05/09	03/10/18	03/10/18	s75	£414,020	annually	6 months
EC09/01/0989	Northlands House - Residential Nursing Care (s75)	Southampton City Clinical Commissioning Group	Managing & Developing the Market	Business as Usual	Matthew Waters	Julie Skeats	SCC	24/06/05	23/06/30	23/06/30	s75	£0	quarterly	N/A
EC09/01/1101	Oak Lodge - Residential Nursing Care (s75)	Southampton City Clinical Commissioning Group	Managing & Developing the Market	Business as Usual	Matthew Waters	Julie Skeats	SCC	08/02/10	07/02/30	07/02/30	s75	£0	quarterly	N/A
EC09/01/1736(ii)	Southampton Drug and Alcohol Recovery Partnership (SDARP) - Southampton Alcohol, Brief Intervention and Counselling service (SABICS)	change, grow, live (CGL)	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jackie Hall	Katerina Ploumakis	SCC	01/10/12	30/06/19	30/06/19	Block Contract	£150,670	quarterly	6 months

EC09/01/2163A(i)	Southampton Drug and Alcohol Recovery Partnership (SDARP) - Contract 1: Drug and Alcohol Support and Health (DASH) Early Support and Care co-ordination service for young people 25 years and under	No Limits (South)	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jackie Hall	Katerina Ploumakis	SCC	01/12/14	30/06/19	30/06/19	Block Contract	£403,394	quarterly	6 months
EC09/01/2163B(ii)	Southampton Drug and Alcohol Recovery Partnership (SDARP) Contract 2: Assessment, Review and Monitoring Service (ARM) for people aged 25 years and older who are experiencing problem use with drugs and/or alcohol	change, grow, live (CGL)	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jackie Hall	Katerina Ploumakis	SCC	01/12/14	30/06/19	30/06/19	Block Contract	£1,728,447	quarterly	6 months
EC09/01/1970(i)	Domestic Abuse & Sexual Violence (S256)	Southampton City Clinical Commissioning Group	Prevention & Early Intervention	Business as Usual	Sandy Jerrim	Sam Wiseman	SCC	01/11/15	31/03/21	31/03/21	Block Contract	£58,000	quarterly	3 months
400538446	Out of Hours Service	Hampshire County Council	Business as Usual	Business as Usual	Not assigned	Sam Wiseman	SCC	01/04/18	31/03/19	31/03/19	Purchase Order	£101,930	quarterly	4 months
EC09/01/2289	Integrated Advocacy Services	Solent MIND	Integration	5: Mental Health	Colin McAllister	Julie Skeats	SCC	01/04/15	31/03/19	31/03/20	Block Contract	£274,906	quarterly	3 months
EC09/01/2296A	Meals on Wheels	City Catering Southampton	Integration	10: Older Person's Offer	Adrian Littlemore	Sam Wiseman	SCC	01/04/15	31/03/19	31/03/19	Block Contract	£38,100	quarterly	3 months
EC09/01/2267	Functions related to Health and Social Care Services (s75)	Southampton City Clinical Commissioning Group	Integration	Business as Usual	Donna Chapman	Aleksandra Burlinson	SCC	01/04/15	N/A	N/A	s75	£0	quarterly	3 months
EC09/01/2326	Local Safeguarding Adults Board (S43)	CCG, SCC, Police	Business as Usual	Business as Usual	Sarah Lawrence	Julie Skeats	SCC	01/04/15	31/03/19	31/03/21	s43	£108,745	annually	3 months
EC09/01/2364	Domestic Violence Service - Prevention & Early Intervention (Lot 1)	Yellow Door	Prevention & Early Intervention	Business as Usual	Sandy Jerrim	Sam Wiseman	SCC	01/11/15	31/03/21	31/03/21	Block Contract	£302,000	quarterly	3 months
N/A	Commissioned grants programme	Worker's Educational Association	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£7,909	annually	12 months
N/A	Commissioned grants programme	Art Asia Trust Ltd	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Aleksandra Burlinson	Joanne Hughes	SCC	01/04/13	31/03/19	31/03/19	Grant	£33,731	twice yearly	12 months
N/A	Commissioned grants programme	City Eye	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Aleksandra Burlinson	Joanne Hughes	SCC	01/04/13	31/03/19	31/03/19	Grant	£20,602	twice yearly	12 months
N/A	Commissioned grants programme	City Reach Youth Project	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£25,341	twice yearly	12 months
N/A	Commissioned grants programme	CLEAR	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£25,361	twice yearly	12 months
N/A	Commissioned grants programme	Communicare in Southampton	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£16,500	twice yearly	12 months
N/A	Commissioned grants programme	Community Playlink	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£24,599	twice yearly	12 months
N/A	Commissioned grants programme	Saints Foundation	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£14,740	twice yearly	12 months
N/A	Commissioned grants programme	Solent Credit Union	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£16,000	twice yearly	12 months
N/A	Commissioned grants programme	Southampton Street Pastors	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Colin McAllister	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£39,569	twice yearly	12 months
N/A	Commissioned grants programme	Southampton Voluntary Services - City Shopmobility	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Adrian Littlemore	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£30,268	twice yearly	12 months
N/A	Commissioned grants programme	TWICS (Training for Work in Communities)	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£27,331	twice yearly	12 months
N/A	Commissioned grants programme	Weston Adventure Playground	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£20,115	twice yearly	12 months
N/A	Commissioned grants programme	Weston Church Youth Project	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£28,265	twice yearly	12 months

N/A	Commissioned grants programme	Southampton Advice and Representation Centre	Prevention & Early Intervention	29: Advice & Information	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	31/03/19	Grant	£140,923	quarterly	12 months
N/A	Commissioned grants programme	Southampton Children's Play Association	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£62,455	quarterly	12 months
N/A	Commissioned grants programme	Southampton Nuffield Theatre Trust	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Aleksandra Burlinson	Joanne Hughes	SCC	01/04/13	31/03/19	31/03/19	Grant	£305,925	quarterly	12 months
N/A	Commissioned grants programme	Southampton Voluntary Services	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Moraig Forrest-Charde	Joanne Hughes	SCC	01/04/13	31/03/19	30/09/19	Grant	£127,414	quarterly	12 months
N/A	Community Chest Grants	Various	Prevention & Early Intervention	20: Supportive Communities/Community Capacity	Aleksandra Burlinson	Joanne Hughes	SCC	01/04/13	31/03/20	31/03/20	Grant	£100,000	end of grant	12 months
EC09/01/2364	Domestic Violence Service - Refuge Service (Lot 2)	Home Group Ltd	Prevention & Early Intervention	Business as Usual	Sandy Jerrim	Sam Wiseman	SCC	01/08/16	31/03/19	31/03/21	Block Contract	£127,000	quarterly	3 months
MW271	Child Death Overview Panel Administrator (S76)	Southampton City Clinical Commissioning Group	Business as Usual	Business as Usual	Katherine Elsmore	Julie Skeats	SCC	01/11/15	31/03/18	31/03/19	s76	£11,475	quarterly	3 months
EC09/01/2563B	Comprehensive Counselling for children & Young People 11-25 year (Lot 1) and under 11 Counselling	No Limits (South)	Prevention & Early Intervention	27: 0 - 19 Prevention	Phil Lovegrove	Ireen Kagwa	SCC	01/09/18	31/08/21	31/03/21	Block Contract	£79,151	quarterly	4 months
MW287.1	Pass Through Contract for ECaT, LAC (HC Team), Early Childhood Family Work Services, CAMHS & Integrated Crisis Response, Rehabilitation, Reablement and Hospital Discharge – s76 Solent	Solent NHS Trust	Prevention & Early Intervention	28: Wider Offer 0 - 19 Prevention & Early Help	Donna Chapman	Ireen Kagwa	SCCCG	01/04/17	31/03/19	31/03/19	Block Contract	£365,957	quarterly	4 months
EC09/01/2377	Locally Based Hospital Unit Reprovision (LBHU) (s75)	Southampton City Clinical Commissioning Group	Integration	8: LD Integration	Kate Dench	Julie Skeats	SCC	01/04/15	N/A	N/A	s75	£2,600,000	quarterly	N/A
N/A	Short Breaks Commissioned Grants	Active Nation UK Ltd	Integration	13: Short Breaks	Matthew Harrison	Joanne Hughes	SCC	01/04/16	31/03/18	31/03/19	Grant	£0	quarterly	N/A
N/A	Short Breaks Commissioned Grants	No Limits (South)	Integration	13: Short Breaks	Matthew Harrison	Joanne Hughes	SCC	01/04/16	31/03/18	31/03/19	Grant	£0	quarterly	N/A
CS06738	Domestic Abuse Perpetrator and Prevention Services	Hampshire County Council	Prevention & Early Intervention	Business as Usual	Sandy Jerrim	Sam Wiseman	SCC	01/11/15	31/03/19	31/03/19	Block Contract	£40,000	annually	N/A
EC09/01/1849	Appropriate Adults Service (children, young people and adults)	Appropriate Adult Service Limited	Integration	Business as Usual	Jackie Hall	Julie Skeats	SCC	01/07/16	30/06/19	30/06/21	Block Contract	£0	quarterly	6 months
EC09/01/2444	Level 3 Sexual Health Services	Solent NHS Trust	Prevention & Early Intervention	22: Teenage Pregnancy Plan & Sexual Health	Tim Davis	Ireen Kagwa	SCC	01/04/17	31/03/22	31/03/24	Block Contract	£2,174,354	quarterly	12 months
MW285	Domiciliary Care Framework - Lot 5 call-off	SCA Group	Commissioning Safe & High Quality Services	33: Residential, Nursing Home & Domiciliary Care	Jamie Schofield	Sam Wiseman	SCC	20/04/15	31/03/19	31/03/19	Framework	£0	quarterly	3 months
60042974	Family Support Services	Avenue Centre	Prevention & Early Intervention	27: 0 - 19 Prevention	Tim Davis	Sam Wiseman	SCC	01/04/17	31/03/19	31/03/19	Block Contract	£23,000	quarterly	3 months
EC09/01/2471	Southampton Health Improvement and Behaviour Change Service	Southampton Healthy Living	Prevention & Early Intervention	Business as Usual	Georgina Cunningham	Aleksandra Burlinson	SCC	01/04/17	31/03/20	31/03/22	Block Contract	£1,071,400	quarterly	6 months
MW286	HEYA Physical Activity and Co-ordination of Award	Early Years and Childcare Team	Prevention & Early Intervention	27: 0 - 19 Prevention	Phil Lovegrove	Katerina Ploumakis	SCC	01/04/18	31/03/19	31/03/19	SLA	£7,500	quarterly	1 month
0	Food and Nutrition in the Early Years	Expert Dietitian	Prevention & Early Intervention	27: 0 - 19 Prevention	Phil Lovegrove	Julie Skeats	SCC	01/04/17	31/03/19	31/03/19	Purchase Order	£6,050	quarterly	N/A
EC09/01/2422	Placement of Children and Young People with Independent Fostering Agencies	Various	Prevention & Early Intervention	Business as Usual	Chris Pelletier	Sam Wiseman	SCC	01/04/17	31/03/21	31/03/21	Framework	£0	quarterly	N/A
MW288	Independent Chair (LSAB)	Robert Templeton	Business as Usual	Business as Usual	Sarah Lawrence	Julie Skeats	SCC	01/04/17	30/09/19	30/09/19	Block Contract	£16,500	N/A	N/A
EC09/01/2454A	Housing Related Support Services for Adults: Lot 1 - Provision of a Combined Assessment, Intensive and Resettlement Housing Related Support Service in Southampton	Two Saints	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Sandy Jerrim	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£472,472	quarterly	3 months
EC09/01/2454B	Housing Related Support Services for Adults: Lot 2 - Provision of an Intensive and Resettlement Housing Related Support Service in Southampton	Society of St James	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Sandy Jerrim	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£179,478	quarterly	3 months

EC09/01/2454C	Housing Related Support Services for Adults: Lot 3 - Provision of an Intensive Lifeskills and Resettlement Housing Related Support Service in Southampton	Society of St James	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Sandy Jerrim	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£179,478	quarterly	3 months
EC09/01/2454D	Housing Related Support Services for Adults: Lot 4 - Provision of an Intensive Lifeskills and Resettlement Housing Related Support Service in Southampton	Salvation Army	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Sandy Jerrim	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£288,578	quarterly	3 months
EC09/01/2454/E	Housing Related Support Services for Adults: Lot 5 - Provision of Flexible Housing Related Support Service in Southampton	Home Group Ltd	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Sandy Jerrim	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£1,473,108	quarterly	3 months
EC09/01/2454F	Housing Related Support Services for Adults: Lot 6 - Provision of an Accommodation Based Housing Support Service to People with Alcohol Related Housing and Support Needs	Society of St James	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Sandy Jerrim	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£126,640	quarterly	3 months
EC09/01/2461A	Housing Related Support Services for Children and Young Persons: Lot 1 – Housing and Flexible Floating Support for Young People	YMCA Fairthorne Group	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Tim Davis	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£275,301	quarterly	3 months
EC09/01/2461B	Housing Related Support Services for Children and Young Persons: Lot 2 – Housing Support for Young People, Young Parents and a Flexible Floating Support Service	Two Saints	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Tim Davis	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£337,480	quarterly	3 months
EC09/01/2461C	Housing Related Support Services for Children and Young Persons Lot 3 – Hostel/Foyer Style Support for Young People	YMCA Fairthorne Group	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Tim Davis	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£240,421	quarterly	3 months
EC09/01/2461D	Housing Related Support Services for Children and Young Persons: Lot 4 – Supported Lodgings Service	Step By Step Partnership Limited	Prevention & Early Intervention	25: Housing Related Support Phase 2: (Homelessness/Substance Misuse Future Models)	Tim Davis	Dorota Strzelecka	SCC	01/07/17	30/06/20	30/06/22	Block Contract	£88,421	quarterly	3 months
EC09/01/2163D	Southampton Drug and Alcohol Recovery Partnership (SDARP) - Contract 3.1: Drug and Alcohol Support and Health (DASH) Treatment and Structured Intervention service (working with young people aged 11 – 24 years)	No Limits (South)	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jackie Hall	Katerina Ploumakis	SCC	01/07/17	30/06/19	30/06/19	Block Contract	£138,174	quarterly	6 months
EC09/01/2163E	Southampton Drug and Alcohol Recovery Partnership (SDARP) - Contract 3.2: Southampton Psychosocial Interventions Service	Society of St James	Prevention & Early Intervention	26: Substance Misuse Remodelling	Jackie Hall	Katerina Ploumakis	SCC	01/07/17	30/06/19	30/06/19	Block Contract	£346,905	quarterly	6 months
EC09/01/2376b	S75 Reablement and Rehabilitation service	Southampton City Clinical Commissioning Group	Business as Usual	Business as Usual	Jamie Schofield	Ireen Kagwa	SCC	01/04/16	01/04/20	01/04/20	Block Contract	tbc	quarterly	4 months
EC09/01/2376a	Integrated Provision of Health and Social Care Services (s75)	Solent NHS Trust	Business as Usual	Business as Usual	Jamie Schofield	Ireen Kagwa	SCC	01/04/16	01/04/20	01/04/20	S75	£0	quarterly	12 months
MW286	In Reach Community Services	Society of St James	Prevention & Early Intervention	Business as Usual	Colin McAllister	Ireen Kagwa	SCCCG	28/06/18	30/06/18	30/06/19	NHS Standard	£35,000	quarterly	4 months
EC09/01/2588	Overnight Respite for People with Learning Disability	Way Ahead Leisure Pursuits	Business as Usual	Business as Usual	Matthew Harrison	Ireen Kagwa	SCC	15/01/18	31/01/20	31/01/20	Block Contract	£222,222	quarterly	4 months
MW291	The Provision of 28 day care placements/packages of care to support a complex hospital discharge pilot scheme (including assessment of Continuing Healthcare eligibility) Service	Life Style Care plc	Prevention & Early Intervention	1: Discharge	Jamie Schofield	Ireen Kagwa	SCCCG	04/12/17	31/003/2019	30/03/19	NHS Standard Contract	£20,610	End of contract	3 months
EC09/01/2552	Advice, Information and Guidance	Southampton Citizens Advice Bureau	Prevention & Early Intervention	29: Advice & Information	Moraig Forrest-Charde	Sam Wiseman	SCC	01/02/18	31/01/23	31/01/25	Block Contract	£578,164	quarterly	3 months
EC09/01/2585	Carer's Support Services	Southampton Mencap	Prevention & Early Intervention	23: Carers	Kirsten Killander	Sam Wiseman	SCC	01/04/18	31/03/23	31/03/25	Block Contract	£353,115	quarterly	3 months
EC09/01/2655	Safe Families For Children Services	Safe Families For Children	Prevention & Early Intervention	27: 0 - 19 Prevention	Phil Lovegrove	Katerina Ploumakis	SCC	01/04/18	31/03/21	31/03/23	Block Contract	£66,000	quarterly	3 months

EC09/01/2608	Living Well Service	SCA Group	Commissioning Safe & High Quality Services	33: Residential, Nursing Home & Domiciliary Care	Adrian Littlemore	Sam Wiseman	SCC	01/04/18	31/03/23	31/03/25	Block Contract	£739,360	quarterly	12 months
EC09/01/2640	Monitoring and management of the operational activity of the community equipment service	Promoting Independence in People Ltd	Integration	1: Discharge	Jamie Schofield	Katerina Ploumakis	SCC	01/04/17	30/06/20	30/06/20	Purchase Order	£41,124	monthly	3 months
N/A	Thornhill Dinky Dancers & Boogaloo Boogie	Thornhill Community Association		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£5,363	twice yearly	N/A
N/A	SCPA Thornhill Adventure Playground after school club	Southampton Community Play Association		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£5,653	twice yearly	N/A
N/A	Support for Stroke Survivors and carers in Thornhill area 2018	Thornhill Stroke Group		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£2,023	annually	N/A
N/A	SARC Outreach Advice	Southampton Advice and Representation Centre		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£5,675	twice yearly	N/A
N/A	Thornhill Recovery Hub	CGL drug and alcohol recovery service		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£2,134	annually	N/A
N/A	Family Outdoor Learning Project	Youth Options		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£6,946	twice yearly	N/A
N/A	Safer Relationships Therapeutic support	Yellow Door		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£3,774	twice yearly	N/A
N/A	STAR project	Yellow Door		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£6,420	twice yearly	N/A
N/A	frontline Debt Advice	Frontline		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£2,290	annually	N/A
N/A	West End Stroke Group	West End Stroke Group		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	Grant	£1,004	annually	N/A
60043635	Rehabilitation and Reablement Beds	Northover Group	Business as Usual	Business as Usual	Jamie Schofield	Sam Wiseman	SCC	01/04/18	31/03/19	31/03/19	Purchase Order	£102,440	N/A	N/A
MW295	Well and Working Southampton	Southampton City Council	Business as Usual	Business as Usual	Ravita Taheem	Aleksandra Burlinson	SCC	01/04/18	31/03/19	31/03/19	SLA	£12,000	quarterly	2 months
MW296	Trusted Professionals	University Hospital Southampton NHS Foundation Trust	Business as Usual	Business as Usual	Sharon Stewart	Julie Skeats	SCC	22/05/18	N/A	N/A	Block Contract	£0	on demand	N/A
N/A	0-19 Integrated Provision S75 Agreement	Solent NHS Trust	Prevention & Early Intervention	27: 0 - 19 Prevention	Donna Chapman	Aleksandra Burlinson	SCC	01/04/18	31/03/23	31/03/25	s75	£0	quarterly	12 months
N/A	Motiv8	Plus You Limited		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/07/18	31/03/19	31/03/19	Grant	£1,814	annually	N/A
N/A	Thornhill Baptist Church Wellbeing Café	Thornhill Baptist Church		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/07/18	31/03/19	31/03/19	Grant	£912	annually	N/A
N/A	THAWN Strictly Movement	Thornhill Health & Wellbeing Network		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/07/18	31/03/19	31/03/19	Grant	£3,000	annually	N/A
N/A	Home Group Health & Welfare	Home Group Ltd		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/07/18	31/03/19	31/03/19	Grant	£565	annually	N/A
N/A	Thornhill Stroke Group Projector Purchase	Thornhill Stroke Group		0 0	Sara Bailey	Aleksandra Burlinson	SCC	01/07/18	31/03/19	31/03/19	Grant	£445	annually	N/A
EC09/01/2413A	Preventx	ESPEO	Prevention & Early Intervention	27: 0 - 19 Prevention	Phil Lovegrove	Ireen Kagwa	0	30/10/17	30/03/19	30/03/19	Framework	£13,000	0	3 months

Agenda Item 7

DECISION-MAKER:	GOVERNANCE COMMITTEE COUNCIL		
SUBJECT:	REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR REVIEW 2018/19		
DATE OF DECISION:	12 NOVEMBER 2018 21 NOVEMBER 2018		
REPORT OF:	Director Finance and Commercialisation (S151)		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Tina Connolly	Tel: 023 8083 2428
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STATEMENT OF CONFIDENTIALITY			
NOT APPLICABLE			
BRIEF SUMMARY			
The purpose of this report is to inform the Governance Committee and Full Council of the treasury management (TM) activities and performance for 2018/19 against the approved prudential indicators for external debt and treasury management.			
This report specifically highlights that:			
	(i)	Borrowing activities have been undertaken within the borrowing limits approved by Council on 21 February 2018.	
	(ii)	Current investment strategy is to continue to diversify into more secure and/or higher yielding asset classes and move away from the increasing risk and low returns gained from short term unsecured bank investments. Returns during 2018/19 are expected to be £1.48M at an average rate of 3.9%.	
	(iii)	The council's strategy was to minimise borrowing to below its capital financing requirement (CFR). This approach lowers interest costs, reduces credit risk and relieves pressure on the council's counterparty list. Throughout the year, capital expenditure levels, market conditions and interest rate levels are monitored to ensure we borrow at the optimum point in order to minimise borrowing costs over the medium to longer term and to maintain stability.	
	(iv)	The differential between borrowing costs and investment earnings continued to be acute. This has resulted in the use of internal resources often being the most cost effective means of financing capital expenditure. The TM strategy for 2018/19 was to continue to borrow in the short term markets to take further advantage of the current interest environment and we currently have £32M of short term borrowing but this is expected to rise to £78M by the end of the year.	
	(v)	In achieving interest rate savings the Council is exposed to interest rate risk by taking out variable debt. This was and continues to be very financially favourable in a lower interest environment but does mean that close monitoring of the markets is required to ensure that	

		the council can act quickly should the situation begin to change. During October there was volatility in the markets due to Britain exiting the EU and other external factors, this resulted in an unexpected rise in the PWLB rate. The rate has since fallen back to some extent.
	(vi)	Net loan debt decreased during the period from £251M to £246M as detailed Table 2, but is expected to rise to £311M (£60M) to finance the capital programme and other cash flow movements.
	(vii)	The housing borrowing cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018.
	(viii)	There has been full compliance with the Prudential Indicators approved by Full Council on 21 February 2018
RECOMMENDATIONS:		
GOVERNANCE COMMITTEE		
It is recommended that Governance committee:		
	(i)	Note the current and forecast position with regards to these indicators and approve any changes.
	(ii)	Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
	(iii)	Notes the cost implications of the capital programme on the council as detailed in table 4. These have been taken into account in the revenue budget.
	(iv)	Endorses the recommendation to Full Council to continue to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the meeting of the Governance committee on 11 February 2019.
COUNCIL		
It is recommended that Council:		
	(i)	Note the current and forecast position with regards to these indicators and approve any changes.
	(ii)	Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
	(iii)	Notes the cost implications of the capital programme on the council as detailed in table 4. These have been taken into account in the revenue budget.

	(iv)	Continues to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the meeting of Full Council on 11 February 2019.
REASONS FOR REPORT RECOMMENDATIONS		
1.		The Treasury Management Code requires public sector authorities to determine an annual TM Strategy and now, as a minimum, formally report on their treasury activities and arrangements at mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with charged with governance of the TM function to scrutinise and assess its effectiveness and compliance with policies and objectives.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.		No alternative options are relevant to this report.
DETAIL (Including consultation carried out)		
CONSULTATION		
3.		Not applicable.
BACKGROUND		
4.		The Local Government Act 2003 introduced a system for borrowing based largely on self-regulation by local authorities. The authority adopted this system 19 February 2003. The basic principle of the new system is that local authorities will be free to borrow as long as their capital spending plans are affordable, prudent and sustainable.
5.		Following consultation in 2017, Chartered Institute of Public Finance and Accountancy (CIPFA) published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice (TM Code). The Ministry of Housing, Communities and Local Government (MHCLG) also published its revised Investment Guidance which came into effect from April 2018.
6.		CIPFA's TM Code requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and final outturn position).
7.		Overall responsibility for treasury management remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the council's treasury management objectives. The council has borrowed and invested substantial sums of money and is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
8.		This report;
	a)	is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code;
	b)	presents details of capital financing, borrowing and investment transactions;
	c)	reports on the risk implications of treasury decisions and transactions;
	d)	gives details of the forecast outturn position on treasury management transactions in 2018/19; and

	e) confirms compliance with treasury limits and Prudential Indicators.
9.	The TM Strategy for 2018/19 was approved by Full Council on 21 February 2018.
10.	Appendix 1 summarises the economic outlook and events in the context of which the council operated its treasury function during the first half of 2018/19 and the council's adviser's (Arlingclose) assessment outlook for interest rates for the remainder of the year.

TREASURY MANAGEMENT SUMMARY

11.	At the start of the financial year the council had a net borrowing requirement of £194.62M. This is expected to increase at the end of the year to £239.8M. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with balances and useable reserves, are the core drivers of TM activity and the forecast change is summarised in table 1 below. The movement in year between the CFR is detailed in Appendix 2, section 2.
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Table 1 – Movement in Underlying Borrowing Requirement

	31/03/2018 Actual £M	2018/19 Forecast Movement £M	31/03/2019 Forecast £M
General Fund CFR	322.03	24.47	346.50
Housing CFR	157.92	13.25	171.17
Total Opening CFR	479.95	37.72	517.67
Less Other Long Term Liabilities*	(73.39)	2.46	(70.93)
Borrowing CFR	406.56	40.18	446.74
Less Usable Reserves	(146.28)	5.00	(141.28)
Less Working Capital	(65.66)	0.00	(65.66)
Net Underlying Borrowing Requirement	194.62	45.18	239.80

* finance leases, PFI liabilities and Transferred debt that form part of the authority's total debt

12.	The underlying need to borrow is expected to rise during the year due to the delivery of the capital programme and an expected reduction in usable reserves.
13.	The forecast movement in coming years is one of the prudential indicators (PIs). The movement in actual external debt and usable reserves combine to identify the actual council's borrowing requirement and potential investment strategy in the current and future years.
14.	Gross debt at the beginning of the year and expected movements is detailed in Appendix 2, section 2.
15.	The treasury management position at 30 September 2018 and the change during the period is show in table 2 below.

Table 2 – Treasury Management Summary

	31/03/2018 Balance £M	Movement In year £M	30/09/2018 Balance £M	Average Yield/Rate %	31/03/2019 Forecast £M
Long-term borrowing (Table 4)	217.81	(5.73)	212.08	3.44	206.34
Short-term borrowing (Table 4)	33.35	(0.99)	32.36	0.68	78.22
Total Borrowing	251.16	(6.72)	244.44	3.32	284.56
Long-term Investments (Bonds)	(6.80)	0.78	(6.02)	3.20	(6.02)
Long-term Investments (Property Fund)	(27.00)	0.00	(27.00)	4.52	(27.00)
Short-term Investments	(13.14)	11.54	(1.60)	1.21	(1.60)
Cash & cash equivalents	(26.48)	(9.56)	(36.04)	0.68	(10.00)
Total Investments	(73.42)	2.76	(70.66)	3.90	(44.62)
Net Borrowing	177.74	(3.96)	173.78		239.94
Long Term Liabilities					
PFI Schemes	58.84	(1.05)	57.79	9.04	56.74
Deferred Debt Charges (HCC)	14.37	(0.09)	14.28	2.74	14.19
Net Debt	250.95	(5.10)	245.85		310.87

BORROWING STRATEGY AND MOVEMENT DURING PERIOD

16. The council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the council's long-term plans change being a secondary objective.

17. In undertaking of these objectives, no new long term borrowing had been taken during the year to date and short borrowing has been kept to a minimum. This strategy enables the council to reduce net borrowing costs and reduce overall treasury risk.

18. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Our advisors, Arlingclose, assists the council with this 'cost of carry' and breakeven analysis.

19. **Table 3 - Estimated Movement in Borrowing Requirement**

	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M	2021/22 Forecast £M
General Fund (GF)				
Capital Programme	31.97	9.48	11.63	11.96
Maturing Debt	11.55	62.60	20.10	11.44
Movement in Internal Borrowing	5.00	5.00	5.00	5.00
Less Repayment of Debt Principal	(5.04)	(6.20)	(6.06)	(6.18)
GF Borrowing Requirement	43.48	70.87	30.68	22.22
HRA Borrowing Requirement*	34.38	72.41	19.26	0.00
Total Borrowing Requirement	77.87	143.28	49.94	22.22

*Please see table 13 in Appendix 2 for breakdown and impact on HRA limit on Indebtedness

20. The PWLB remains the Council's preferred source of long term borrowing given the transparency and control that its facilities continue to provide. However due to the continued depressed markets and the 'cost of carry' associated with long term debt, the Council deferred long term borrowing and has continued to use internal resources to finance the capital programme. This will be kept under review during 2018/19 with the need to resource an

increasing capital programme. Table 4 below shows the expected movement in our long and short borrowing during 2018/19.

21. **Table 4 - Estimated Movement in Borrowing during 2018/19**

	Long Term £M	Short Term £M	Total £M
Balance brought forward (<i>Table 2</i>)	217.81	33.35	251.16
Estimated debt to be raised in year		78.22	78.22
Maturing Debt	(11.47)	(33.35)	(44.82)
Estimated debt at 31 March	206.34	78.22	284.56

22. As detailed above the main increase in our borrowing requirement is as a result of new capital spend, Table 5 below shows the impact of this on borrowing costs.

Table 5 - Estimated incremental cost to the council of capital programme financed through borrowing

GF Capital Programme Borrowing and Estimated Costs	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M	2021/22 Forecast £M
Capital Programme (<i>Table 3</i>)	31.97	9.48	11.63	11.96
Estimated debt management costs (7%)	2.24	0.66	0.81	0.84

Loans at Variable Rates

23. Included within the debt portfolio is £35M of PWLB variable rate loans which are predicted to average a rate of 0.76% this helps to mitigate the impact of changes in variable rates on the council's overall treasury portfolio (the council's investments are deemed to be variable rate investments due to their short-term nature). These loans mature in 2020 and this strategic exposure to variable interest rates will need to be reviewed.

Internal Borrowing

24. Given the pressures on the revenue budget and significant reduction in revenue support grant, the strategy for 2018/19 was to minimise the cost of TM by keeping debt interest payments as low as possible without compromising the longer-term stability of the portfolio.

25. As at the 31 March 2018 the council used £155M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium term and the Council will need to borrow to cover this amount as balances fall.

26. As short-term interest rates have remained low, and are likely to remain low at least over the forthcoming year it is more cost effective in the shortterm to use internal resources rather than borrowing.

27. The benefits of this are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. Our advisors assist with this 'cost of carry' and breakeven analysis.

<u>Lender's Option Borrower's Option Loans (LOBOs)</u>							
28.	The council holds £9M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS had options during the year, none of which were exercised by the lender, but if they were it is likely that they would be replaced by a PWLB loan.						
<u>Debt Rescheduling</u>							
29.	The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.						
<u>Other Debt Activity</u>							
30.	Although not classed as borrowing the council holds debt for prior year's activity relating to private finance initiatives and transferred debt which will be reduced by £1M during the year to £71M.						
INVESTMENT ACTIVITY							
31.	Both the CIPFA and DCLG's Investment Guidance requires the council to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield.						
32.	The council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2018/19 the council's investment balances have ranged between £58M and £99M and was £71M as at 30 September 2018. Movement in year to date and the forecast position for year end is summarised in table 2 above.						
33.	Security of capital has remained the council's main investment objective. This has been maintained by following the counterparty policy set out in the TM Strategy Statement for 2018/19. The council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio, which is supplied by our advisors. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.						
	<table border="1"> <thead> <tr> <th></th> <th>Target</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Portfolio average credit rating</td> <td>A</td> <td>AA-</td> </tr> </tbody> </table>		Target	Actual	Portfolio average credit rating	A	AA-
	Target	Actual					
Portfolio average credit rating	A	AA-					
34.	Counterparty credit quality was assessed and monitored with reference to credit ratings (the council's minimum long-term counterparty rating is A-) across rating agencies Fitch, S&P and Moody's); for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. The council also used secured investments products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.						
35.	The table below summarises the council's investment portfolio at 30 September 2018 by credit rating and confirms that all investments were made in line with the council's approved credit rating criteria:						

Table 6: Credit ratings of Investments held at 30 September 2018

Credit Rating	Long Term		Short Term		Total	
	31/03/2017	30/09/2018	31/03/2017	30/09/2018	31/03/2017	30/09/2018
	£M	£M	£M	£M	£M	£M
AAA	7.86	6.02	0.15	1.60	8.01	7.62
AA+			13.36		13.36	0.00
AA			6.91	0.02	6.91	0.02
AA-			11.20	25.98	11.20	25.98
A+			7.45	5.53	7.45	5.53
A				4.51	0.00	4.51
A-					0.00	0.00
Unrated pooled funds	27.00	27.00	0.29		27.29	27.00
Total Investments	34.86	33.02	39.36	37.64	74.22	70.66

Liquidity Management

36. In keeping with the MHCLG's Guidance on Investments, the council maintained a sufficient level of liquidity through the use of money market funds and call accounts. There is no perceived risk that the council will be unable to raise finance to meet its commitments. The council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities. The maturity analysis of the Council's debt at 30 September 2018 can be seen in Table 6 of Appendix 2.

Externally Managed Funds

37. The council has invested £27M in property funds which offer the potential for enhanced returns over the longer term, but will be more volatile in the shorter term. These funds are managed by professional fund managers this allows diversification into asset classes other than cash without the need to own and manage the underlying investments.
38. During the period 1 April to 30 September the investment returned an average yield of 4.63% against the initial investment and also made a notional "gain" of £0.03M being valued at £27.03M.
39. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the council's investment objectives is regularly reviewed.

Benchmarking

40. The council's advisors undertake quarterly investment benchmarking across its client base. As reported previously our portfolio was more diversified and at higher interest rates than the average as a result of moving into the bond programme earlier than most clients, but there is now more competition for bonds from both government bodies and other local authorities, so opportunities to replace maturing bonds are limited and we will see a fall in suitable instruments. With this in mind, and following discussions with our advisors, it was decided to move more into property funds, which are a longer term investment, and to restrict temporary borrowing reducing short term investments.
41. Since the start of the year our investments in bonds has reduced to £7.62M due to maturities and we have maintained the property funds at £27M, with all

	other cash being placed in either money market funds (MMF), instant access bank accounts and £2M in a 180 notice account. As a result we had 43% (£31M) of our overall investment in Money Market Funds which is in line with other Unitary Authorities for this time of year but this is expected to fall during the year.																		
42.	Due to earlier investment decisions our income return on investments outside of the property fund is 1.05% which is higher than the average of 0.76% whilst still maintaining a higher than unitary average credit rating of AA-. Total income return at 2.38% is also higher than the average for both unitary (1.31%) and LA's (1.17%). Our total investment return at 3.56% is again higher than both the both unitary (1.49%) and LA's (1.25%) across Arlingclose's client base and is mainly due to the investments made in property funds. As previously reported the value of the funds are more volatile and can go down as well as up but are less risky than buying individual properties and do not constitute capital spend and it is the income return at 4.23% that is the driver to invest.																		
Non-Treasury Investments																			
43.	The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council as well as other non-financial assets which the council holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return, such as Investment Property.																		
44.	Work is currently being undertaken to assess the impact of on the council and will be reported in the Investment Strategy report presented to Council in February 2019.																		
COMPLIANCE WITH PRUDENTIAL INDICATORS																			
45.	It can be confirmed that for the period 1April 2018 to 30 September 2018 the council has complied with the prudential indicators approved by Full Council on 21 February 2018.																		
46.	In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary of TM activity over the period 1 April to 30 September 2018. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. The table below summarises the key prudential indicators.																		
47.	<p>Table 7: Key Prudential Indicators</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Limit</th> <th>Actual at 30/9/2018</th> </tr> </thead> <tbody> <tr> <td>Authorised Limit for external debt</td> <td>£860M</td> <td>£321M</td> </tr> <tr> <td>Operational Limit for external debt</td> <td>£780M</td> <td>£321M</td> </tr> <tr> <td>Limit of fixed interest debt</td> <td>100%</td> <td>82%</td> </tr> <tr> <td>Limit of variable interest debt</td> <td>50%</td> <td>18%</td> </tr> <tr> <td>Limit for Non-specified investments</td> <td>£55M</td> <td>£35M</td> </tr> </tbody> </table>	Indicator	Limit	Actual at 30/9/2018	Authorised Limit for external debt	£860M	£321M	Operational Limit for external debt	£780M	£321M	Limit of fixed interest debt	100%	82%	Limit of variable interest debt	50%	18%	Limit for Non-specified investments	£55M	£35M
Indicator	Limit	Actual at 30/9/2018																	
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Limit of fixed interest debt	100%	82%																	
Limit of variable interest debt	50%	18%																	
Limit for Non-specified investments	£55M	£35M																	

48.	Appendix 2 details performance against the other approved prudential indicators.				
OTHER ITEMS					
<u>Removal of HRA Capital Cap</u>					
49.	Local authorities are currently required to report the level of the HRA CFR compared to the level of debt which was imposed as part of implementation of self-financing, which for the council was set at £199.6M. This cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018.				
50.	The implications of the removal of the cap, together with any additional prudential indicators required, is currently being considered and will be reported reported to Full Council in February 2019.				
<u>Training</u>					
51.	The needs of the council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. During 2018/19 to date, staff have attended training courses, seminars and conferences provided by our advisors (Arlingclose) and CIPFA.				
52.	Our advisors Arlingclose undertook training for members in July 2018.				
RESOURCE IMPLICATIONS					
<u>Capital/Revenue</u>					
53.	This report is a requirement of the TM Strategy, which was approved at Full Council on 21 February 2018.				
54.	The table below outlines the current budget and forecast position.				
		2018/19 Budget £M	2018/19 Forecast £M	2019/20 Budget £M	2020/21 Budget £M
	Net interest cost	4.87	4.87	10.60	13.27
	MRP	6.08	5.95	6.64	6.27
55.	The forecast for net interest costs has remained in line with the budget however this could change due to uncertainty over the exit from the European Union and other external factors, which have an impact on interest rates. There has been a slight reduction in expected MRP for 2018/19 costs due to slippage in the capital programme.				
56.	The revenue and capital implications are considered monthly as part of ongoing monitoring which is reported to Cabinet each quarter.				
<u>Property/Other</u>					
57.	None.				
LEGAL IMPLICATIONS					
<u>Statutory power to undertake proposals in the report:</u>					

58.	Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System. From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1)(a) of the 2003 Act. A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management. This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely in order to invest and make a return remains unlawful.	
<u>Other Legal Implications:</u>		
59.	None.	
RISK MANAGEMENT IMPLICATIONS		
60.	Not Applicable	
POLICY FRAMEWORK IMPLICATIONS		
61.	This report has been prepared in accordance with the CIPFA Code of Practice on TM.	
KEY DECISION?		No
WARDS/COMMUNITIES AFFECTED:		NONE
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	2018/19 Economic Background	
2.	Compliance with Prudential Indicators During 2018/19	
3.	Glossary of Treasury Terms	
Documents In Members' Rooms		
1.	None.	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.		Yes/No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Treasury Management Economic Background**Financial Review and Outlook for 2018/19**

The UK economy still faces a challenging outlook as the government continues to negotiate the country's exit from the European Union.

In August the MPC voted 9-0 to increase the Bank Rate by 0.25% to 0.75% and maintain the asset purchase programme at £435bn and the corporate bond purchase programme at £10bn. The Bank of England cited very limited slack in the UK economy and a tightening in the labour market as reason for increase. The Bank sees CPI at 2% by Q4 2020 and holding steady there throughout 2021.

Our treasury advisor Arlingclose, latest interest forecast is for a further increase in March 2019 to 1% and again in September to 1.25% with it remaining so until 2021. The interest forecast are set against the following background:

- The MPC has maintained expectations of a slow rise in interest rates in the medium term.
- Gilt yields have been volatile, but remain historically low. We expect some upward movement from current levels based on our interest rate projections and the strength of the US economy, but volatility arising from both economic and political events will continue to offer borrowing opportunities.

Credit background:

There were a few credit rating changes during the quarter, none of which have impacted on our investment strategy.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) is complete and the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) is progressing and will need to be completed by the end of 2018. Following this our treasury advisor will provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in, their creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

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COMPLIANCE WITH PRUDENTIAL INDICATORS DURING 2018/19

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

The Council complied with all of its Prudential Indicators. Details of the performance against key indicators are shown below:

1. Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on council tax and in the case of the HRA, housing rent levels. Planned capital expenditure and financing is summarised below. Further detail is provided in the capital update report which is being submitted to Cabinet on 20 November.

Capital Expenditure and Financing	Budget 2018/19 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Forecast 2021/22 £M	Forecast 2022/23 £M
General Fund	85.84	86.76	29.23	30.97	11.96	18.63
HRA	58.76	50.60	46.75	43.95	35.45	0.00
Total Expenditure	144.60	137.36	75.99	74.92	47.41	18.63
Capital receipts	19.08	18.49	4.86	1.22	2.84	0.00
Capital Grants	30.55	30.50	13.38	19.29	0.00	0.04
Contributions	11.33	11.19	1.14	0.00	0.26	0.00
Major Repairs Allowance	19.76	16.26	23.48	22.47	21.10	0.00
Direct Revenue Financing	13.16	13.16	2.98	10.22	11.25	0.00
Total Financing	93.88	89.60	45.84	53.20	35.45	0.04
Council Resources - borrowing	50.72	47.76	30.15	21.72	11.96	18.59
Total Funding	50.72	47.76	30.15	21.72	11.96	18.59
Total Financing & Funding	144.60	137.36	75.99	74.92	47.41	18.63

2. Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. If in any of these years there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for comparison with gross external debt. The S151 Officer reports that the Authority had no difficulty in meeting this requirement in 2018/19 to date, nor are there any difficulties envisaged for the remainder of 2018/19 and future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

There is a significant difference between the gross external borrowing requirement and the net external borrowing requirement represented by the Council's level of balances, reserves, provisions and working capital. The Council's current strategy is only to borrow to the level of its net borrowing requirement. The reasons for this are to reduce credit risk, take pressure off the Council's lending list and also to avoid the cost of carry existing in the current interest rate

environment. The tables below detail our expected debt position and the year-on-year change to the CFR, updated to reflect the latest capital programme:

Gross Debt	31/03/2018 Actual £M	31/03/2019 Estimate £M	31/03/2020 Estimate £M	31/03/2021 Estimate £M	31/03/2022 Estimate £M	31/03/2023 Estimate £M
Borrowing (Long Term)	59.89	35.18	111.34	121.97	152.03	152.03
Borrowing (Short Term)	33.35	78.22	10.35	10.35	10.35	10.35
Finance leases and Private Finance Initiatives	58.84	56.74	53.73	50.55	46.98	43.41
Transferred Debt	14.55	14.19	13.83	13.46	13.10	13.10
Total General Fund Debt	166.64	184.33	189.25	196.34	222.46	218.89
HRA	157.92	171.16	191.84	201.93	200.62	200.62
Total Debt	324.60	355.49	381.10	398.30	423.10	419.50

Capital Financing Requirement	31/03/2018 £M	31/03/2019 £M	31/03/2020 £M	31/03/2021 £M	31/03/2022 £M	31/03/2023 £M
Balance Brought forward	322.62	322.03	346.50	346.39	348.43	350.27
New Borrowing	4.41	31.97	9.48	11.63	11.96	18.59
MRP	(7.13)	(5.59)	(6.21)	(6.06)	(6.18)	(6.38)
Appropriations (to) from HRA	0.56	0.00	0.00	0.00	0.00	0.00
Movement in Other Liabilities	(3.78)	(2.46)	(3.38)	(3.53)	(3.94)	(3.93)
MRP Holiday	5.35	0.55	0.00	0.00	0.00	0.00
Total General Fund Debt	322.03	346.50	346.39	348.43	350.27	358.55
HRA	157.92	171.17	191.84	201.93	200.62	200.62
Total CFR	479.95	517.67	538.23	550.36	550.89	559.17

3. Total Principal Sums Invested for Periods Longer than a year

The purpose of this indicator is to control the council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested was set at £55M for 2018/19. Long term investments as at 30 September were £33M having reduced from £35M at the beginning of the year.

4. Maturity Structure of Fixed Rate Borrowing

This indicator is set to control the council's exposure to refinancing risk and is designed to protect against excessive exposures to interest rate changes in any one period. The upper and lower limits of borrowing were:

Debt	Lower Limit %	Upper Limit %	Actual Debt as at 30/9/2018 £M	Average Rate as at 30/9/2018 %	% of Debt	Compliance with set Limits?
Under 12 months	0	45	38.11	1.53%	16	Yes
12 months and within 24 months	0	45	40.49	2.16%	17	Yes
24 months and within 5 years	0	50	17.99	3.16%	7	Yes
10years and within 20 years	0	55	11.00	4.84%	5	Yes
20 years and within 30 years	0	65	13.00	4.67%	5	Yes
30 years and within 40 years	0	75	92.60	3.77%	38	Yes
40 years and within 50 years	0	75	31.25	3.56%	13	Yes
			244.44	3.32%	100	

Please note: the TM Code Guidance Notes (Page 15) states: "The maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable without limit, such as in a LOBO loan, this should be treated as a right to require payment". For this indicator, the next option dates on the Council LOBO loans will therefore determine the maturity date of the loans.

5. General Fund Ratio of Financing Costs to Net Revenue Stream

This indicator is no longer a requirement of the Prudential code but we have retained it as a local indicator at the moment. It tries to show the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 10%. The table below shows the likely position based on the proposed capital programme (including cost of long term liabilities).

Ratio of Financing Costs to Net Revenue Stream	2017/18 Actual %	2018/19 Forecast %	2019/20 Forecast %	2020/21 Forecast %	2021/22 Forecast %
General Fund*	9.61	7.89	9.23	8.86	9.47

*The figure quoted as the actual for 2017/18 General Fund includes MRP due for the year but not actually charged to revenue due to previous overprovision.

6. HRA Limit on Indebtedness

Local authorities are currently required to report the level of the HRA CFR compared to the level of debt which is imposed (or subsequently amended) by the MHCLG at the time of implementation of self-financing, which was set at £199.6M. This cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018, the implications of which is currently being assessed.

Forecast figures have been update to reflect the capital programme being submitted to Council in September 2018. The levels of voluntary minimum revenue provision for 2019/20 and 2020/21 are under review and will form part of the MTFs report that is put to Full Council in February 2019.

HRA Limit on Indebtedness	2017/18 Actual £M	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M	2021/22 Forecast £M	2022/23 Forecast £M
Brought Forward	163.18	157.92	171.17	191.84	201.93	200.62
Voluntary Repayment of Debt	(5.51)	(5.50)	0.00	0.00	(1.31)	0.00
New borrowing	0.81	18.75	20.67	10.09	0.00	0.00
Depn (MRP)	0.00	0.00	0.00	0.00	0.00	0.00
Appropriations (to) from HRA	(0.56)	0.00	0.00	0.00	0.00	0.00
Carried forward	157.92	171.17	191.84	201.93	200.62	200.62

7. Summary

As indicated in this report none of the Prudential Indicators have been breached in 2018/19 to date.

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GLOSSARY OF TREASURY TERMS

Authorised Limit (Also known as the Affordable Limit):

A statutory limit that sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities).

Balances and Reserves:

Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.

Bail - in (Risk):

Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to "bail in" a bank before taxpayers are called upon.

A bail-in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.

Bank Rate:

The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.

Bond:

A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The repayment date is also set at the onset but can be traded during its life, but this will affect the price of a bond which may vary during its life.

Capital Expenditure:

Expenditure on the acquisition, creation or enhancement of capital assets.

Capital Financing Requirement (CFR):

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

CD's:

Certificates of Deposits with banks and building societies

Capital Receipts:

Money obtained on the sale of a capital asset.

Corporate Bonds:

Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Cost of Carry:

The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Counterparty List:

List of approved financial institutions with which the Council can place investments with.

Covered Bond:

Covered bonds are debt securities backed by cash flows from mortgages or public sector loans. They are similar in many ways to asset-backed securities created in securitisation, but covered bond assets remain on the issuer's consolidated balance sheet (usually with an appropriate capital charge). The covered bonds continue as obligations of the issuer (often a bank); in essence, the investor has recourse against the issuer and the collateral, sometimes known as "dual recourse."

CPI :

Consumer Price Index – the UK's main measure of inflation.

Credit Rating:

Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

General Fund:

This includes most of the day-to-day spending and income.

Gilts:

Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

LOBO:

Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility. The upshot of this is that on the option exercise date, the lender could propose an extreme fixed rate, say 20 per cent, which would effectively force the repayment of the underlying facility. The borrower's so called 'option' is only the inalienable right to accept or refuse a new deal such as a fixed rate of 20 per cent.

Long Term Borrowing:

Amount owed for a period exceeding 12 months from the date of the balance sheet. Could be in the form of a loan, Public Finance Initiative or other obligations not due for one year.

Details are disclosed the balance sheet together with the interest rate and date of maturity. Majority of long-term borrowing held by the council is with the Public Works Loan Board.

Maturity:

The date when an investment or borrowing is repaid.

Maturity Structure / Profile:

A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by quarter or month-by-month basis.

Minimum Revenue Provision (MRP):

An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Ministry of Housing, Communities and Local Government's (MHCLG)

The MHCLG is the UK Government department for Housing, Communities and Local Government in England. It was established in May 2006 and is the successor to the Office of the Deputy Prime Minister, established in 2001

Money Market Funds (MMF):

An open-end mutual fund which invests only in money markets. These funds invest in short term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (eg £1 per unit) but the interest rate does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- **Constant net asset value (CNAV)** refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at €1/£1/\$1 and calculate their price to two decimal places known as "penny rounding". Most CNAV funds distribute income to investors on a regular basis (distributing share classes), though some may choose to accumulate the income, or add it on to the NAV (accumulating share classes). The NAV of accumulating CNAV funds will vary by the income received.
- **Variable net asset value (VNAV)** refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Monetary Policy Committee (MPC):

In 1997, the UK Treasury granted the Bank of England operational independence over the conduct of monetary policy

The monetary policy committee (MPC) is chaired by the Governor of the Bank of England and is comprised of four other members of the Bank, and four external members. Their main objective is to ensure low and stable inflation (consistent with a target rate set by the Treasury) and to maintain confidence in pound sterling.

The traditional tool to do this is the Bank rate of interest – the rate that they charge commercial banks to borrow money. When this is at its lower bound there are a number of other tools that the MPC can use, for example, quantitative easing.

Operational Boundary:

This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts:

In the context of local authority borrowing,

- (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
- (b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

If on a £1 million loan, it is calculated that a £150,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,150,000 plus accrued interest. If on a £1 million loan, it is calculated* that a £50,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £950,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.

**The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.*

Property:

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Prudential Code:

Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators:

Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB):

This is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Revenue Expenditure:

Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

(Short) Term Deposits:

Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Short Term / Temporary Borrowing:

Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Treasury Management Code:

CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009, 2011 and 2018.

Yield:

The measure of the return on an investment instrument.

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Agenda Item 8

DECISION-MAKER:		Governance Committee	
SUBJECT:		Strategic Risk Register	
DATE OF DECISION:		12 th November 2018	
REPORT OF:		Director Finance and Commercialisation	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Peter Rogers	Tel: 023 8083 2835
	E-mail:	peter.rogers@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	Mel.creighton@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
n/a			
BRIEF SUMMARY			
<p>The Governance Committee is responsible for ensuring that an adequate and effective framework for the identification and management of key risks is in place and that appropriate action is being taken to manage risk. The Strategic Risk Assurance Report details the council's key strategic risks identified together with an assessment of the adequacy of controls in place to manage the risks and any further required actions.</p>			
RECOMMENDATIONS: The Governance Committee is asked to			
	(i)	Note the process in place in respect of the identification, management and review of the Council's strategic risks (as summarised in paragraphs 4. – 9.).	
	(ii)	Note the Strategic Risk Assurance Report 2018-19 (Appendix 1)	
REASONS FOR REPORT RECOMMENDATIONS			
1.	This report is presented to the Governance Committee as the member body responsible for providing independent assurance on the adequacy of the risk management framework and the internal control and reporting environment.		
2.	In addition, the Committee needs to satisfy itself that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
3.	No alternative options have been considered		
DETAIL (Including consultation carried out)			
4.	The council has a structured approach to managing its' key strategic risks which requires that, on an annual basis, the Council Management Team ("CMT") considers and identifies the key strategic risks for the forthcoming annual period. This meeting took place in May 2018.		
5.	<p>The identification of the council's strategic risks by CMT is informed by a review of:</p> <ul style="list-style-type: none"> • The 2017-18 Strategic Risks in terms of whether they are still relevant and appropriate; 		

	<ul style="list-style-type: none"> • The Risk Registers of the '10 Core Cities Group' (where publically available) in order to compare, contrast and benchmark the council's strategic risks against these peer authorities; • The 'Southampton City Council Strategy 2016-2020' in terms of key risks associated with the delivery of council outcomes and priorities; • Any significant service or operational risks arising from internal or external inspection reports, or identified by Service Directors, that are appropriate to be escalated to the Strategic Risk Assurance Report for CMT oversight; • Any significant new or emerging risks, arising from either internal or external factors such as new legislation.
6.	The Strategic Risks are then reviewed and updated by the identified risk owner on a quarterly basis. The 'end of quarter' position is then reported to CMT for noting and review. CMT would also consider any new or emerging risks and hence the total number of strategic risks may vary during the course of the year.
7.	It should also be noted that a review of Cabinet Member Briefings has recently been undertaken and it has been agreed that as part of CMBs the Cabinet Member should receive an annual update on the risks relevant to their portfolio and then by exception.
8.	The report format is intended to present the risks in an accessible way and to prompt an informed discussion as to whether the type and range of 'actions/controls in place' are appropriate and whether the associated 'levels of assurance' are acceptable. It also provides a 'direction of travel' in terms of how the risks are being managed over the period.
9.	The format of the Strategic Risk Assurance Report is incrementally developed to ensure that it continues to meet the business need.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
10.	Any resource implications as a result of actions required to mitigate the risks need to be taken into account when setting the budget each financial year. The Medium Term Financial Strategy includes a section which sets out the sums allocated within reserves and balances to mitigate these risks where required.
<u>Property/Other</u>	
11.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	The Accounts and Audit (England) Regulations 2015 Part 2 Section 3A(c) require the Council to have in place a 'sound system of internal control which includes effective arrangements for the management of risk'.
<u>Other Legal Implications:</u>	
13.	None
RISK MANAGEMENT IMPLICATIONS	
14.	There are no significant risks in relation to the report itself noting that the appendix provides detailed information in respect of how the identified key strategic risks are being managed

POLICY FRAMEWORK IMPLICATIONS		
15.	None	
KEY DECISION?		No
WARDS/COMMUNITIES AFFECTED:		None
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Strategic Risk Assurance Report 2018/19 - Q2	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None	

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Strategic Risk Assurance Report 2018-19



LIKELIHOOD	Almost Certain	A					
	Likely	B			08	09	
	Possible	C			07	01	06
	Unlikely	D			11	13	03
	Very Unlikely	E			10	12	04
RISK RATING MATRIX			5	4	3	2	1
			Minor	Moderate	Significant	Major	Extreme
			IMPACT				

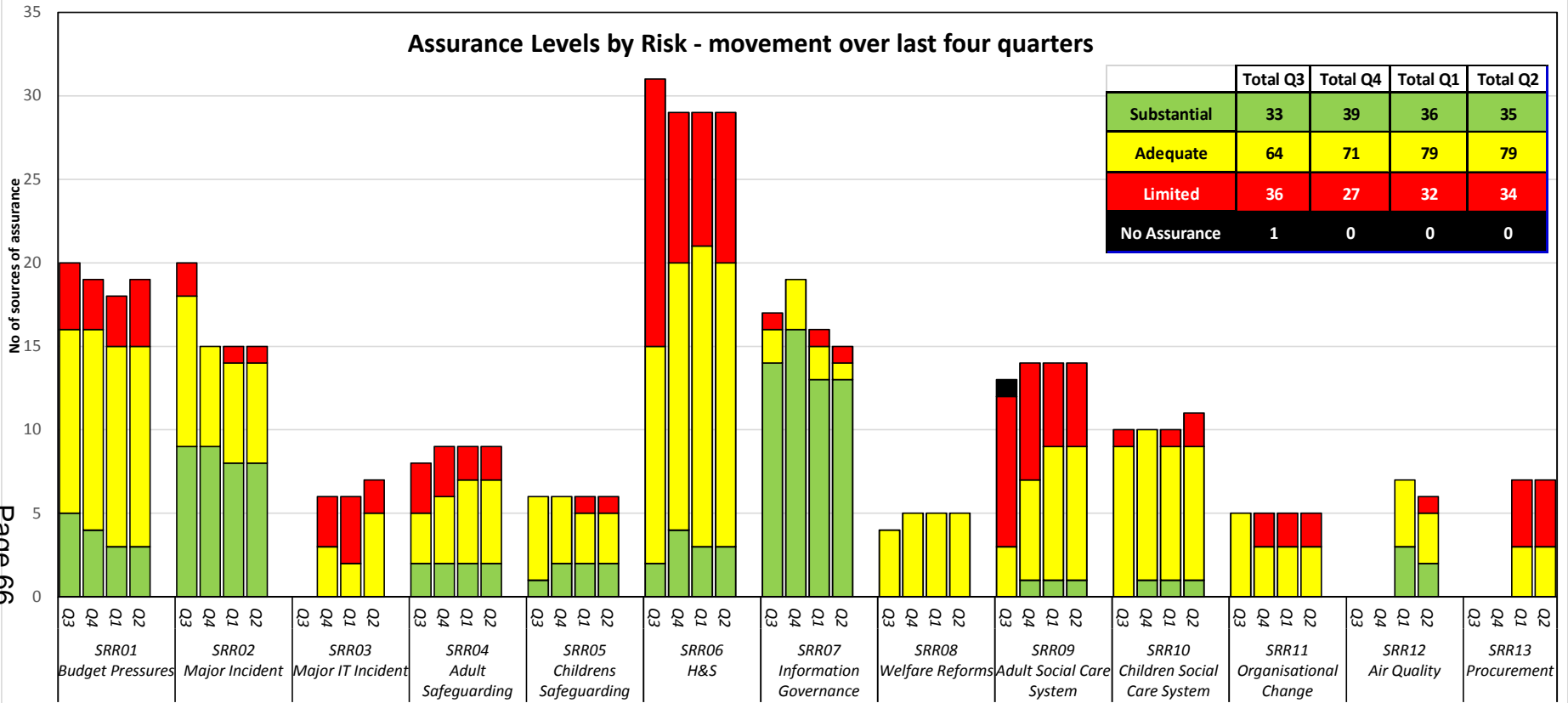
Report Version
11

Report Date
Oct-18

Period
Q2: 18-19

No	Strategic Risk - Description	Quarterly movement			
		2017-18		2018-19	
		Q3	Q4	Q1	Q2
01	Failure to address the significant and ongoing financial pressures in a sustainable way and to enable service provision to reflect key strategic outcomes and be aligned with the associated budget envelopes.	↔	↔	↔	↔
02	Major incident or service disruption (including serious health protection threats) leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions	↔	↔	↔	↔
03	Major IT incident or service disruption leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions	-	↔	↔	↔
04	Failure to safeguard vulnerable adults resulting in a preventable incident	↔	↔	↔	↔
05	Failure to safeguard children resulting in a preventable incident	↔	↔	↔	↔
06	Failure to meet our health and safety responsibilities	↑	↔	↔	↔
07	Failure to ensure the City Council's information is held and protected in line with Information Governance policies and procedures	↔	↔	↔	↔
08	The council is unable to respond appropriately or sufficient quickly to significant changes in service demand arising from changes in the welfare system	↔	↔	↔	↔
09	Failure to ensure an effective and sustainable adult social care system	↔	↔	↔	↔
10	Failure to ensure an effective and sustainable children's social care system	↔	↓	↔	↔
11	The impact of organisational change and service redesign solutions, whilst delivering savings, create other unplanned for pressures and challenges	↔	↔	↔	↔
12	Failure to improve air quality to legal levels by 2020	-	NEW	↔	↔
13	Service areas fail to adhere to and comply on a consistent basis with with the council's 'Contract Procedure Rules'	-	-	NEW	↔

Assurance Levels by Risk - movement over last four quarters



NOTES:

- SRR12 New risk added in Q4 - 17-18
- SRR13 New risk added Q1 - 18-19

Risk Scoring and assessment criteria

LIKELIHOOD	Almost Certain	A					
	Likely	B					
	Possible	C					
	Unlikely	D					
	Very Unlikely	E					
RISK RATING MATRIX			5	4	3	2	1
			Minor	Moderate	Significant	Major	Extreme
			IMPACT				

LIKELIHOOD (Probability)	
A - Almost Certain > 95%	Highly likely to occur
B - Likely	Will probably occur
C - Possible 50%	Might occur
D - Unlikely	Could occur but unlikely
E - Very Unlikely < 5%	May only occur in exceptional circumstances

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IMPACT (Consequence)			
	Service delivery (key outcomes/ priorities)	Financial	Reputation
1 - Extreme	Unable to deliver most key strategic outcomes or priorities / statutory duties not delivered	Loss or loss of income >£10m	Public Inquiry or adverse national media attention
2 - Major	Severe service disruption on a services level with many key strategic outcomes or priorities delayed or not delivered	Loss or loss of income £5m - £9.99m	Intense public, and media scrutiny
3 - Significant	Regular disruption to one or more services/ a number of key strategic outcomes or priorities would be delayed or not delivered	Loss or loss of income £500k - £4.99m	Local media interest. Scrutiny by external committee or body
4 - Moderate	Some temporary disruption to a single service area/ delay in delivery of one of the council's key strategic outcomes or priorities	Loss or loss of income £10k - £499k	Internal scrutiny required to prevent escalation
5 - Minor	No noticeable effect	Loss or loss of income < £10k	Internal review

RISK No: SRR01	Last updated: 11/10/2018
RISK DESCRIPTION	
Failure to address the significant and ongoing financial pressures in a sustainable way and to enable service provision to reflect key strategic outcomes and be aligned with the associated budget envelopes.	
RISK OWNER	Council Management Team
PORTFOLIO(S)	Finance and Customer Experience



OUTCOME	A sustainable council	
RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	C - Possible	2 - Major
Target	D - Unlikely	2 - Major

EXPECTED KEY CONTROLS
1. Assessment of the council's overall short, medium and longer term financial position

SOURCE(S) OF ASSURANCE
a • 'Medium Term Financial Strategy ('MTFS') 2018/19 - 2021/22 is in place and was last approved by Cabinet and Full Council in February 2018. • The 'financial model' is subject to quarterly update and review.

2017-18		2018-19	
Q3	Q4	Q1	Q2
ASSURANCE LEVEL			
1	1	1	1
MITIGATING ACTIONS / COMMENTS			
<ul style="list-style-type: none"> Any in-year changes reported as part of quarterly corporate monitoring to Cabinet The MTFS model has been reviewed as part of the October 2018 Budget Report and will be further updated in Feb 2019. 			

2. Service budgets are profiled and aligned with agreed Council outcomes
--

b • Budgets are aligned with council agreed outcomes and priorities (Outcome Based Budgeting) which form a key part of the budget process. • The new operating model is explicitly aligned with Council's agreed outcomes which, in turn, reflects essential and priority services.
--

2	2	2	2
MITIGATING ACTIONS / COMMENTS			
<ul style="list-style-type: none"> Outcome Based Plans are being further refined to ensure that they are explicitly aligned with both key priorities and outcome plans and are aligned with the administration manifesto All services have completed the business academy process to help develop service business plans aligned to Outcomes and this information has fed into the budget process for 2019/20 and future years. 			

3. Identification and communication of significant in year budget variances and forthcoming pressures, and identify clear actions

c • Monitoring of capital (monthly) and revenue (monthly) budgets, reported to Council Management Team (monthly) and Cabinet (Quarterly). • 'Financial Scorecards' for CMT, each Service Director and Portfolio Summary. • Capital reported to the Capital Board and CMT on a monthly basis.
--

1	1	1	1
MITIGATING ACTIONS / COMMENTS			
<ul style="list-style-type: none"> The Financial Scorecards are now well established and are subject to ongoing review to ensure that they continue to provide relevant management information to assist in the explanation of variances and help to encourage evidence based forecasts. Action plans are put in place along with mitigations. Ongoing impacts are reported as part of the budget setting process. 			

	<p>d</p> <ul style="list-style-type: none"> Action plans to address significant in year budget variances are progressed via Intensive Support Meetings and Improvement Boards and are overseen by the Deputy Chief Executive. The monitoring and review of significant budget variances is undertaken via the 'scorecards' which include whether an action plan to address the variance is in place and/or necessary. 	2	2	2	2	<ul style="list-style-type: none"> <i>Intensive Support Meetings, which provide a more supportive environment with greater focus on what actions are required and the impact of these actions, are now being held. The meetings are overseen by the Deputy Chief Executive.</i> <i>Where more appropriate, services have improvement boards overseen by the relevant Service Director.</i>
	<p>e</p> <ul style="list-style-type: none"> Delivery of agreed in year budget savings reported to CMT on a monthly basis via a 'Savings Tracker'. The savings tracker is an integral part of the scorecards and incorporates a RAG status. These are also reported as part of the Corporate Revenue Monitoring Report to Cabinet on a quarterly basis. 	2	2	2	2	
4. Identification and delivery of new savings/income opportunities	<p>f</p> <ul style="list-style-type: none"> Process in place for all savings proposals to be captured and assessed at the earliest opportunity. In year 'business as usual' savings are identified by service areas and are a part of the output from the new business planning process 	1	1	2	2	<ul style="list-style-type: none"> <i>Savings plans in place and, where agreed, with appropriate monitoring arrangements in place.</i> <i>Additional savings plans have been identified to deal with in year pressures. Any residual pressures have been identified and fed into the budget setting process.</i>
	<p>g</p> <ul style="list-style-type: none"> A review of the deliverable budget savings for 2018-19 has been undertaken. Any pressures, offset by mitigations identified, have been built into the MTFs position reported to Cabinet in October 2018. 	3	2	2	2	<ul style="list-style-type: none"> <i>As part of budget setting for 2018/19 pressures from non achieved savings are being addressed and more robust challenge in place to ensure that remaining savings targets are achievable.</i>
	<p>h</p> <ul style="list-style-type: none"> 2019-20 plan in place to deliver £6.95m of savings 	3	3	3	2	<ul style="list-style-type: none"> <i>The Business Academy process has identified further savings opportunities / scope for income generation activities. This has been fed into the budget setting process along with other mitigations that have closed the budget gap for 2019/20</i>
	<p>i</p> <ul style="list-style-type: none"> Savings plans for 2020-21 (£14.10m savings) to be ramped up in terms of development. 	3	3	3	3	<ul style="list-style-type: none"> <i>Savings proposals have been put forward that ramp up in 2020/21 and future years but there is a residual gap of £4.60M to be closed.</i>

	<p>j • Savings plans for 2021-22 (£10.94m savings) to be ramped up in terms of development.</p> <p>k • Savings plans for 2022-23 (£10.94m savings) to be ramped up in terms of development.</p>	-	NEW 3	3	3	<p>• Savings proposals have been put forward that ramp up in 2020/21 and future years but there is a residual gap of £3.95M to be closed.</p> <p>• Savings proposals have been put forward that ramp up in 2020/21 and future years but there is a residual gap of £4.71M to be closed.</p>
5. Assessment of those services where increase in demand is anticipated together with identification of key risk indicators.	l • The development of outcome based budgets focuses on initiatives and changes to the services in order to reduce demand.	2	2	2	2	<p>• Further work has been undertaken to fully review outcome and business plans. This has fed into the October budget report and update of the MTFS.</p>
6. Opportunities for additional viable and sustainable income generating activities are identified and implemented. Service charges and fees for income generating activities are set at the appropriate level and payments are collected. Payments to suppliers and other external third parties are made on time and avoid additional interest payments or charges	<p>m • Approach to commercialisation agreed by the Strategy and Commissioning Board.</p> <p>• Several services have been taken through the 'Business Academy' process which enables the service to articulate their service and work towards robust business plans.</p> <p>n • There is a robust invoicing and income collection process in place.</p> <p>o • Payments stats / information on overdue invoices issued by Accounts Payable and Client Monies Team to CMT through the MOP.</p>	2	2	2	2	<p>• Following the success of the Commercial Business Academy, the key principles of the academy have been applied to the business planning process for all services.</p> <p>• Income collection £42.03M against annual target of £130M</p> <p>• Debt more than 12 months old 14.36% (against target of less than 20%).</p> <p>• 0.14% written off against target of less than 5%.</p> <p>NOTE: The foregoing relates to the invoices that are raised via Agresso (43% of total) and does not take account of services invoicing through other systems. This has been taken into account for this quarter.</p> <p>• % of invoices paid within terms Q2 : 96.44%, (Q1 90.63%).</p> <p>• Average payment days: 19</p>

<p>7. Dedicated, suitably experienced and sufficient resource to lead, support, facilitate and oversee ongoing change related programmes and projects</p>	<p>p</p> <ul style="list-style-type: none"> Programme Management Office (PMO) is responsible for managing major strategic change projects and programmes across the council. 	2	2	2	2	<ul style="list-style-type: none"> Permanent establishment of staff now complete A number of fixed term contractors appointed to support specific projects and ensure that capacity and spread of skills is met.
<p>8. Progress and delivery of both the overall Programme and individual change projects regularly reported to a senior manager/member board with slippage or variances clearly identified and associated action plans to address.</p>	<p>q</p> <ul style="list-style-type: none"> Progress and delivery of the overall programme and individual projects is in the first instance monitored via the Programme Boards and the relevant Cabinet Member. Initiatives that are likely to call upon investment funding requirements are also subject to scrutiny at Capital Board. 	2	2	2	2	<ul style="list-style-type: none"> Standardised governance, reporting and processes have been developed and are being rolled out. CMT programme Board now has oversight of key projects. CMT reporting process agreed.
<p>9. Identification and assessment of high priority and other projects that are anticipated to deliver significant cashable benefit</p>	<p>r</p> <ul style="list-style-type: none"> Opportunities for savings form an integral part of the new business planning and budget setting processes. Project prioritisation and review exercises undertaken periodically. 	1	2	2	2	<ul style="list-style-type: none"> Project prioritisation exercise concluded in Q1 which has informed decisions on prioritisation and scheduling. CMT Programme Board will review projects and priorities (including the addition, delay or stopping) on a 2 monthly basis.
<p>10. Understanding of future staffing levels and required attributes and skill set which is then reflected in individual staff development and organisational workforce planning arrangements</p>	<p>s</p> <ul style="list-style-type: none"> Revised Performance Management Framework agreed which is intended to ensure that all staff are working to deliver the Council Strategy and other key strategies which are then translated into outcome plans, service based business plans and individual and/or team objectives. Workforce Strategy and Plan, approved by Full Council in 2016, that seeks to address issues around the need for more a formal, robust and consistent approach to succession planning, for key posts and/or a spread of skills to avoid over reliance on any particular individual. 	2	2	2	2	<ul style="list-style-type: none"> A streamlined APR framework is in place following feedback from staff in 2017; this includes "golden thread" links to council outcomes and behaviours. Revised paperwork for 2018/19 this simplified appraisal conversations. The Workforce Strategy is implemented through a comprehensive HR and OD work plan with governance through the HR and OD Board. The Org Design Board established confirmed principles for future change and this are being applied for all restructures and supported by HR Advisory service. Workforce plan data collection now in place to help inform planning; apprentice programme in place.

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
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<i>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</i>	<i>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</i>	<i>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</i>	<i>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</i>
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RISK No: SRR02	Last updated: 09/10/2018
RISK DESCRIPTION	
Major incident or service disruption (including serious health protection threats) leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions.	
RISK OWNER	Service Director Transactions & Universal Services
PORTFOLIO(S)	Transport and Public Realm / Green City



OUTCOME	A sustainable council	
RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	D - Unlikely	2 - Major
Target	D - Unlikely	2 - Major

EXPECTED KEY CONTROLS
1. Business Continuity Plans are in place for key service areas that are tested and reviewed on a periodic basis.

SOURCE(S) OF ASSURANCE
<p>a</p> <ul style="list-style-type: none"> Corporate BC Plan and Service BC Plans in place Alerting mechanism within the Corporate BC Plan was successfully used in the snow/ice response Feb/Mar 18 and the telephony outage of May 18. 9 Service BCPs were reviewed and reissued in January 2018, next due for a review January 2019. A full BC cycle (development, testing [exercise and incident], review and reissue) has now been undertaken for these service BC plans, annual review will now take place. <p>b</p> <ul style="list-style-type: none"> Any significant learning points arising from live incidents and test exercises are reported to the Emergency Preparedness, Resilience and Response (EPRR) Board, a shared Board with Portsmouth City Council.

2017-18		2018-19		ASSURANCE LEVEL	MITIGATING ACTIONS / COMMENTS
Q3	Q4	Q1	Q2		
2	1	1	1	<ul style="list-style-type: none"> The Digital and Business Operations Service Business Continuity Plan will be developed alongside the development of the IT DR arrangements. The Corporate BCP will be reviewed to take into account IT DR changes when complete, and will be tested in January 2019. 	
1	1	1	1		First meeting of newly constituted EPRR Board on 2nd October.

<p>2. Range of Emergency Response plans in place to address or respond to legal or statutory obligations.</p>	<p>c</p> <ul style="list-style-type: none"> • Full range of emergency response plans in place [on Sharepoint] with periodic status reports to the EPRR Board. • SCC Pandemic Influenza Plan, SCC Oil and Chemical Pollution Plan, SCC Rest Centre Plan, Heatwave and Cold Weather plans and joint-SCC and PCC REPPiR plan have been reviewed and updated. • SCC's Emergency Response Plan was updated in April 2018. This is now aligned with an approach across SCC and PCC's to enable better efficiency when maintaining, training and exercising. • LRF Pandemic framework updated and STAC plan reviewed. 	<p>1</p>	<p>1</p>	<p>1</p>	<p>1</p>	<ul style="list-style-type: none"> • All plans are current and aligned with good practice however work is underway to align SCC and PCC's suite of plans to enable better efficiency when maintaining, training and exercising. Various joint plans are now in place and work is underway on a joint Coastal Pollution Plan and Cold Weather Plan. • The Hampshire and Isle of Wight Local Resilience Forum (HIOW LRF) generic emergency plan (which SCC authors) has been updated to encompass the Thames Valley LRF area and in effect from September 2018. • Op Parallel Bridge (death of a senior national figure) plan was issued in July 2018 • The Reactor Emergency Plan issued in Q2 and public information leaflets due for distribution in Q3. • A new HIOW and TV LRF Widespread Electricity Loss plan is currently being drafted and due in draft format in Q3 with expected finalised plan available in Q4.
	<p>d</p> <ul style="list-style-type: none"> • Joint exercises undertaken with other agencies on a periodic basis with outcome reported to the EPRR Board, Southampton Joint Health Protection Forum & HIOW LRF. • Jan 18 - Exercise FOXWATER focussing on tactical elements of REPPiR response and SCC's generic emergency plan implementation. This was successful and the Office for Nuclear Regulation has confirmed this was an appropriate test. • Exercise CRIMSON CARAVAN took place on 21/6/18. which tested the LRF Community Recovery Plan and the Recovery elements of the SCC REPPiR plan focussing on the aftermath of an off-site nuclear emergency in Southampton and Portsmouth. • Exercise SOTER took place on 25/5/18. This tested the multi-agency response to a mass casualty incident 	<p>1</p>	<p>1</p>	<p>1</p>	<p>1</p>	<ul style="list-style-type: none"> • Lessons identified during Exercise Crimson Caravan will be incorporated into the October 2019 review of the Reactor Emergency Plan. • Lessons identified during Exercise Soter will inform future mass casualties planning - EPRR team will ensure social care is adequately represented due to impacts on this sector. Currently awaiting lessons identified from Ex Soter from NHS England; also, discussion regarding resourcing to support EPRR in social care is underway- NHS EPRR Core Standards include a specific criteria for mass casualties, which will need to be considered.

<p>3. An adequate number of suitable officers have been trained, with arrangements to ensure that they are available, to undertake roles required during the council's response to an emergency</p>	e	<ul style="list-style-type: none"> • Adequate numbers of suitable officers in place to undertake Duty Gold role on Emergency Duty Rota. • The LRF holds 2 Strategic Coordinating Group training sessions a year and all rota participants at this level are required to attend. • All officers employed under the Chief Officers' contract are contractually required to participate in the emergency rota and have all received 1:1 training on their role. 	1	1	1	1	<ul style="list-style-type: none"> • <i>Training is up to date and numbers are adequate.</i>
	f	<ul style="list-style-type: none"> • Adequate numbers of suitable officers in place to undertake Duty Silver role on Emergency Duty Rota. • All have received 1:1 training on their role. • The LRF holds 2 Tactical Coordinating Group training sessions a year and all rota participants at this level are required to attend. 	1	1	1	1	<ul style="list-style-type: none"> • <i>Training is up to date and numbers are adequate.</i>
	g	<ul style="list-style-type: none"> • Adequate numbers of suitable officers in place to undertake Duty Bronze role on Emergency Duty Rota • All officers have received suitable training and equipment to undertake the role. • These arrangements have been tested during the response to several live incidents (c.4/year). 	1	1	1	1	<ul style="list-style-type: none"> • <i>There are two current, trained Duty Bronze Officers on the appropriate standby rota, and four new members of staff due to receive training in Q3</i>
	h	<ul style="list-style-type: none"> • Adequate numbers of suitable officers in place and available to undertake Emergency Planning Duty Officer role on Emergency Duty Rota • A joint Emergency Planning Duty Officer ('JEPDO') cadre of experienced EP officers from SCC and PCC is in place. • All have received suitable training and equipment to undertake the role. 	1	1	1	1	<ul style="list-style-type: none"> • <i>JEPDO has successfully dealt with over 150 incident responses since its establishment in July 2017.</i>

4. The risk of significant flooding within the city and its potential impact is identified with appropriate physical controls and associated response plans in place that are reviewed and tested periodically.

- Multi-Agency Flood Response and Recovery Plan-Agency Flood Plan in place which includes Southampton-specific information. Next review date (Part 1) in May 19.
- Southampton Joint Flood Management Board in place. Key stakeholders include SCC, Southern Water, Env Agency, ABP and Network Rail.
- JFMB meets to plan, review and learn from issues/incidents arising during the winter months.
- Planning applications for development (existing and new) are reviewed to meet a number of criteria and policy to ensure that development is appropriate and does not put people or property at unnecessary risk.
- Flood incidents reported to and/or picked up by the SCC Flood RM Team and investigated where deemed necessary.
- Flood risk reductions schemes in place in specific locations to reduce impact of tidal flooding to residential properties together with flood action group and flood plan.
- Surface Water Hotspot document in place and updated as significant new surface water issues emerge which is then used to inform discussions with RMAs and contractors.

2	2	3	3
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- *The SCC Flood Risk Management team has dealt with an unprecedented scale and frequency of flood incidents in 2018 which has had an impacted upon the capacity of this small team (2 officers). A review of how the team is structured and resourced has been undertaken and proposals presented to the Cabinet Member in August 2018. A budget pressure and restructure proposal has been included in the current business academy / budget setting process. The assurance level reflects the impacts described above.*
- *SCC Part 3 multi-agency flood plan and accompanying maps expected to be be finalised in Jan 2019 - improving the response of multi-agency partners to flooding.*
- *Testing of Flood Plan for St Denys delayed indefinitely due to the contractor administration and team capacity. All homeowners with flood prevention products installed will however have been shown how to deploy in order to protect their property.*
- *ABP pumping station replacement project may reduce flood risk in West of the City - SCC working with ABP to find a relevant solution that will accommodate climate change to manage flood risk longer term.*
- *Consultant drainage engineer currently working on modelling for one area of the city to identify whether the allotments can be utilised to manage flooding. Also working on Sustainable Drainage Systems (SuDS) opportunity mapping to identify areas that may benefit from SuDS to manage surface water.*
- *Work being undertaken to identify responsibility for the management and maintenance of culverted watercourses should Southern Water successfully reclassify a currently marked public surface water sewer as a watercourse.*

<p>5. A process to monitor both the performance and financial standing of key suppliers [including both significant commercial partners and other suppliers of key services e.g. joint commissioning of social care services].</p>	j	<ul style="list-style-type: none"> All key commercial contracts have Strategic Boards (involving both Members and CMT) with the more minor/less risky contracts having quarterly contract monitoring meetings. 	1	1	2	2	<ul style="list-style-type: none"> All major contracts have risk registers in place which are jointly reviewed with the supplier.
	k	<ul style="list-style-type: none"> In respect of key commercial contracts a process is in place which is designed to ascertain the current financial standing of key partner organisations on a cyclical basis. This is used as a tool to assess and mitigate risks to the council. The process, which is run on an annual basis (unless significant mid-term issues are identified), 'rates' each organisation according to the risks to the Council and will be reviewed at Strategic Board level 	1	2	2	2	<ul style="list-style-type: none"> 'Special Watch' approach is in place to more closely monitor major suppliers deemed to be at risk because of their financial standing or other significant risks. Reports are expected to be taken to CMT on a broadly quarterly basis and will cover the standing of 'at risk' companies, mitigation and business continuity.
	l	<ul style="list-style-type: none"> All social care contracts have a Contracts Officer assigned to manage the monitoring and review processes with commissioners taking ultimate responsibility for the overall management of contracts. ICU contract monitoring dashboard in place which provides an overview of each contract which enables new contract monitoring processes to be consistently applied. Where a provider holds multiple contracts for care and support services, these are normally allocated to a single commissioning lead to enable strategic oversight of key suppliers and market share-related risks Terms of inclusion for residential and nursing homes in the city have been adopted by all local providers; A 'provider failure protocol' is in place for ICU commissioned services and that recent experience of using this protocol to manage the impact of a provider failure has demonstrated that it is fit for purpose. 	2	2	2	2	<ul style="list-style-type: none"> Residential Contract signed by all city providers, with quality monitoring processes confirmed for homes in Southampton (as required by the contract). Acceptance and sign-up to the Residential Contract is required for all new care home placements in Southampton and outside the city borders. GDPR changes adopted across all contracts managed by the ICU.

6. Robust and resilient arrangements are in place to support the SCC Public Health response to a serious health protection threat	m	<ul style="list-style-type: none"> • SCC Public Health would provide an appropriate response in the event of a serious health protection threat. • The Science and Technical Advice Cell ("STAC") plan, managed and owned by Public Health England ("PHE") would assess the resources that might be required and how this would be provided. • The HIOW LRF STAC plan was updated June 2017 with training was provided in Sept 2017. • Procedures to support responses to vector borne diseases transmitted via non native Mosquitos are in place • Public health incident support was tested in LRF Exercises SOTER (May 2018) and CRIMSON CARAVAN (June 2018) where responders benefited from access to public health specialist advice 	2	2	2	2	<ul style="list-style-type: none"> • <i>Challenges remain regarding how a protracted public health incident response would be resourced, though mutual aid protocols exist locally. Issue is unlikely to be resolved without increase in specialist resources within SCC/PCC and neighbouring authorities.</i>
	n	<ul style="list-style-type: none"> • A response plan, in the form of The Local Health Resilience Partnership "Health Protection Incident and Outbreak Plan" is in place [last reviewed June 2018]. • A local Standard Operating Procedure is in place are serves to increase SCC's resilience in response and communications by standardising distribution lists and inclusion of a 24hr Duty Officer resource. 	2	2	2	2	<ul style="list-style-type: none"> • <i>Developing tools to support integrated response by event organisers, medical providers and wider health economy, linking with Public Health England and local Public Health teams on distribution of health promotion information. Awaiting PHE guidance.</i> • <i>Working with Dept of health on biological attack preparedness and arrangements for local antibiotic collection centres. Workshop to progress on 8/10/18.</i>
	o	<ul style="list-style-type: none"> • Local and National level public health surveillance is led by PHE. • SCC Public Health team works locally and nationally with PHE on understanding the level of threat from existing and new types of emergency. 	2	2	2	2	

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<i>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</i>	<i>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</i>	<i>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</i>	<i>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</i>

RISK No: SRR03		Last updated: 01/10/2018
RISK DESCRIPTION		
Major IT incident or service disruption leading to delivery failure that significantly impairs or prevents the Council's ability to deliver key services and/or statutory functions.		
RISK OWNER	Service Director Digital and Business Operations	
PORTFOLIO(S)	Finance and Customer Experience	



OUTCOME	A sustainable council	
RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	C - Possible	2 - Major
Target	D - Unlikely	2 - Major

2017-18		2018-19	
Q3	Q4	Q1	Q2

EXPECTED KEY CONTROLS	SOURCE(S) OF ASSURANCE	ASSURANCE LEVEL				MITIGATING ACTIONS / COMMENTS	
1. IT Disaster Recovery Plan, that covers IT hardware and server room resilience and applications / systems that support key services and is tested periodically, with the plan itself subject to periodic reviews to ensure that it remains aligned with business need.	a	• IT Disaster Recovery Plan in place that covers 8 key applications as agreed by the Council Management Team and subsequently with Capita on 31st August 2015. • A full technical test of DR is undertaken periodically	2	2	3	2	• A full technical test was conducted in June 2018 however it was unsuccessful. A couple of systems were able to be restored but only using data from the data centre. The test was repeated in August and no issues arose
	b	• The list of automatically recovered systems included in the IT Disaster Recovery Plan is being reviewed to ensure that it remains aligned with the current business need.	3	3	3	3	• Service Lead: Digital and Strategic IT is working with an Enterprise Architect, Microsoft and Capita to develop a paper setting out the options and indicative costs to move critical software applications to the cloud and therefore increase resilience and SCCs ability to recover applications for consideration by CMT. Target End Q4. • In the meantime the Council is procuring applications on a cloud only basis in line with the Digital Strategy.
	c	• Regular reports from Capita IT to the Service Lead Digital & Strategic on planning for incidents as well as feedback on learning points following major incidents.	2	2	2	2	• The Disaster Recovery Invocation report is up to date and there are no issues outstanding. Recent issues around telephony have been closed down effectively and lessons learned. Capita prepare reports covering actions and lessons learned for all major incidents, these actions are then tracked through to delivery.
	d	• Fault with the air conditioning system in the server room with temporary cooling in place. • The temperature is monitored manually by Capita during office hours.	-	3 NEW	3	2	• Issue had been ongoing for several months with only temporary cooling measures in place. However this has been fixed and no further episodes have occurred since July and is therefore regarded as satisfactorily resolved.

<p>2. Appropriate controls are in place to manage the risk of a cyber security incident and/or to respond in an appropriate manner</p>	<p>e • 'Defence in Depth' principle is used terms of minimising the risk of a cyber security attack with multi-layer firewalls and Intrusion Prevention system.</p> <ul style="list-style-type: none"> • Web filtering protects users from malicious sites with malware scanning with a web firewall to protect council web applications and malware detection in end points. • Email filtering with ability to examine attachments and URLs in a sandbox environment to assess the risk. • Annual scans/assessments of both internal and external infrastructure is undertaken by a 3rd party company for the council's PSN/PCI requirements. Any issues are reported to the security team and incidents/tasks raised in Service Manager/V-Fire. Scans are completed in time for a Public Service Network (PSN) compliance submission annually each March. 	<p>2</p>	<p>2</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> • Where possible these controls are up to date and quarterly tasks are raised within the IT Service Management Tool. Capita technical officers look at release notes for any revision and make a decision based on the compatibility matrix and operational necessity. • Security is tested quarterly via external Penetration (PEN) tests and any security issues highlighted will always be recorded within these scans. This is complimented by an Annual IT health check undertaken by an external 3rd party as a part of our PSN obligations. • The last annual scan/assessment of the internal and external infrastructure was completed and SCC has been awarded PSN's compliance valid until 25th June 2019 provided some actions are taken. There are three actions outstanding at the current time, which are underway and their completion is being monitored through the information security forum. • New threats are identified and assessed via the scans (at least quarterly) carried out against public-facing infrastructure. Similar scans are carried out on the internal network to identify any new threats. Capita scan and remediate on a weekly basis. • Currently with Payment Card Industry (PCI) compliance SCC are in a 'safe harbor' status as there are a number of sites where no Security Assessment Questionnaire has been completed, but action is being taken to resolve this with the individual services who maintain and manage their own IT equipment.
	<ul style="list-style-type: none"> • Staff are required, and are periodically reminded, to report any concerns, anomalies or issues around service availability to the IT helpdesk who will assist or investigate as appropriate. 	<p>-</p>	<p>-</p>	<p>NEW</p>	<p>2</p>	<ul style="list-style-type: none"> • Further reminder to be issued to all staff and members regarding the expectations / requirements and their role to play in terms of IT security.

	<ul style="list-style-type: none"> • A cyber security incident would be managed in accordance with the procedure set out in the corporate business continuity plan. • Plan activation would be initiated by IT, who would contact the emergency planning duty officer, who would brief the duty director and chief executive and convene an extraordinary CMT meeting (plus relevant technical experts) to review the situation and direct the SCC response. • Service Business Continuity Plans are held on the Resilience Direct information platform. 	2	3	3	3	<ul style="list-style-type: none"> • Report was taken to CMT on 2nd July providing some background on the key cyber risks and the plans that are being put in place. • Cyber Response Plan Annex to the Corporate Business Continuity plan was presented to CMT for approval in July, which is to be followed up by a test. • Test of the Corporate BC Plan including IT disaster recovery using a cyber scenario to be undertaken. Target delivery date End Q3. • The feedback from this will help to feed the Local Resilience Forum exercise (planned for Q2 2019) which will partly be based on a cyber scenario. • Recent Denial of Service attack highlighted a need to continue to be vigilant and remind all network users of duty to immediately report IT incidents. Action to be taken in Q3.
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1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.	There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.	Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.	There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.

RISK No: SRR04

Last updated: 11/10/2018



OUTCOME People live safe, healthy, independent lives

RISK DESCRIPTION	
Failure to safeguarding vulnerable adults resulting in a preventable incident	
RISK OWNER	Service Director Adults, Housing & Communities
PORTFOLIO(S)	Adult Care

RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	C - Possible	1- Extreme
Target	C - Possible	1- Extreme

EXPECTED KEY CONTROLS
1. Robust Safeguarding Policy aligned with good practice and including clearly defined roles and responsibilities which is subject to regular review.

SOURCE(S) OF ASSURANCE
<p>a</p> <ul style="list-style-type: none"> Multi Agency Safeguarding Adults Policy and Guidance in place (2nd edition published in 2016). Local Policy and Practice Guidance updated in 2016/17 and published on Intranet ('Safeguarding Adults'). Policy, guidance and toolkit developed by the Local Safeguarding Adults Boards (4LSAB) covering Hampshire and the Isle of Wight. The policy will next be reviewed in January 2019. Chair of Southampton LSAB also chairs Portsmouth and Hampshire LSABs, further improving coordination across the 4LSAB area. The Local Safeguarding Adults Board (LSAB) maintains oversight of a review cycle and quality assurance. <p>b</p> <ul style="list-style-type: none"> LSAB in place noting that the activities and functions of the board were reviewed in 2016/17 and found to be Care Act compliant. SCC key partner in the Board's activities and meetings, and linking with partner organisations. Designated SCC Adult Safeguarding and Service Quality Manager in place. Southampton LSAB Strategic Plan 2016-18 was refreshed in March 2017 with actions monitored by the LSAB.

2017-18		2018-19		ASSURANCE LEVEL	MITIGATING ACTIONS / COMMENTS
Q3	Q4	Q1	Q2		
1	1	1	1	1	
2	2	2	2	2	<ul style="list-style-type: none"> The annual report for 2017/18, which provides assurance regarding Care Act compliance and sets priorities and actions for 2018/19, was approved in September 2018 and will be considered by the council's Health Overview and Scrutiny Panel in 2019. Content of SCCs Strategic Risk in respect of 'safeguarding' was an agenda item at the last meeting however it had to be deferred. Will be discussed at the next meeting in December.

	<p>c</p> <ul style="list-style-type: none"> • Quality Framework for Adults and Children’s Social Care 2015-2018 • The Council discharges its duties for good governance through the 4LSAB Quality Assurance Group that oversees the four LSABs to achieve commonalities and develop work plans across the individual boards. 	<p>NEW</p> <p>3 2 2</p>	<ul style="list-style-type: none"> • <i>Limited assurance in Q4 was due to quality concerns around Glen Lee residential care home which was subject to a suspension of new admissions. Glen Lee is now out of suspension, and has been published as good overall from the CQC.</i>
<p>2. Communication and training to ensure that all relevant staff and other key partners fully understand the Safeguarding legislation and procedures that underpin this. In addition, all staff understand what is expected of them in terms of when and how concerns should be reported.</p>	<p>d</p> <ul style="list-style-type: none"> • Safeguarding Training forms part of the corporate training offer both targeted and mandatory elements. All new social workers required to undertake mandatory training and assessed for competency. • The Principal Social Worker for Adults is the lead on training. • Learning and development needs picked up as part of the new Annual Performance Review process • Close working relationships with the CCG’s Quality Assurance team on joint safeguarding activity with both organisations working closely with the CQC. • Adult Safeguarding Team Manager regularly attend ADASS training days to ensure that SCC remains compliant. • The ASC team have rolled out a comprehensive training programme for all social care staff in adults which covers core competencies. Also rolled2 out to our other professions including Occupational Therapy and our partners such as Solent and University Hospitals of Southampton. Approach has been adopted by the LSAB with the same approach to training sponsored for all relevant professionals with a significant adult safeguarding role in the city. 	<p>2 2 2 2</p>	<ul style="list-style-type: none"> • <i>Adult social care are developing a detailed training matrix for safeguarding based on a national framework and supported by Bournemouth University. This is expected to be in place by End Q4 2018-19.</i>

<p>3. Early assessment and planning in place for responding to safeguarding concerns across Adult's Social Care.</p>	<p>e</p> <ul style="list-style-type: none"> • Responsibility for safeguarding enquiries are devolved to service teams. This is supported by training and work with partner organisations to ensure robust process and practice. • Additional resources have been invested in Investigation officers providing greater capacity to review safeguarding issues across all sectors of the provider market place. The team has been able to retain staff with the required skills, knowledge and experience and this is effective. • Making Safeguarding Personal thematic audit undertaken at the request of the LSAB. 	<p>2</p>	<p>2</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> • A subsequent working group arising from the Making Safeguarding Personal thematic audit has produced additional guidance for SCC and partners around risk assessment and management and safeguarding supervision standards.
<p>4. Safeguarding concerns identified by and reported to the Council are reviewed and communicated as appropriate both internally and with other agencies including those arising from SCC provided services.</p>	<p>f</p> <ul style="list-style-type: none"> • Safeguarding practice in Adult Social Care is co-ordinated by the Safeguarding and Service Quality Manager who has a lead role in working with principal partner agencies to develop and improve safeguarding practice. • Provider services Safeguarding List is maintained and available to all partner agencies. This is subject to external assessment by the 4LSAB QA group and evaluation sub group and periodic audits. • Safeguarding is a key area at joint management board for the integrated reablement service. This ensures the Community Independence Team and Urgent Response Service routinely make referrals. An Internal Audit of Adult Safeguarding completed in Q4 2017-18 and published on 25 April 2018 gave an opinion of "assurance". 	<p>3</p>	<p>2</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> • Arrangements with Southern Health are in place but will be formally finalised by the end of October. • Revised safeguarding arrangements and pathways were implemented following the phase 3 restructure in April 2018. Restructuring process completed. • Safeguarding and Service Quality Manager provided an assurance report for the LD team in Q1 2018-19 and has done similar report for the social well-being service. • Quality Assurance framework is at final stage of development for pilot implementation end of Nov.

<p>5. Robust assessment of current and future staffing requirement, for those functions that have a direct responsibility for safeguarding, with a contingency arrangement in place in respect of unforeseen pressures or staff shortages.</p>	<p>g • Restructure of Adult Social Care teams as part of the phase 3 reorganisation was based on assessment of current and future need, to manage future staff reductions and to further develop partnership working with other organisations and develop broader resilience.</p>	<p>3</p>	<p>3</p>	<p>3</p>	<p>3</p>	<ul style="list-style-type: none"> • DASS is in place. Interim Principal Social Worker is in place with a service improvement role. • Phase 3 redesign has been completed with majority of people now in post. • Reduced number of locums being used within ASC. A number of waiting lists currently in ASC are being monitored • Performance in carrying out planned reviews is improving due to the work of the Review Team, Integrated Teams and additional support provided by a third party contractor
<p>6. Deprivation of Liberty Safeguards ('DoLS') applications are completed promptly and processed in accordance with statutory timescales including those cases needing renewal of a deprivation of liberty</p>	<p>h • A risk based approach is used to prioritise DoLS applications. • The DoLS programme is delivering in accordance with the risk based plan and this is overseen by the Service Lead, Safeguarding with reports to the LSAB. • Performance is included on the Adult Social Care monthly scorecard, which is reported at CMB and AHC management team.</p>	<p>3</p>	<p>3</p>	<p>3</p>	<p>3</p>	<ul style="list-style-type: none"> • An internal audit of DOLS completed in Q4 2017-18 and published on 16 March 2018 gave an opinion of "limited assurance". • An Action Plan is in place that is overseen by the Quality Assurance Committee, chaired by the Integrated Commissioning Unit's Associate Director of Quality. • The service's response to the Internal Audit report states that the council's backlog is proportionately lower than neighbouring local authorities.
	<p>i • Once allocated and assessed, the process followed for individual cases complies with the DoLS requirements. • DoLS applications are checked and monitored with service managers then checking the quality and ensuring they are compliant. • Best Interest Assessors (BIAs) receive extensive training and quality assurance mechanisms are in place.</p>	<p>1</p>	<p>1</p>	<p>1</p>	<p>1</p>	<ul style="list-style-type: none"> • Assurance confirmed on these points by an internal audit carried out during Q4 2017-18.

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<i>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</i>	<i>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</i>	<i>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</i>	<i>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</i>

RISK No: SRR05

Last updated: 01/10/2018



RISK DESCRIPTION

Failure to safeguard children resulting in a preventable incident

RISK OWNER

Service Director Children and Families

PORTFOLIO(S)

Children and Families

OUTCOME

Children and young people get a good start in life

RISK SCORE

CURRENT

Target



LIKELIHOOD

C - Possible

C - Possible

IMPACT

1- Extreme

1- Extreme

EXPECTED KEY CONTROLS

1. Robust Safeguarding Policy aligned with good practice and including clearly defined roles and responsibilities which is subject to regular review.

SOURCE(S) OF ASSURANCE

- a.
 - Safeguarding Policy for Children in place
 - Southampton Local Safeguarding Children Board ('LSCB') Policies & Procures Manual updated in June 2018 and subject to annual review.
 - SCCs Strategic Risk shared periodically with the LSCB
- b.
 - LSCB Business Plan outlines priority areas and associated actions to be taken by the LSCB for the period 2018-19
 - The business plan sets out the inter agency priorities for safeguarding children and are monitored by the board of the LSCB
 - The status of the actions identified in the plan are reported to the LSCB
- c.
 - Quality Framework for Children's Social Care 2017-2020
 - The Council discharges its duties for good governance through an Inspection Board with Quality Assurance Committee reporting to this

2017-18		2018-19		MITIGATING ACTIONS / COMMENTS
Q3	Q4	Q1	Q2	
ASSURANCE LEVEL				
2	1	1	1	• A new 'Working Together to Safeguard Children 2018' document has been adopted with the focus on moving toward a more regional multi agency safeguarding board.
2	2	2	2	• All actions in the LSCB Business plan are on track in terms of delivery.
NEW	2	2	2	• Recent Internal Audit concluded 'reasonable assurance' in respect of the Quality Framework.

<p>2. Communication and training to ensure that all relevant staff and other key partners fully understand the Safeguarding legislation and procedures that underpin this. In addition, all staff understand what is expected of them in terms of when and how concerns should be reported.</p>	<p>d</p> <ul style="list-style-type: none"> • All new social workers undertake mandatory training and are assessed for competency. • Level 3 Safeguarding Training programme is monitored and evaluated through the LSCB including attendance levels. • Level 2 Safeguarding Training is monitored and evaluated through the LSCB Training Sub Group. • Training is under the remit of the Workforce Development Manager (Practice Educator) who is able to monitor needs and take up. • Safeguarding Training forms part of the corporate training offer which includes targeted and mandatory elements. • QA oversight of the safeguarding training by the Service Manager and Principal Social Worker and the outcomes this has on service delivery. 	<p>1 1 1 1</p>	<ul style="list-style-type: none"> • <i>Take up and quality of training is monitored and fed back into the quality assurance plan framework .</i>
<p>3. Safeguarding concerns identified by, and reported to, the Council are reviewed, communicated and escalated as appropriate both internally and with other agencies.</p>	<p>e</p> <ul style="list-style-type: none"> • Multi-Agency Safeguarding Hub ("MASH") in place which brings together, in one location, staff from the council and a range of other key agencies to further improve the early identification and response to safeguarding concerns. • The MASH deals with a range of issues in respect of preventative and target intervention alongside managing high risk Child Protection. • The most qualified staff are used to manage the initial referrals into the MASH. 	<p>2 2 3 3</p>	<ul style="list-style-type: none"> • <i>High level of Demand is still an issue and the lack of availability of qualified staff continues to have an impact on MASH in terms of compliance with the statutory timeframes. This reflects an ongoing national shortage of qualified social workers.</i> • <i>A recruitment campaign resulted in some posts being filled however there are still vacancies.</i>

4. The approach and arrangement in respect of 'Children's Safeguarding' is validated by external inspection agencies?

- Ofsted Inspections, now use a new Inspection of Local Authorities ('ILACS') framework for most inspections.
- ILACS framework comprises standard inspections, short inspections, focused visits, monitoring visits and activity outside inspection.
- Annual statutory review meetings ("conversations") with Ofsted

2	2	2	2
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- Ofsted inspection in June 18 in respect of 'Care Leavers Service' with a positive assessment provided
- SCC selected by DfE as one of only three authorities to receive additional support to help accelerate its' journey from 'requires improvement' to 'good'.
- Next conversation with Ofsted in January 2019. Outcome of most recent meetings in Feb and April 18 positive.

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.	There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.	Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.	There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.

RISK No: SRR06

Last updated 11/09/2018



RISK DESCRIPTION

Failure to meet our health and safety responsibilities

RISK OWNER

Health & Safety Board

PORTFOLIO(S)

Community Wellbeing

OUTCOME

A sustainable council

RISK SCORE

CURRENT

Target



LIKELIHOOD

C - Possible

D - Unlikely

IMPACT

2 - Major

2 - Major

EXPECTED KEY CONTROLS

1. Roles, responsibilities, accountabilities and reporting arrangements are defined and understood

SOURCE(S) OF ASSURANCE

- a • 'H&S Policy : Statement of Intent' signed by Directors (review July 2018) together with up to date H&S policies on all other major risk areas.
 - Responsibilities in respect of H&S are reflected in the new Employee Performance Contracts
- b • H&S Board comprising Service Directors, Risk & Insurance and H&SS with an agreed ToR.
 - H&S Board report to CMT on a quarterly basis via Strategic Risk Register and highlighting any areas of significant concern.
 - JCG terms of reference produced via HR&OD board.
- c • Health & Safety Service act as the competent person regarding CLEAPSS (Consortium of Local Education Authorities for the Provision of Science Services) and RPO (Radiation Protection Officer)
 - All School Safety Advice notices were reviewed and reformatted in Sept 2017

2017-18		2018-19		ASSURANCE LEVEL	MITIGATING ACTIONS / COMMENTS
Q3	Q4	Q1	Q2		
1	2	2	1	<ul style="list-style-type: none"> • All polices are up to date, have been signed by the leader and CX and are published on the intranet. • Governance arrangements in terms of revised JCG's and the H&S board are now well established. • Concern exists regarding corporate oversight of schools and the limitations of the current SLA/H&S auditing processes being limited/restricted by schools opting/buying into that process. • HS&EW manager has taken steps to mitigate this position including re-introducing the self-audit tool for schools from September 2018 as well as undertaking a series of ad-hoc inspections of schools sites across the summer holiday period to look at construction /maintenance works being undertaken 	
2	1	1	1		
3	3	3	3		

	<p>d</p> <ul style="list-style-type: none"> • Control of contractors and service providers - safe working procedure. • Control of contractors and service providers, contractor incident notification protocol (CIN). • Compliance with H&S is part of std work contracts. 	<p>3 3 3 3</p>	<ul style="list-style-type: none"> • Construction management group has now been formed which reports to the H&S board. • A programme of inspections utilising resource through the H&S service has been developed. Planned inspections will average 5 per month and will include construction as well as other activity across the authority. <p>NOTE: There has been a delay in getting planned inspection visits implemented partly due to resource constraints; however this is now underway but is at too early a stage to</p>
<p>2. H&S training needs, relevant to individual roles, are identified with appropriate and up to date guidance, training, policies and procedures in place and in an accessible format.</p>	<p>e</p> <ul style="list-style-type: none"> • All policies are published on the intranet and are updated at least annually or as changes come in, major changes are consulted on. • Safe working procedures are scheduled for review across two/three years - changes or amendments to the schedule are relayed to the H&S board. 	<p>1 1 2 2</p>	<ul style="list-style-type: none"> • Revised process for amending/updating safe working procedures - agreed refresh period of two/three years (sooner if legislative change), consultation and final approval via H&S board. • Recognised that some SWPs are out of date in terms of the last review date. • The schedule of reviews of SWP's is subject to governance via monthly H&S service area review meetings as well as to the H&S board. Reviews are prioritised by risk where appropriate and the schedule is fluid in terms of being able to move reviews within the two year programme where the need arises, for example where an audit identifies the SWP's

	<p>f</p> <ul style="list-style-type: none"> • Full suite of training courses (including e-learning) available as well as a range of bespoke courses primarily aimed at the higher risk activities (e.g. waste management, trades etc.). 	2	2	2	2	<ul style="list-style-type: none"> • Training courses have been put in-place including, DSE assessor, accident investigation and reporting and housing tenancy inspections. • Training to be developed include, stress management tool (HSE). • the HS&EW manager is seeking to develop training to cover health surveillance responsibilities for managers which has been
	<p>g</p> <ul style="list-style-type: none"> • Review of training needs, including H&S, forms part of the Annual Performance Review ("APR") process. • Monitoring of training undertaken and future training needs also reviewed at 1-2-1's or similar review meetings. 	3	2	2	2	<ul style="list-style-type: none"> • A revised generic training matrix has been produced which is designed to help managers develop local training needs and specific matrices through the management H&S training (Essential H&S Training for Managers) but also through the APR process.
	<p>h</p> <ul style="list-style-type: none"> • A self audit tool ("SAT") in is place and aimed at managers with H&S responsibilities. The outcomes of the SAT are used to inform the H&SS with regards options for the HS&W manager to plan and authorise face to face audits and further assistance where necessary. 	3	3	2	2	<ul style="list-style-type: none"> • The revised self-audit tool (non-schools) is now live and being used by services. Target for completion is end of September 2018. • Intelligence gained will be used to inform inspections and audits and/or further interventions in order to help service areas improve where necessary. • The level of take up of the self-audit tool and the outcomes of the assessment will be reported to the H&S Board in Q2.

<p>3. Key operational H&S risks are assessed, identified and controlled with appropriate and up to date guidance, training, policies and procedures in place and in an accessible format.</p>	<p>i ASBESTOS Framework</p> <ul style="list-style-type: none"> • Asbestos Management Group reporting to H&S Board • Asbestos policy and arrangements approved by H&S Board (Jan 18). • Corporate asbestos database together with Asbestos microsite, information, instruction and training • Risk assessments • Scientific Services, Regulation 4 inspections, • Asbestos procurement/framework agreement 	2	1	1	2	<ul style="list-style-type: none"> • Revised policy and arrangements document, replacing previously separate policy and SWP will be the model applied to other polices when reviewed. This provides a single document, signed by the CX and leader and is reviewed annually. • Internal Audit report identified a number of actions; a number of historic incidents on IE were not closed, these have now been. All new incidents are investigated and reported through the AMG with the HS&EW manager closing each incident when concluded. Scientific Services are investigating IT improvements to the asbestos database as recommended and have raised an IT project.
	<p>j Delivery</p> <ul style="list-style-type: none"> • Breaches in process and/or misunderstandings of requirements by service areas are often underlying causes of logged incidents. 	3	2	2	3	<p>The internal audit raised issues which have/are being addressed including:</p> <ul style="list-style-type: none"> • Better use of the procured framework of asbestos contractors and analysts • New process introduced to ensure asbestos incidents are properly investigated and closed on HSMS • Improvements being made to the asbestos database so that data is not lost when updating surveys, i.e. to enable an auditable history against property data. • Recent rise in incidents with non-licensed asbestos tasks carried out by the internal repairs teams is to be investigated via an assurance audit with findings being presented to AMG and the H&S board. Please note that non-licensed work is considered low risk and incidents are mainly procedural breaches and have not affected

<p>WATER QUALITY Framework</p> <ul style="list-style-type: none"> • Approved contractor appointed and in place to undertake risk assessments and remedial works • Safe working procedure - Control of Legionella • Water Quality Management Group established (Dec 17) with agreed ToR and accountable to the H&S Board 	2	2	2	2	<ul style="list-style-type: none"> • Procurement exercise led by Capital Assets is underway to appoint new approved contractor contract (existing contract expired in June 18). • Exception agreed to continue to use current provider (Urban) to carry out risk assessments whilst procurement continues. • Engaged a consultant through Capita to fill the authorised engineer role and to undertake a gap analysis report.
<p>Delivery</p> <ul style="list-style-type: none"> • Risk assessments (Housing) are being undertaken • Competent person on WQ (in-house) being used to oversee risk and actions identified. 	3	3	3	3	<ul style="list-style-type: none"> • Housing are focusing on continuing to undertake risk assessments as well as the DLO undertaking monitoring and low level remedial works. • Strategy managed by Capital Assets and focussed on risk profile of stock - where identified programmes of work will be produced. • Capital Assets have commissioned a WQ consultant through CH&SS to undertake gap analysis and provide the authorised engineer role which the authority has now lost.
<p>FIRE SAFETY</p> <ul style="list-style-type: none"> • Fire Safety Programme Board, to oversee all aspect of fire safety in place and chaired by the Service Director Adults and Housing. • Membership includes a representative from Hampshire Fire & Rescue Service together with officers from Capital Assets, Housing, H&S, Risk & Insurance. 	2	2	2	2	<ul style="list-style-type: none"> • The board is overseeing progress against fire risk assessment actions and programmes of work and agreeing an overall strategy. • Membership of Group to be extended to include a representative from Children's services.

m	<p>FIRE RISK ASSESSMENTS Framework</p> <ul style="list-style-type: none"> • 3S Fire provision of FRAs and competent persons/advice. • H&S Management system (Info Exchange) holds records of all FRAs and actions. • Capital Assets responsible for ensuring that SCC assets remain compliant, including managing actions arising from fire risk assessments and forming programmes of work where necessary. • Regular status reports are provided to the Fire Safety Programme Board and CMT. 	2	2	2	2	<ul style="list-style-type: none"> • Procurement process to cover provision of FRA's from end of current contract (Nov 18) is underway. Exploring options to access a procurement framework currently. • Arrangements are in place to review and manage the backlog of actions using a risk based approach. The Fire Safety Programme Board has been used to agree strategies for managing a number of actions • Strategy for future FRA's being considered so as to include more invasive surveys in some instances based on FRA types 1-4 and this will be further explored with any new contractor or emerging advice following the
	<p>Delivery</p> <ul style="list-style-type: none"> • Work to address issues found are being managed by Capital Assets with regular status reports are provided to the fire safety programme board and CMT. • FRA information included on MOP and reported to CMT. 	3	3	3	3	<ul style="list-style-type: none"> • Issues include FRA's and actions from FRA's overdue. Capital Assets have developed an overall action plan and are progressing works to address and close risk actions with reports and progress reported through the FSPB. • Some FRAs are undertaken 'off contract' i.e.. by schools making their own arrangements. In all such cases this requires the recipient to provide Capital Assets with details of the review and the actions taken.
n	<p>FIRE DOOR INSTALLATION & MAINTENANCE - Framework</p> <ul style="list-style-type: none"> • Safe working procedure - Fire Door Protocol in place and is being applied. • Issues identified as part of Fire risk assessments and other routine or ad hoc inspections. 	2	1	1	1	<ul style="list-style-type: none"> • Contracts let (including the DLO) include confirmation on the required standards and competency of installations and maintenance applications.

<p>Delivery</p> <ul style="list-style-type: none"> • Capital Assets specify evidence of competency and standards with regards larger projects where door installation is required 	3	2	2	2	<ul style="list-style-type: none"> • Application of the SWP is undertaken locally and processes still relatively new • HS&W manager to undertake assurance review and report findings through the construction management group and H&S board.
<p>o INCIDENT / ACCIDENT REPORTING Framework</p> <ul style="list-style-type: none"> • Online reporting system (HSMS) • SWP accident, incident reporting and investigation • Instruction and training for accident investigators, • HSS log incidents, investigate and report (RIDDOR). 	2	2	2	3	<ul style="list-style-type: none"> • Internal Audit review assessment identified that a number of incidents logged on HSMS are not closed. The HS&EW manager is investigating possibilities with the system to address the historic incidents logged which may include archiving options, but is also looking at processes for managing incidents logged to ensure that they are suitably managed to conclusion.
<p>Delivery -</p> <ul style="list-style-type: none"> • Reporting figures are low suggesting under-reporting and issues with process or culture. • Managers slow to respond resulting in increased resource to chase and close incidents within timescales. • Accidents/Incidents left open on the Incident reporting system • The Capita H&SS are measured (KPI) on RIDDOR notification timescales. 	3	3	3	3	<ul style="list-style-type: none"> • (KPI) on RIDDOR notification timescales is rarely under target however general response times by managers is slow. Will be reviewed as part of the wider review of compliance data systems. • Internal audit report highlighted number of incidents which are not closed. HS&W manager is seeking to resolve identified issues with system including date fields which may be applied retrospectively, reporting against pending items in respect of closing entries in an appropriate and timely manner. • Training sessions covering both accident/incident reporting and accident investigation are available.

<p>p EMPLOYEE HEALTH (Noise/COSHH/Vibration) - Framework</p> <ul style="list-style-type: none"> • H&S policy and arrangements • Safe Working Procedures in place • Risk assessments together with information, instruction & training, • Supervision and monitoring, • Provision of personal protective equipment 	2	2	2	2	<ul style="list-style-type: none"> • Audit regarding operational teams health surveillance and COSHH in-progress by H&SS. • Review will also look at buying/hiring strategies re plant and equipment.
<p>Delivery</p> <ul style="list-style-type: none"> • Audits of operational teams based around health surveillance processes and COSHH will identify gaps, weaknesses and inconsistencies. across operational areas being undertaken (approved by H&S Board - 04/10/17). 	3	3	3	3	<ul style="list-style-type: none"> • HS&W manager is awaiting HSA reports covering the 5 operational areas identified and will feedback outcomes via H&S board. Final report received 11/09/18 and is currently being evaluated in terms of actions required and a plan to deliver those.
<p>q LONE WORKING Framework</p> <ul style="list-style-type: none"> • Safe working procedure - working alone in safety • Risk assessments, • Lone worker protection systems (Jontek) • Information, instruction and training, • Incident reporting and incident list. 	2	2	2	2	<ul style="list-style-type: none"> • The SWP does not reference any lone worker protection systems as a control measure. • The SWP - lone working will be updated to reflect processes to access Jontek once established and any actions noted as part of the review of lone working (see below).
<p>Delivery</p> <ul style="list-style-type: none"> • Jontek System originally limited to Adults, Housing and Communities teams but has been expanded out further to a wider range of teams that undertake lone working including occupational therapists, social workers (assessment, options and planning), income services, Capital Assets and Emergency Planning • Ad-hoc use of lone worker control measures. 	3	2	2	2	<ul style="list-style-type: none"> • HS&W manager has instigated a review of lone working arrangements and will update the SWP - lone working once complete. The review should help identify any improvements which may be made to existing arrangements (including Jontek) as well as establishing whether risk is significant and may necessitate further controls being explored. • An increased number of services have now accessed and are using the Jontek lone

<p>r HOT WORKS (includes, welding, soldering, flat roofing, vinyl flooring seam welding, paint stripping, etc.).</p> <p>Framework</p> <ul style="list-style-type: none"> • Safe working procedure - permits to work • Risk assessments • Operating procedures and/or method statements • Hot works permit systems, information, instruction and training, supervision and monitoring 	2	2	2	2	<ul style="list-style-type: none"> • Application of SWP, risk assessments and safe systems of work.
<p>Delivery</p> <ul style="list-style-type: none"> • Level of compliance with SWP unknown, no evidence. 	3	3	3	3	<ul style="list-style-type: none"> • HS&EW manager is awaiting final reports from two assurance audits (Housing and Fleet) undertaken to establish compliance and effective management of hot works processes. Initial feedback is favourable and indicates positive assurance but will confirm outcomes to JCG's and H&S board.
<p>s SHARED SITE (NURSLING DEPOT) [Inclusion on time limited basis]</p> <p>Framework</p> <ul style="list-style-type: none"> • Procedures for use of the shared site covering Fire, first aid, welfare, vehicle movements, materials management, use of forklift trucks, etc. in place. • Risk assessments, information, instruction and training, supervision and monitoring, management workplace inspections. 	3	2	2	2	<ul style="list-style-type: none"> • Health and safety assurance audit (HSA) undertaken with action plan produced.[
<p>Delivery</p> <ul style="list-style-type: none"> • HS&S have undertaken an audit of workplace transport following reported incident with forklift whereby insufficient documents and evidence presented immediately following the event. 	3	2	2	2	<ul style="list-style-type: none"> • Action plan is stated as being complete. • HS&W manager is awaiting H&S inspection report from 06/09/18 to confirm that new risk assessments and safe systems of work have been fully implemented and bedded-in.

	<p>FIRST AID - Framework</p> <ul style="list-style-type: none"> • SWP - First Aid in place. <p>Delivery</p> <ul style="list-style-type: none"> • Civic Buildings responsible for managing first aid arrangements for the Civic Centre. • Town Sergeants respond to first aid incidents for members of the public in the civic buildings. 	2	2	2	2	<ul style="list-style-type: none"> • SWP - First Aid is being amended to reflect change and also new process being introduced to manage employees with specific medical conditions • HS&EW manager to arrange for a communications article to advise staff of the change once the SWP is complete. • Civic Buildings have now assumed responsibility for managing first aid arrangements for the Civic. • New signage has been installed, training updates being progressed, defibs have been placed at key locations throughout the buildings and first aid kit reviewed/replaced.
3	3	3	2			

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.	There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.	Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.	There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.

RISK No: SRR07

Last updated: 13/09/2018



OUTCOME A sustainable council

RISK DESCRIPTION
Failure to ensure the City Council's information is held and protected in line with Information Governance polices and procedures.

RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	C - Possible	3 - Significant
Target	E - Very Unlikely	3 - Significant

RISK OWNER Information Governance Board

PORTFOLIO(S) Leader and Clean Growth and Development

EXPECTED KEY CONTROLS

1. A Strategic Information Governance Board is in place with agreed terms of reference, appropriate membership and reporting structure into a senior management team.

SOURCE(S) OF ASSURANCE

a • Information Governance Board ("IGB") in place with terms of reference agreed by the Council Management Team ('CMT') in July 2016 and kept under review by the Service Director - Legal and Governance ('SDLG').
• SDLG reports annually to the Governance Committee and bi-annually to CMT on information governance, including breaches and training compliance.

b • IGB Chaired by the Corporate Senior Information Risk Owner "SIRO" (SDLG).
• IGB meetings are held every six weeks and are chaired by the SDLG as CMT lead. Membership of the group includes the Senior Solicitor (Corporate), Services Lead Digital and IT, the Caldicott Guardian, Senior Records Officer, Information Lawyer, Service Lead - Risk, Insurance, Assurance & Audit and the Service Lead - Customer & Employee Experience and the Service Director Digital and Business

2017-18		2018-19		MITIGATING ACTIONS / COMMENTS
Q3	Q4	Q1	Q2	
ASSURANCE LEVEL				<ul style="list-style-type: none"> The work of the GDPR Sub Group is now subsumed within the IGB.
1	1	1	1	
1	1	1	1	

	<p>c</p> <ul style="list-style-type: none"> • A corporate SIRO is in place with Information Asset Owners (Service Directors) trained and in place across the Council. • IAOs are accountable to both IGB and CMT for information governance compliance within their areas and are required to submit evidence, six monthly, of compliance on a quarterly basis to the IGB. Non-compliance will be reported to CMT. 	<p>1 1 1 1</p>	<ul style="list-style-type: none"> • <i>Checklists for Q1 and Q2 were sent out at the beginning of September to IAAs with the deadline for completion being the end of September. Once these have been analysed, we will have a better idea of risks.</i>
<p>2. Information Governance ("IG") Framework is in place across the organisation which gives a structure for managing IG and ensures a level of assurance which enables the organisation to meet its regulatory requirements.</p>	<p>d</p> <ul style="list-style-type: none"> • IG Framework in place. • All Information Asset Owners together with Information Asset Administrators have been trained in respect of the their responsibilities. • The Data Protection Officer has met with all Information Administrators. 	<p>1 1 1 1</p>	<ul style="list-style-type: none"> • <i>Data Protection Officer continues to meet with new IAOs and IAAs as needed.</i>
	<p>e</p> <ul style="list-style-type: none"> • An overarching IG policy in place under which all relevant polices fit. • A control list is in place and all policies due for review are tabled at each IGB as a standing agenda item. 	<p>2 1 1 1</p>	<ul style="list-style-type: none"> • <i>Policies continue to be monitored as required.</i>
	<p>f</p> <ul style="list-style-type: none"> • There is an Information Asset Register ('IAR') in place with Heads of Service being the appointed 'Information Asset Owners'. • IAOs are tasked with responsibility for keeping their service area information updated and asked to account for compliance for their areas of responsibility on a quarterly basis to IGB. • An Information Asset Management system (IAMS) is in place which provides IAOs and IAAs with visibility of information in their control, and the privacy risks associated with it. 	<p>1 1 1 1</p>	<ul style="list-style-type: none"> • <i>GDPR Champions have been completing and verifying the accuracy of the IAR, and their contracts will be terminated at the end of September. At this point, Service Areas will be responsible for providing information on the IAR via the quarterly checklists. Ultimately, they will be given direct access.</i>

<p>g</p> <ul style="list-style-type: none"> • A published Retention Schedule is in place which is comprehensive and up to date. • Compliance with the retention schedule is captured in the quarterly checklists that are required to be completed by the IAOs. • The disposal of electronic records and data is aligned with the arrangements in respect of the disposal of hard copy records and data 	1	1	1	1	<ul style="list-style-type: none"> • Where a need for the retention schedule to be amended or updated, the Senior Records Officer works with the service area to facilitate. • IAAs should regularly review their retention schedules as part of checklists. It is their responsibility to liaise with SRO if any changes are required.
	-	-	NEW 3	3	<ul style="list-style-type: none"> • There is awareness in respect of the challenges around disposal of electronic records. The IT Lead is compiling a list of systems across the Council, and will work with the system administrators and suppliers to explore destruction / archiving solutions available in respect of electronic records. • The SRO has been working with the Paris Support team to cleanse data from the system, and this is progressing well however, the project has identified a large number of additional paper records and Paris records that could be cleansed. The SRO has completed the first stage of this work and will be providing advice to the support team. • The SRO is working with the administrators of Uniform to begin data cleansing, but there is a need for resource to do the work and this has been discussed at IGB. • One system administrators have been advised on how to select data for cleansing but are waiting for Capita IT consultants to confirm technical matters to them before this can proceed. • The compliance returns would indicate that although IAOs are aware of the requirement to review and dispose or retain records compliance is not consistent across all areas and further work is required to embed regular reviews into business as usual work.

	<p>h</p> <ul style="list-style-type: none"> • Data Protection Impact Assessments ("DPIAs") (formerly Privacy Impact Assessments) are in place for all new projects or policies. • Consideration of the need to conduct a DPIA forms part of the decision making report template and at Gateway 1 in the project management template. • The requirement to complete DPIAs forms part of the IAO quarterly checklist. 	2	2	2	2	<ul style="list-style-type: none"> • <i>The increase in DPIAs continues (up 300% on last year - 17 to 68) and reflects that the need for DPIAs is beginning to become embedded.</i> • <i>There is currently a backlog of (40) DPIAs for the Data Protection Officer to review.</i>
<p>3. The organisation ensures that its staff and those working on its' behalf are adequately trained in all aspects of IG.</p>	<p>i</p> <ul style="list-style-type: none"> • Training in Data Protection and Freedom of Information is mandatory for all staff and is provided through e-learning and other appropriate methods including use of training videos via YouTube in order to provide basic training for colleagues without easy access to IT. 	1	1	1	1	<ul style="list-style-type: none"> • <i>The current overall compliance rate in respect of the DPA and FOI e-learning training stands at 71% overall (July 2018).</i> • <i>The reliability of the data provided by L+D is a core ongoing concern - awaiting updated stat from L+D.</i> • <i>Member compliance is currently at 12.5%.</i>
	<p>j</p> <ul style="list-style-type: none"> • The Corporate Legal Team is responsible for investigation of potential breaches and for liaising with the service areas with the remediation plan post breach. • All investigations and monitoring of compliance of remediation plans is performed by the Data Protection Officer. • Relevant IAOs and IAAs receive a copy of any remediation report drafted, and details of breaches are reported to CMT on a quarterly basis. • There is an annual communications plan?? with regard to IG, which includes data breaches. 	1	1	1	1	
<p>4. Information is shared within the organisation, with partners and clients according to the Law and other statutory guidance.</p>	<p>k</p> <ul style="list-style-type: none"> • Information sharing protocols and operational agreements are in place, registered and reviewed. • A corporate register of Information Sharing Agreements is in place and subject to regular review • The quarterly checklist requires IAOs to ensure that all necessary agreements are in place 	1	1	1	1	<ul style="list-style-type: none"> • <i>Enquiries have been made with other LAs to ensure that the register is comprehensive, and further gaps should be identified as part of the information audit undertaken by the GDPR Champions.</i>

5. Regulatory compliance is met.	l	• Public Sector Network compliance certificated.	1	2	1	1	<ul style="list-style-type: none"> • April 2018 annual review led by Capita IT • The 2018/19 certificate has now been obtained
	m	• Department of Health IG Toolkit complete and returned within the prescribed annual deadlines noting that a verified IG Toolkit is necessary in order to enable the council to access data held by partners and for partners to access SCC information.	1	1	1	1	<ul style="list-style-type: none"> • 17-18 Toolkit has been submitted and the compliance rating of 83% has been maintained. Exercise led by Corporate Legal Team. • The 18-19 Toolkit submission is currently being worked on and is on track - 50% complete
	n	<ul style="list-style-type: none"> • A nominated Caldicott Guardian is in place. • The Caldicott Guardian role is with the Service Director Children & Families and the Service Director Housing Adults and Communities and registration has been lodged with the Health and Social Care Information Centre. 	1	1	1	1	Service Director Children and Families and the Service Director Adults, Communities and Housing attended an externally provided training session in April.

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<p>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</p>	<p>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</p>	<p>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</p>	<p>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</p>

RISK No: SRR08

Last updated: 11/10/2018



RISK DESCRIPTION

The council is unable to respond appropriately or sufficient quickly to significant changes in service demand arising from changes in the welfare system

RISK OWNER

Service Director Adults, Housing & Communities /
Service Director Children and Families

PORTFOLIO(S)

Community Wellbeing / Adult Care

OUTCOME

A sustainable council

RISK SCORE

LIKELIHOOD

IMPACT

CURRENT

B - Likely

3 - Significant

Target



C - Possible

3- Significant

EXPECTED KEY CONTROLS

1. *Appropriate business intelligence arrangements are in place to predict, track, identify and communicate significant changes in demand.*

SOURCE(S) OF ASSURANCE

- Monitoring undertaken quarterly on the number of residents affected by each of the major reforms with quarterly statistics collated where available.
- Welfare Reform Monitoring Group in place and annual report on Local Impacts of Welfare Reforms produced. This is city-wide, multi-agency group works together to co-ordinate the local response to welfare change.
- Risk mitigated by Government policy amendments - these include the 7 day waiting period for new claimants being removed; Universal Credit advances increased and the period of repayment extended from 6 to 12 months; and Housing Benefit run on (new Universal Credit claimants in receipt of Housing Benefit continue to receive it for a further 2 weeks)
- Where information is available it is used to assess pressures, including local use of food banks.

2017-18		2018-19		MITIGATING ACTIONS / COMMENTS
Q3	Q4	Q1	Q2	
ASSURANCE LEVEL				
2	2	2	2	

<p>2. The impact of anticipated changes in demand is reflected in both business planning and budgeting arrangements.</p>	<p>b</p> <ul style="list-style-type: none"> The potential for significant changes in demand is reflected in 'Children & Families' and the 'Housing & Adults' business plans. Impact of changes that affect the HRA (in particular the 1% annual reduction in and Business Plan has been assessed and communicated to Councillor and CMT. 	<p>2</p>	<p>2</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> The HRA budget has been to the Cabinet Member responsible for Housing, and has been to CMT and is going through the process now for approval as part of the council's budget setting process).
	<p>c</p> <ul style="list-style-type: none"> Exercise, with other stakeholder agencies including anti-poverty services, Supporting People providers and advice services to identify additional service demand. 	<p>2</p>	<p>2</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> Additional and ongoing funding of up to £185K per annum provided from 2017-18 and allocated to local welfare support. Welfare Reform Monitoring Group continues to work with agencies to identify pressure points and gaps in current provision.
<p>3. Resources are able to be deployed /redeployed to meet service delivery pressures</p>	<p>d</p> <ul style="list-style-type: none"> Systems are in place to respond to in-year increases in demand. There are also a range of interventions and measures in place intended to manage future demand including 'edge of care services', early help and early years. Additional capacity is in place for the Housing Income Team in preparation for the implementation of Universal Credit in order to support tenants noting and recognising that under Universal Credit gross benefits will be paid direct to tenants (thereby requiring SCC to collect the rent). 	<p>-</p>	<p>2</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> Any increase in poverty will result in an increase of referrals noting that there is no recourse to public funds. The number of Social Rented Sector notifications is twice the level predicted so to minimise the impact on available resource, some automation options are currently being explored. Children's Services can redeploy resources to meet demands as necessary
<p>4. Impact of further legislative changes on welfare benefit system are modelled and cumulative impacts mitigated</p>	<ul style="list-style-type: none"> Systems are in place to respond to new legal duties from Homelessness Reduction Act 2017 and ensure adequate provision in place to mitigate any further or cumulative impacts on service demands 	<p>-</p>	<p>2 NEW</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> Homelessness Prevention Service is implementing legal requirements with a new IT system (HOPE), additional staff and other resources, funded by Government grant. Demand for discretionary rent deposits (expected to increase) is being monitored.

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<p><i>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</i></p>	<p><i>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</i></p>	<p><i>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</i></p>	<p><i>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</i></p>

RISK No: SRR09

Last updated: 12/09/2018



RISK DESCRIPTION

Failure to ensure an effective and sustainable adult social care system

RISK OWNER

Service Director Adults, Housing & Communities

PORTFOLIO(S)

Adult Care

OUTCOME

People live safe, healthy, independent lives

RISK SCORE

CURRENT

LIKELIHOOD

B - Likely

IMPACT

2 - Major

Target



D - Unlikely

2 - Major

EXPECTED KEY CONTROLS

1. Assessment of future service demand (and projected cost) together with an understanding of demand indicators or triggers

SOURCE(S) OF ASSURANCE

- a • 'Joint Strategic Needs Assessment' for the city is in place
- An agreed Better Care Fund Plan (BCF) is in place which contains a detailed review and interpretation of the demographics of the city.
- The demand model has been updated for home care and for other placement/care types

- b • Regular comparisons are made with our nearest neighbours via a CIPFA Benchmarking group with any significant or unexplained variances reviewed as necessary.
- The council participates in the Association of Directors of Adult Social Services in England ('ADASS') national and regional comparator groups.
- National adult social care outcome framework (ASCOF) benchmarking data available.

2017-18		2018-19	
Q3	Q4	Q1	Q2

ASSURANCE LEVEL

3	3	3	3
3	3	2	2

MITIGATING ACTIONS / COMMENTS

- *Adult Intensive support meeting that were suspended in Q1 have been restarted and are chaired by Deputy Chief Executive in Q2. Assurance is still rated as limited.*
- *BCF Plan has a monthly performance and finance meeting that takes in to account demand and capacity. Further challenge and assurance around joint commissioning board.*
- *ADASS senior staff participate in Principal Social Worker ('PSW') Commissioning, Continuing Health Care ('CHC'), Trusted professional and Delayed Transfer of Care ('DToC') regional groups in addition to ADASS core functions.*

<p>2. Appropriate range of preventative / early intervention actions to seek to manage and/or reduce future demand</p>	<p>c</p> <ul style="list-style-type: none"> • A Better Care Fund local plan, developed by the Council and Southampton City Clinical Commissioning Group ("CCG"), is in place as a part of the Better Care Fund. The Plan focusses on prevention and early intervention and building on the role of individuals in their own health and wellbeing. • Better Care fund monthly budget review meetings between SCC and CCG at CFO level with reports on progress with each of the schemes. 	2	1	1	1	<ul style="list-style-type: none"> • <i>The governance arrangements and controls are providing assurance over the use of the Better Care Fund and Improved Better Care Fund.</i> • <i>The BCF is monitored and reviewed at the performance meeting, and quarterly submissions are required to inform centrally on the targets. Each scheme is being monitored by Better Care Southampton Executive Board and Better Care Southampton Working group</i>
	<p>d</p> <ul style="list-style-type: none"> • Southampton Information Directory ("SID") is in place and provides information and support for adults and those that are caring for them. The SID signposts a wide range of support and self help options that are available. 	3	2	2	2	<ul style="list-style-type: none"> • <i>SID has been transferred over to Social Care Connect to be monitored, managed and updated. Further training and development will be completed with Contact Centre to ensure effective use of SID</i>
	<p>e</p> <ul style="list-style-type: none"> • Integrated Health and Social Care Rehabilitation / Reablement Service for the city, designed to help people maintain or regain their ability and confidence to live at home, commenced in June 2016. • Effectiveness of this service is overseen by the Better Care Integration Board. 	2	2	2	2	<ul style="list-style-type: none"> • <i>Full assurance is expected once the new governance arrangements become embedded.</i>

	<p>f</p> <ul style="list-style-type: none"> An 'integrated person centred care work programme' is in place with one of the main areas of focus being on 'prevention and early intervention' Phase 3 restructure implemented in 16 April 2018 was intended to support prevention and early intervention. 	3	3	3	3	<ul style="list-style-type: none"> There remains limited assurance as resources have been prioritised to meet immediate needs. There is however an improving picture, although market development and community resources still need to be mapped to enable a strength based approach to be fully embedded. Full implementation of the new target operating model has been delayed pending recruitment to vacant posts. Final recruitment campaign was very successful and vacant posts have been offered. The new TOM will be fully operational from January 2019. An interim Principal Social Worker is in place and has taken on additional responsibilities for Service Improvement.
	<p>g</p> <ul style="list-style-type: none"> Dedicated post funded by Improved Better Care Fund to increase the update of care technology. Regular intensive care meetings include monitoring of the uptake of telecare installations and use of extra care housing - measures have been added to the monthly performance scorecard. 	2	2	2	2	<ul style="list-style-type: none"> Performance is improving but remains below target. Confidence in agreed action plans.
<p>3. Eligibility criteria that is clearly defined in terms of social care needs and health needs that is rigorously enforced</p>	<p>h</p> <ul style="list-style-type: none"> The Care Act introduced a set of National Eligibility Criteria which all Local Authorities must adhere to when completing a new assessment of unmet need or a re-assessment of need. All Care Management teams have received the necessary training with refresher courses available. Paris assessments now enable practitioners to record their judgements against the eligibility criteria contained in the Care Act and associated guidance. 	3	3	2	2	<ul style="list-style-type: none"> Interim Principal Social Worker in place and has taken on additional responsibilities for Service Improvement. Further work around training, and an Adult Social Care development plan being implemented. A service development plan has been agreed and is being implemented. This will be reviewed and updated on current implementation at ASC Improvement board.

4. Robust processes and policies to ensure that both accurate and timely bills are issued to clients and that maximum client contributions are collected /recovered.

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- Reconciliation of Paris and Business World records now in place
- Process changes have been implemented, including clarification of roles

3	2	2	2
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- *Trend analysis of the number of complaints and enquiries undertaken by Paris team.*
- *Anticipated that new CCM system ('Care Works') will facilitate a robust reconciliation process with Business World.*

5. Regular review and reassessment process to ensure that service provision meets clients needs

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- A dedicated internal review team is in place.
- Reviews are subject to quality assurance and the programme is overseen by the Improvement Board.

3	3	3	3
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- *Review performance improved but this remains below target. Improvements have been consolidated in terms of number of reviews completed but not fully realising financial benefits so remains limited assurance and subject to additional scrutiny at Adult Social Care Improvement Board.*

<p>6. Direct Payments process with required controls to ensure the correct amounts are paid according to an individual's assessed social care needs and financial assessment</p>	<p>k</p> <ul style="list-style-type: none"> • There is an accountable CMT lead and clear process and procedures which are followed by all involved in the customer journey. • Principal Social Worker has lead role in respect of system development. 	<p>3 3 3 3</p>	<ul style="list-style-type: none"> • <i>Internal audit report published on 14 June 2017 gave an opinion of "no assurance".</i> • <i>Management action plan being implemented to mitigate risk and provide required assurance. Programme Management Office (PMO) is supporting.</i> • <i>Adult Intensive support meeting that were suspended in Q1 have been restarted and are chaired by Deputy Chief Executive in Q2. The targets are being renegotiated for 2018/19 to ensure they are stretching but achievable. Revised targets approved by Project Board for consideration by Cabinet/CMT in Q2. Direct Payments will not be highest priority, and will be maintained at current levels. To ensure consistency and use of directly delivered services.</i> • <i>Two new Direct Payment Financial Auditors posts are to be appointed by Internal Audit to seek assurance that direct payment monies are spent as per the clients agreed care plan. Initial post</i>
<p>7. Robust and regular budget monitoring and review process including review and challenge re third party service provider costs</p>	<p>l</p> <ul style="list-style-type: none"> • Robust process in place across all ASC teams comprising a three stage process which runs monthly in conjunction with colleagues from the Finance and the Integrated Commissioning Unit. • A challenge and review panel meets every week and every new package of care requested is scrutinised by a Service Manager before a placement and cost are agreed. 	<p>2 2 2 2</p>	<ul style="list-style-type: none"> • <i>Panel is providing assurance to regular intensive support budget meetings and the ASC Improvement Board.</i>

	<p>m</p> <ul style="list-style-type: none"> • Delivery of savings action plan to bring budget into line 	<p>4 3 3 3</p>	<ul style="list-style-type: none"> • Current Adult Social Care in year overspend. • Delivery of current and future savings plans monitored through intensive support process
<p>8. Contingency plan in place to mitigate risk of failure of major home care provider.</p>	<p>n</p> <ul style="list-style-type: none"> • 'Provider failure protocol' policy in place with well rehearsed provider failure contingency arrangements including up to date reviews, options appraisal including short term TUPE of care staff into council and communications plan. • Regular meetings with Integrated Commissioning Unit and Adult Social Care operations to review and update contingency arrangements. 	<p>NEW 2 2 2</p>	<ul style="list-style-type: none"> • See SRR02(a) Item 5L which refers to ICU monitoring of key suppliers.

1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<p>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</p>	<p>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</p>	<p>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</p>	<p>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</p>

RISK No: SRR10

Last updated: 24/09/2018



OUTCOME Children and young people get a good start in life

RISK DESCRIPTION	
Failure to ensure an effective and sustainable children's social care system	
RISK OWNER	Service Director Children and Families
PORTFOLIO(S)	Children and Families

RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	C - Possible	2 - Major
Target	D - Unlikely	2 - Major

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EXPECTED KEY CONTROLS	SOURCE(S) OF ASSURANCE	2017-18				2018-19				MITIGATING ACTIONS / COMMENTS
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
1. Assessment of current and future service demand (and projected cost) together with an understanding of the underlying demand triggers	a	• Internal and external multi-agency panels look at demand in terms of both Looked After Children and the capacity and support available from the Early Help & Early Years Service.				2	2	2	2	<ul style="list-style-type: none"> • Early Help and Early Years service to be redesigned in order to positively impact on demand in respect of referrals to the MASH. This follows further analysis of demand drivers. • £3.5m savings target for 2019-20 and 2020-21. • At end of Period 5 Financial Monitoring there is an £4.5m adverse variance in respect of Childrens and Families.
	b	• Financial plan and projections (including the spend in respect of 'looked after children') have been developed as part of the 4 year financial plan.				2	2	2	3	
	c	• Budget position is closely monitored recognising the challenges regarding the costs associated with Looked After Children.				-	-	NEW	3	
2. Appropriate range of preventative / early intervention actions that seek to manage and/or reduce future interventions	d	• Multi-agency work, co-ordinated by the Early Help & Early Years Service, with partners such as public health, housing, education including 'Early Help' and 'Sure start'.				2	2	2	2	<ul style="list-style-type: none"> • Early Help and Early Years years service to be reviewed and redesigned in order to in order to positively impact on demand in respect of referrals to the MASH.
	e	• The capacity and resources to deliver a range of appropriate 'preventative/early intervention' services is in place and includes implementation of the 0-19 Offer and the 'Edge of Care' service which both support front line services.				2	2	2	2	

<p>3. Intervention criteria that is aligned with good practice, clearly defined and communicated and applied on a consistent basis.</p>	<p>f</p> <ul style="list-style-type: none"> Document reviewed annually by the LSCB with threshold criteria applied to all referrals. This document is part of the LSCB multi agency guidance. Support Guidance for Referrers - The Southampton 'Continuum of Need' which introduces four levels of intervention for the City. 	2	2	2	2	
<p>4. Robust assessment of current and future staffing requirement with a contingency arrangement in place in respect of unforeseen pressures or staff shortages.</p>	<p>g</p> <ul style="list-style-type: none"> The threshold criteria is applied effectively across all children's social care in order to ensure that children and families receive the services and to enable SCC to prioritise those in greatest need. The Quality Assurance mechanism and auditing reviews cases to identify that the threshold applied consistently and is in line with the policy. 	2	1	1	2	<ul style="list-style-type: none"> Threshold criteria has been reissued with the intention of having a positive impact on reducing the number of 'Looked after children'. This is in conjunction with the redesign of the Early Help and Early Years years service.
	<p>h</p> <ul style="list-style-type: none"> Children's Transformation and Improvement Plans, informed by OFSTED requirements, are in place and being overseen by workstreams reporting to the Childrens' Improvement Board. The Board scrutinizes the improvement plans, which span a 4 year period, and acts as a critical friend. 	3	2	3	3	<ul style="list-style-type: none"> Satisfactory progress was made in terms of delivery of the Year 1 actions within the improvement plans . Year 2 actions are being progressed. The Phase 3 organisational restructure was implemented across all areas and, although a recruitment exercise was successful in terms of filling some posts, there are still vacancies in social worker posts across the service which is impacting on the agency budget.
	<p>i</p> <ul style="list-style-type: none"> A 'Memorandum of Co-operation' in place which is a regional agreement designed to reduce the instability caused by social worker turnover and the associated costs of employing excessive numbers of agency staff. Also sets out aspirations to work more closely together to increase supply of children's social workers. 17 of the 19 local authorities in the region have pledged their support to this approach and the MoC is now operational. 	2	2	2	2	<ul style="list-style-type: none"> There is tangible evidence of the MOC making a difference in terms of less turnaround of agency staff which, in turn, has created greater stability in the workforce. The number of agency workers remains static and there will be a continued pressure on the budget due to posts not being able to be filled.

<p>5. Compliance with statutory guidance (Working Together to Safeguard Children 2015)</p>	<p>j</p> <ul style="list-style-type: none"> • The Quality assurance framework, in particular the file audit process, provides evidence as to compliance with 'Working Together'. • There are also associated performance management, staff supervision and escalation arrangements in place. 	<p>2 2 2 2</p>	<ul style="list-style-type: none"> • External validation of compliance is provided by a combination of internal reviews, Ofsted inspections and Internal Audit reviews. • The requirements of the new 'Working Together to Safeguard Children 2018' have been adopted.
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<p>6. The options available in respect of vulnerable children reflect both the need, range and quality of required outcomes with an associated realistic and reasonable budget provision.</p>	<p>j</p> <ul style="list-style-type: none"> • The Council is part of the South Central framework for Independent Foster Care which is a regional consortium of local authorities that provides a collaborative approach to managing the Independent Fostering Agency (IFA) market. 	<p>2 2 2 2</p>	<ul style="list-style-type: none"> • In respect of the outcomes available to looked after children, the limited availability of in-house foster care provision creates significant budget pressure. • Service is working hard to recruit in-house foster carers with some recent positive movement. • There is continuing pressure on the Residential Budget in terms of placements noting that 11 young people have recently been identified to leave residential care.
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1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<p>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</p>	<p>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</p>	<p>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</p>	<p>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</p>

RISK No: SRR11

Last updated: 13/09/2018



RISK DESCRIPTION

The impact of organisational change and service redesign solutions, whilst delivering savings, create other unplanned for pressures and challenges

RISK OWNER

Strategy Hub Management Team

PORTFOLIO(S)

Leader and Clean Growth and Development

OUTCOME

A sustainable council

RISK SCORE

LIKELIHOOD

IMPACT

CURRENT

C - Possible

3 - Significant

Target



D - Unlikely

3 - Significant

2017-18

2018-19

Q3

Q4

Q1

Q2

ASSURANCE LEVEL

MITIGATING ACTIONS / COMMENTS

EXPECTED KEY CONTROLS

SOURCE(S) OF ASSURANCE

1. Robust organisational and service redesign processes that includes appropriate prompts to ensure that proposals are sustainable in terms of delivery of savings whilst maintaining an appropriate level of customer service.

- a • 'Design Principles' established for future change have been agreed and are in place
- Major changes require Organisational Design Board ('OD Board') overview – via Chief Financial Officer, SD HR & OD and Deputy Chief Executive and these are then recorded and notes and business case detail held.
- Changes within service budgets that do not include any redundancies are agreed at Service Director ('SD') level and tracked with Finance Business partners and form part of monthly salary monitoring.
- Lessons learned from restructures are used to inform further transformation; key stakeholders review each restructure with the SD and HR to determine any lessons to take forward for future plans.

2	2	2	2
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- Major change where there are possible redundancies require OD Board oversight and approval and notification through formal S188 papers; S188s are reviewed to ensure consistency of practice and HR have assigned Advisors to such change.
- Business planning now takes account of service design as part of outcome based budget/ business plan work

2. Organisational and service redesign solutions are approved by a senior manager group that has organisation wide oversight.

- b • OD Board in place and established with organisation design principles agreed.
- Applied for all restructures that have any redundancy implications and supported by HR Advisory service
- Section 188 document issued for restructure and 45 day consultation process applied
- SD led changes are overseen by HR Advisors and Finance Business Partners

2	2	2	2
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- HR log all change and effect on posts / structures and review at monthly HR team meeting for consistency of approach and overall council effect. Workforce profile is mapped and tracked monthly; workforce data is managers for service review.

3. Organisational and service redesign proposals are developed in consultation with all key internal stakeholders.

- 'Restructure communication and engagement plans are standard; Cabinet Members and trade union are briefed on all proposals ; face to face staff briefings; one to one meetings; end proposals published
- OD Board to be satisfied that key stakeholders have been appropriately identified and that the likelihood of any potential unintended consequence is minimised. This is helped by a new standard format for S188 and summary of affected posts and by the OD Board having the overview of all proposals for approval.
- Papers to the OD Board need to include a section that identifies other services that may be impacted by the proposed changes; this is communicated via Service Directors to their managers and discussed with trade unions ahead of any proposals being approved
- SD led redesign - standard consultation is still required - dependent on impact on staff (10 days minimum for line management changes; 45 days if posts affected.

2	2	2	2
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- *The OD Board is convened for all major change proposals to provide assured consideration of service impact, council wide issues and financial, HR and legal implications*
- *OD Board chaired by Deputy CX and convened as required.*

4. The rationale for significant change is clearly communicated to all stakeholders

In terms of restructures:

- All S188 documents are issued via face to face briefings for affected staff and trade union reps.
- Documents are sent to Cabinet and Opposition Members and uploaded to intranet pages - including all presentation slides;
- Affected staff are offered one to one meetings and HR Advisors support the whole process
- Feedback is used to inform final proposals which are then communicated prior to implementation.

In terms of broader communications:

- Regular bulletins and updates are sent to staff
- PULSE, the staff engagement group, meets regularly to discuss key issues
- Specific communications (face to face, via email, Staff Stuff and other channels) are produced on specific change projects, such as LATCo.
- SD led proposals still require face to face briefings of staff (and unions)

2	3	3	3	<ul style="list-style-type: none">• <i>The Staff Survey 2018 is due to go live at the end of September, and we will be able to assess feedback regarding internal communications once that is complete.</i>• <i>A Senior Internal Communications Officer is in post and significant work has been undertaken to improve internal communications. For example, over 60 staff briefings have been held this year to communicate plans for LATCo to staff.</i>• <i>Communications, HR and Interim CX reviewing PULSE and overall Staff Engagement to assess and improve internal communication channels;</i>• <i>Lessons from LATCO briefings will be used to inform future approaches to significant change</i>
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<p>5. Proposals for digitisation or automation of aspects of service delivery are robust in terms of current and future costs and are effective in delivering the required outcomes.</p>	<p>e</p> <ul style="list-style-type: none"> • The need for a technical solution and the solution proposed are agreed with the Service Lead for Digital and IT and approved by the Customer and Digital Board. • Financial case including contingency provision is agreed by Finance, Service Director and Customer and Digital Board or CMT as appropriate. Funding is secured. • Project management is in place, allowing for procurement, consultation and implementation as required. • Project governance and reporting requirements are agreed by Customer and Digital Board. 	<p>2 3 3 3</p>	<ul style="list-style-type: none"> • It is proposed in the light of the termination of the contract with Capita that Service Director packs not yet approved will be discontinued and the proposals within them reviewed by the Service Lead for Digital and IT, the Customer and Digital Board and the relevant Service Leads and Directors. • The top 20 digital journeys are being re-worked through tactical CRM improvements agreed by Capital Board in July. • The Service Lead for Digital and IT is evaluating the potential of a new range of digitisation opportunities such as Artificial Intelligence for simple customer service tasks. These will be progressed via the Customer and Digital Board.
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1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<p>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</p>	<p>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</p>	<p>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</p>	<p>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</p>

RISK No: SRR12

Last updated: 15/10/2018



OUTCOME People live safe, healthy, independent lives

RISK DESCRIPTION	
Failure to improve air quality to legal levels by 2020.	
RISK OWNER	Service Director Transactions & Universal Services
PORTFOLIO(S)	Green City

RISK SCORE	LIKELIHOOD	IMPACT
CURRENT	C - Possible	2- Major
Target	D - Unlikely	4 - Moderate

2017-18		2018-19	
Q3	Q4	Q1	Q2

EXPECTED KEY CONTROLS

SOURCE(S) OF ASSURANCE

ASSURANCE LEVEL **MITIGATING ACTIONS / COMMENTS**

1. Compliance with statutory duty to review and assess air quality in the city.

a

- Air quality monitoring, review and assessment in accordance with Local Air Quality Management Technical Guidance.
- Statutory air quality reports (primarily Annual Status Report 'ASR') completed annually summarising review and assessment process. Reports submitted by June to Department for Environment, Food and Rural Affairs ('Defra') for approval.
- 2017 ASR completed and approved. 2018 ASR still being drafted.

-	NEW	1	2	<ul style="list-style-type: none"> • 2018 ASR overdue due to lack of capacity in service due to long term sick and vacancies plus pressures associated with Clean Air Zone ('CAZ') work. Work is now being outsourced and is due to be completed by the end of quarter 3. Arrangements to deliver the 2019 ASR through the same process being established as a contingency. • All statutory air quality reports to be subject to internal consultation and CMB approval prior to formal publication.
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2. Programme of measures to reduce emissions of nitrogen dioxide, particulates and other pollutant together with an assessment of their effectiveness and an appropriate reporting process.

b

- Air Quality Action Plan ('AQAP') details programme of measures to reduce nitrogen dioxide and other pollutants. This is reviewed and published annually with the ASR (see above).
- Statutory reports require assessment of effectiveness by monitoring against baselines and updating progress against key performance indicators (KPIs) and is reviewed by Defra.
- Grant funding received from Defra or Department for Transport (DfT) for air quality requires specific grant returns that includes progress updates against KPIs.
- Ministerial direction to assess the need for a CAZ has generated a feasibility study to identify mechanism that will ensure compliance with EU Directive in shortest possible time. This is being monitored by government's Joint Air Quality Unit (JAQU) and a Plan (with a scheme of evaluation) is to submitted for approval by the Secretary of State by the end of November 2018.

	-	NEW	1	3	<ul style="list-style-type: none"> • Future AQAP to include a performance indicator for each measure to evaluate effectiveness and delivery and a dashboard to ensure effective management review and assessment against funding/grant objectives and returns. • Consultation on CAZ closed on 13th September 2018. Progress report submitted to JAQU on September 15th indicating that November deadline for Full Business Case could not be achieved if a charging scheme were still in consideration following the assessment of the consultation. • Negotiations with JAQU are underway regarding deadlines imposed by Ministerial Direction. Reporting delays are not anticipated to impact on delivery and implementation of subsequent scheme meaning EU Ambient Air Quality Directive annual mean nitrogen dioxide limit can still be met as quickly as possible. FBC will include evaluation and monitoring plan. FBC will be reviewed by independent panel of experts for deliverability and will subsequently be approved by Secretary of State
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3. Assessment of the programme of measures to ensure that any unintended consequences, that could have a significant adverse impact on the local economy, are identified and minimised.

- All significant Air Quality projects screened for unintended consequences and mitigations implemented where necessary.
- Grant funding from Defra or DfT requires assessment of unintended consequences and only approved where risks are mitigated (demonstrated through risk registers and monitoring and evaluation plans).
- CAZ business case includes a city wide economic appraisal of options. A distributional impact assessment will identify adverse impacts and the Governments Clean Air Fund is available to fund mitigations for adverse impacts. Equality and Safety Impact Assessment included to identify impacts for protected groups.

-	NEW	1	2	<ul style="list-style-type: none"> • Future AQAP to provide dashboards reporting outcome of impact screening assessment • Economic Assessment and Equality Impact Assessment both included in the CAZ consultation package and being reviewed as part of that process. • Further impact assessment on port operations underway and the need for specific assessments for other key stakeholders being evaluated in response to consultation.
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4. Monitoring and reporting arrangements in respect of the progress toward /achievement of the required clean air targets with appropriate interventions

- Air quality monitoring, review and assessment in accordance with Local Air Quality Management Technical Guidance.
- Statutory air quality reports completed annually summarising review and assessment. Reports reviewed and approved by Department for Environment, Food and Rural Affairs (Defra).
- Air quality monitoring data from automatic monitoring sites undergo external and independent quality controlled and assurance.
- Laboratory analysing nitrogen dioxide diffusion tubes externally assessed through national quality regime and holds UKAS accreditation.
- AQAP measures progress on delivery of measures

-	NEW	1	1	<ul style="list-style-type: none"> • Independent audit of NO2 diffusion tube monitoring network being commissioned. • All existing quality assurance procedures for monitoring data being maintained and no issues identified. • 2018 ASR & AQAP to include improved transparency regarding success of individual measures. • Modelling methodologies used for CAZ assessment successfully passed JAQU's quality assurance process. • Monitoring and evaluation scheme to support CAZ Plan in development.
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<p>5. The financial, reputational and public health consequences of not meeting the required targets are understood and articulated.</p>	<ul style="list-style-type: none"> • Air Quality Communications Plan maintained and presented to monthly CMB. • Specific Communications Plan for CAZ project overseen by CAZ Implementation board. • Communication and Marketing Plan accompanied delivery • Strategic and financial businesses cases included within CAZ Full Business Case in development. 	-	NEW	2	2	<ul style="list-style-type: none"> • Communication and Marketing Plan accompanied delivery of CAZ consultation exercise. • Financial model for CAZ now in development. • Counsel appointed to provide legal opinion on implication of CAZ delivery to inform direction of Plan and supporting business case.
<p>6. Work with communities, individuals, businesses and organisations to educate and promote the uptake of low emission technology and change travel behaviours including the Council being an exemplar of sustainable working practices</p>	<ul style="list-style-type: none"> • Electric Vehicle Action Plan with budget in place. This plan outlines £1m spend on recharge infrastructure, fleet upgrades, and promotional activity for low emission vehicles. • The Access Fund programme is a 3 year behaviour change programme targeting key schools, workplaces and community groups to encourage modal shift towards walking and cycling. Quarterly Board meetings monitor progress of initiatives. • Clean Air Network introduced by SCC to provide a platform to encourage and inform them other to deliver change, share good practice amongst themselves, understand the benefits and identify how to overcome obstacles. Being delivered in collaboration with Southampton's Environment Centre (tEC) 	-	NEW	2	1	<ul style="list-style-type: none"> • SCC has secured funding to deliver an electric vehicle upgrade within its own fleet and ensure waste vehicles are CAZ compliant. • Air Quality Board established to oversee EVAP, CAN and associated campaigns e.g. the No-Idling campaign delivered in Q1. • August Access Fund Board reported all initiatives on target and within budget. • CAN membership reached 150. Platform used to promote CAZ consultation. Second CAN workshop being developed to promote EV's in the business fleet and work place EV charging.
<p>1 - Substantial assurance</p> <p>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</p>	<p>2 - Adequate assurance</p> <p>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</p>	<p>3 - Limited assurance</p> <p>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</p>	<p>4 - No assurance</p> <p>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</p>			

RISK No: SRR13

Last updated: 08/10/2018



RISK DESCRIPTION

Service areas fail to adhere to and comply on a consistent basis with the council's 'Contract Procedure Rules'

RISK OWNER

Service Director Digital and Business Operations

PORTFOLIO(S)

Finance and Customer Experience

OUTCOME

A sustainable council

RISK SCORE

CURRENT

Target

LIKELIHOOD

Possible

Unlikely

IMPACT

Significant

Significant

2017-18		2018-19	
Q3	Q4	Q1	Q2

ASSURANCE LEVEL

MITIGATING ACTIONS / COMMENTS

EXPECTED KEY CONTROLS

SOURCE(S) OF ASSURANCE

1. Clear and concise guidance documents, that reflect both legislation and good practice, are readily accessible to officers and are subject to periodic review.

- Contract Procedure Rules (CPRs) reviewed annually and available via the Procurement Service intranet pages (and via the constitution)
- New, succinct Procurement Strategy approved by Cabinet in January 2018.
- Over the past 12 months the Supplier Management team has updated the procurement processes, guidance and forms available on the intranet to ensure a simple and user friendly process with one route to spending council money.
- As part of the introduction of requisitioning, user guides (including "Business World Requisitions User Guide") have been developed.

-	-	2	2	<ul style="list-style-type: none"> • Further review of benefits of current thresholds for procurement involvement undertaken in Sept 2018. Proposals will be brought forward for approval at the Council's AGM in May 2019. • Project to digitalise procurement forms is being undertaken. This is in progress, but has been hampered by the termination of the Capita contract. • Six monthly review of procurement guidance in process. The next review will be completed no later than 31/12/18 • Review of Ethical and Sustainable procurement policies due to be undertaken in Q3-Q4 of 2018/19 and preparatory work is in progress. • The use of 'Feeder Systems' to create financial commitments and the associated processes is to be reviewed. CMT have agreed that this work will commence from October
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	<p>b</p> <ul style="list-style-type: none"> • Joint SCC/Capita governance will oversee operational improvements to the Procurement Service and monitor compliance. 	-	-	-	2	<ul style="list-style-type: none"> • Reporting mechanisms are being refined and developed and investigations are being undertaken and prioritised on a risk basis.
<p>2. The type and scope of advice and support available to service areas is clearly signposted with capacity aligned to demand.</p>	<p>c</p> <ul style="list-style-type: none"> • The procurement section of the intranet sets out where and how advice can be obtained and escalation channels. The procurement service will transfer to the Council from Capita no later than 22/07/18. 	-	-	3	3	<ul style="list-style-type: none"> • The procurement service will transfer to the Council from Capita no later than 22/07/18. • Work continuing to refine and digitalise forms and updates to reflect requisitioning and P2P (see Key Control 1)
<p>3. Communication and training to ensure that all relevant staff are aware of, and fully understand the need to comply with the council's 'Contract Procedure Rules'.</p>	<p>d</p> <ul style="list-style-type: none"> • Workshops with users of Procurement Service held in 2017 and surveys conducted to better understand and address user issues with procurement processes and remind of processes to follow; the updates to information and training are being driven in part by the findings of these workshops • April 2018 - Mandatory e-learning developed and rolled out to those involved in spending/processing council spend. E-learning module "Buying for the Council" informs when and how council money can be spent. • Sub-100k meetings held with Service Directors 2017/18 to investigate instances of non-compliance, identify why it had occurred and to remind officers of compliant process. Resulted in a better understanding of process by Service Directors and allowed for more positive cascading of message; this is now beginning to drive the change in culture required to help the Council move to consistent 	-	-	3	3	<ul style="list-style-type: none"> • Regular reports of staff who have undertaken the training are produced by the L&D service. The Supplier Management team reviews and contacts services areas who have not undertaken the training. • Target of 31st July 2018 for completion of the mandatory e-learning by relevant staff. CMT have agreed a number of steps to try to ensure that those staff who have not yet undertaken the training do so no later than the end of November 2018 • Hold procurement workshops and surveys in 2019 to assess changes in perception of the service. (not yet due)

<p>4. An assessment of the level of compliance with 'Contract Procedure Rules' undertaken on a periodic basis and reported to senior management</p>	<p>e</p> <ul style="list-style-type: none"> Quarterly monitoring of compliance levels with the sub £100k process when compared to previous years by comparing utilisation levels This will be reviewed through the governance mechanisms for the procurement service 	<p>-</p>	<p>-</p>	<p>3</p>	<p>3</p>	<ul style="list-style-type: none"> Compliance rates are improving Reporting of spend all council spend to be further developed to flag annual values spent with each supplier and support Service Directors in identifying when CPRs are not being followed. These reports are being refined and the new versions will be in place no later than 30/11/18. More detailed compliance reporting to be developed through implementation of P2P from April 2019 onwards Dedicated business analyst role has been created in the Procurement Service to focus on data and compliance reporting; this post has now been filled and is leading on compliance reporting
<p>5. Sanctions applied in the event of persistent or deliberate non-compliance with 'Contract Procedure Rules'</p>	<p>f</p> <ul style="list-style-type: none"> Non compliance with CPRs will be reported to the appropriate Service Director to review the appropriate course of action. Section 2 of the CPRs states that "Officers who do not follow these Rules and/or fail to enter into a contract on behalf of the Council in accordance with them may be subject to disciplinary proceedings". 	<p>-</p>	<p>-</p>	<p>3</p>	<p>3</p>	<ul style="list-style-type: none"> Reporting information will be made available to Service Directors to allow them to investigate non-compliance and consider the appropriate course of action. Continue to investigate instances of non-compliance to identify why these are occurring and to remind officers of compliant process. This will be the responsibility of the procurement team.

<p>6. IT Software systems support compliant procurement processes</p>	<p>g • Recent introduction of requisitioning and the introduction of P2P from April 2019 should ensure all spend is processed through the requisition workflow (to mandate that CPR processes are followed and procurement are involved in all spend as specified in CPRs). [Note : this is already in place apart from for the Feeder systems which are subject to separate actions]</p>	<p>-</p>	<p>-</p>	<p>2</p>	<p>2</p>	<ul style="list-style-type: none"> • Through P2P process improvements from April 2019 onwards, mandate the requisitioning process by introducing system controls (where possible) which provide no alternative route to processing orders and/or allowing suppliers to be paid including: <ul style="list-style-type: none"> - Empowering the Procurement Service to reject non-compliant orders. - Control of supplier set up and usage – Regulating who can set suppliers up and managing when and how they can be used. - Requiring officers to state contract name on requisition when wishing to use a specific supplier because a contract is believed to exist. - Linking products (including services) to Contracted Suppliers in Business World to ensure that contracts are only used for the purpose they were set up for (i.e. a user will not be able to use supplier to purchase an item for which it does not have a contractually linked product).
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1 - Substantial assurance	2 - Adequate assurance	3 - Limited assurance	4 - No assurance
<p>There is clear evidence of a robust and effective process, framework or activity that is operating effectively and is delivering the required outcomes.</p>	<p>There is evidence of a sound process or framework in place however there are some inconsistencies or gaps. Effective delivery of required outcomes may not always be consistent and/or reliable.</p>	<p>Evidence of inconsistent application and/or critical weakness(es) within the process, framework or activity. The delivery of required outcomes is inconsistent and/or unreliable.</p>	<p>There is no, or insufficient, evidence of an appropriate policy, framework or activity. Required outcomes are not being delivered.</p>

Version Control

VERSION HISTORY						
Version No	Reviewed by	Review date		Version No	Reviewed by	Review date
01	Council Management Team	30/06/15		07	Council Mgmt Team (virtual)	23/10/17
02	Council Management Team	22/09/15		07	Governance Committee	13/11/17
03	Council Management Team	13/10/15		08	Strategy Hub Management Team	26/02/17
03	Cabinet / CMT	09/11/15		08	Operations Hub Management Team	29/01/17
03	Governance Committee	09/11/15		08	Council Mgmt Team (virtual)	02/03/17
04	Council Management Team	26/01/16		09	Council Management Team	14/05/18
05	Council Mgmt Team (virtual)	28/02/17		10	Council Mgmt Team (virtual)	26/07/18
06	Council Management Team	25/07/17		11	Council Management Team	15/10/18
07	Strategy Hub Management	22/08/17		11	Governance Committee	12/11/18
07	Operations Hub Management	09/10/17				

Version	NEW & EMERGING RISKS INCLUDING ANY SIGNIFICANT CHANGES	ACTION
08	SRR05 - Significantly revised to incorporate the status of operational H&S issues as requested by the H&S Board	AMEND
	SRR11 - Failure to undertake reasonable actions and / or to provide timely and appropriate communications to key stakeholders following the Grenfell Tower Fire' Closed : H&S Board recognised that this was a specific and time limited risk and it was appropriate for residual fire safety issues to be incorporated into the reformatted H&S Strategic Risk.	CLOSED
	SRR12 - renamed as SRR11	AMEND
	New Summary 2 page added	
09	SRR02b - New risk created to separately reflect IT risks	NEW
	SRR08 - Risk Description revised	AMEND
	SRR12 - New risk agreed - Air Quality	NEW
10	SRR13 - New risk added - Compliance with Contract Procedure Rules	NEW
11	SRR08 - Closed "Those services delivered via an 'alternative service delivery model' fail to deliver the council's required outcomes in terms of sustainability and cost effectiveness". In view of decision to pause LATCo this was no longer considered to be a strategic risk noting that SRR01 (Item 6) refers to income generation activities.	CLOSED
	Risk numbering amended following closed risk	AMEND

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Agenda Item 9

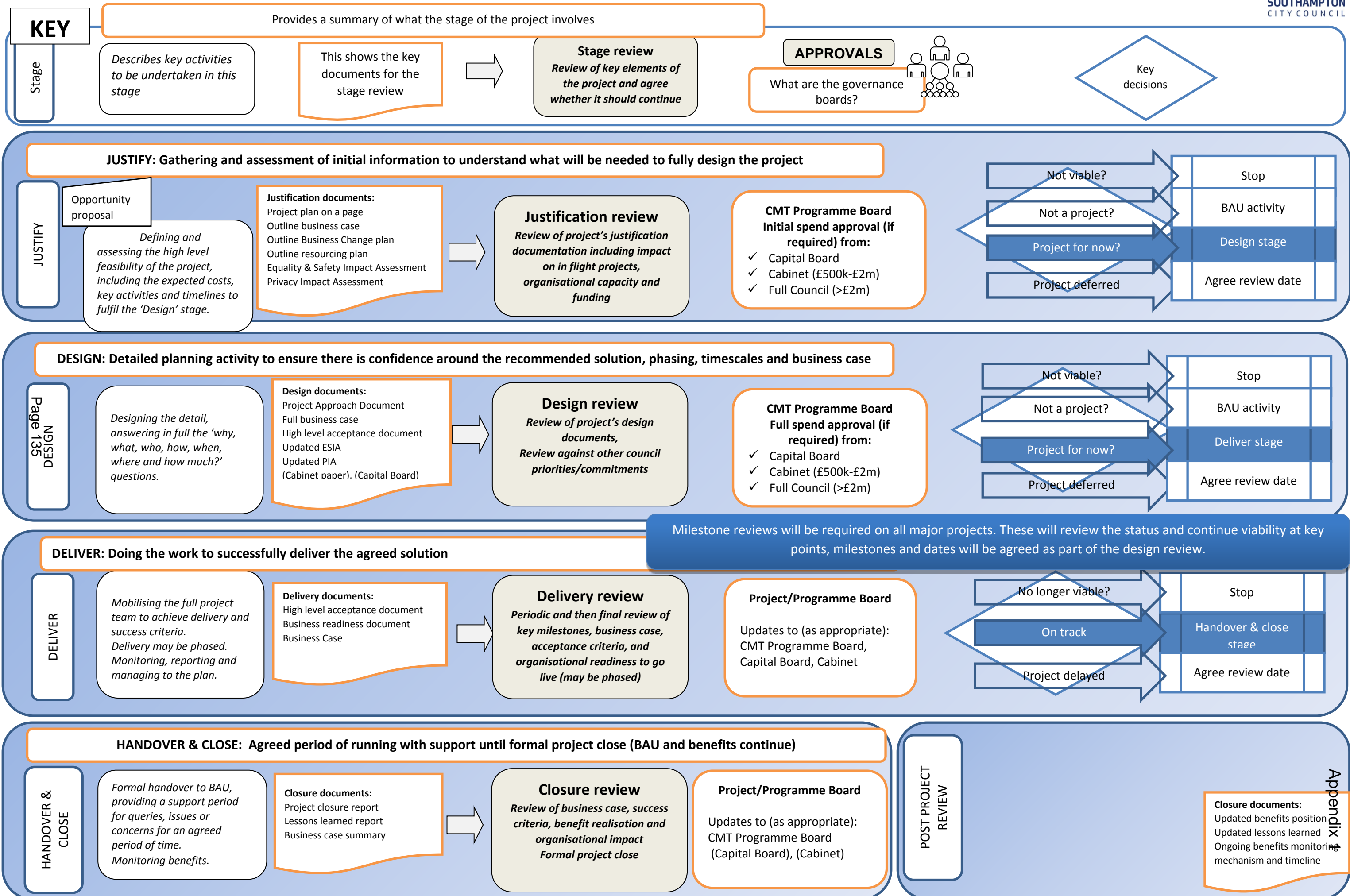
DECISION-MAKER:	Governance Committee		
SUBJECT:	Programme and Projects Overview		
DATE OF DECISION:	12 November 2018		
REPORT OF:	Director Finance and Commercialisation		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Munira Holloway	Tel: 023 8083 4476
	E-mail:	Munira.holloway@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	Mel.creighton@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
Not applicable.			
BRIEF SUMMARY			
The Governance Committee requested a report on major projects underway in the council. This report and its appendices give an overview of the programmes and projects that are currently underway, the stage they are at and an overview of the project governance lifecycle.			
RECOMMENDATIONS:			
	(i)	That the Governance Committee note this report.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	The Governance Committee requested this report at its meeting on 11 th June 2018.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None		
DETAIL (Including consultation carried out)			
3.	The Strategic Programmes and Change (SPC) team, formerly PMO team, have developed the council's project lifecycle and a suite of project documentation templates that should be adopted by projects across the organisation.		
4.	The governance lifecycle has been shared with CMT and the Leadership group and will shortly be on the intranet with additional support documentation. A short video has been produced by the SCP team to help explain project roles to the wider organisation.		
5.	SPC are responsible for delivering a suite of prioritised projects and programmes that involve significant change and/or are cross cutting in their nature. The Capital Assets team are responsible for delivering capital building projects and are aligning their project management to the governance lifecycle in appendix 1. Other service areas may deliver projects specific to their service areas but should use the same methodology, governance and processes from now on.		

6.	Appendix 1 shows the councils project lifecycle. The intention is that all projects will follow this lifecycle to ensure consistency in approach and effective project decision making. The lifecycle includes
7.	The CMT Programme Board meets every two months to oversee programmes and key projects across the council. The Board receives an overview and highlight reports of the key projects. The highlight reports presented to the CMT Programme Board can be found in appendix 2 and give an overview of the key projects as at 8 October 2018.
8.	As at 8 October 2018 there were: <ul style="list-style-type: none"> • 3 at opportunity proposal stage • 10 at Justify stage • 6 in Design • 1 in Delivery Projects are reported in more detail once they have reached the design stage of the governance lifecycle (earlier by exception). These are summarised below. The status of the projects and the latest highlight report are based on the position at 8 October, the highlight report can be found in appendix 2;
9.	<ul style="list-style-type: none"> • Business World (Delivery) - Streamlining processes and reducing the number of IT systems needed for back office activities via the expansion of Business World to include HR, payroll, e-recruitment and more. Progressing towards a single view of debt and one version of the truth for core data.
10.	<ul style="list-style-type: none"> • Adults Strengths Based Approach (Justify/Design) – Reviewing and designing the implementation of the agreed approach (focusing on client independence and appropriate care decisions rather than historical dependency culture) to support successful embedding both internally and externally. Overall, successful implementation of the strengths based approach promotes independent living for longer and gives individuals more choice and control. Making better use of community and family networks can help people stay at home for longer and reduce the need for more costly care packages.
11.	<ul style="list-style-type: none"> • Sage/ STEP (Design) – programme to insource service provision from Capita to the council. Services that will transfer back to the council include customer services, HR and payroll, IT, procurement, revenues & benefits. The contract will end on 22 July 2019 and all services must transfer back to the council by that point.
12.	<ul style="list-style-type: none"> • Smarter Ways of Working (Design) – Change in culture to enable a more flexible and dynamic approach to service delivery and use of the Civic Centre. Redesign and implementation of accommodation, IT and policies to support success of the approach.
13.	<ul style="list-style-type: none"> • Residential Homes (Justify) – budget consultation underway on closure of two council owned residential care homes for older people, enabling the council to focus on the development of extra care and community-based services, with the local home care market providing residential care where this is needed.
14.	<ul style="list-style-type: none"> • Client Case Management (CCM) (Design) - Review and streamline the approach to client case management in adults and children’s social care. Implementation of a new case management system to replace

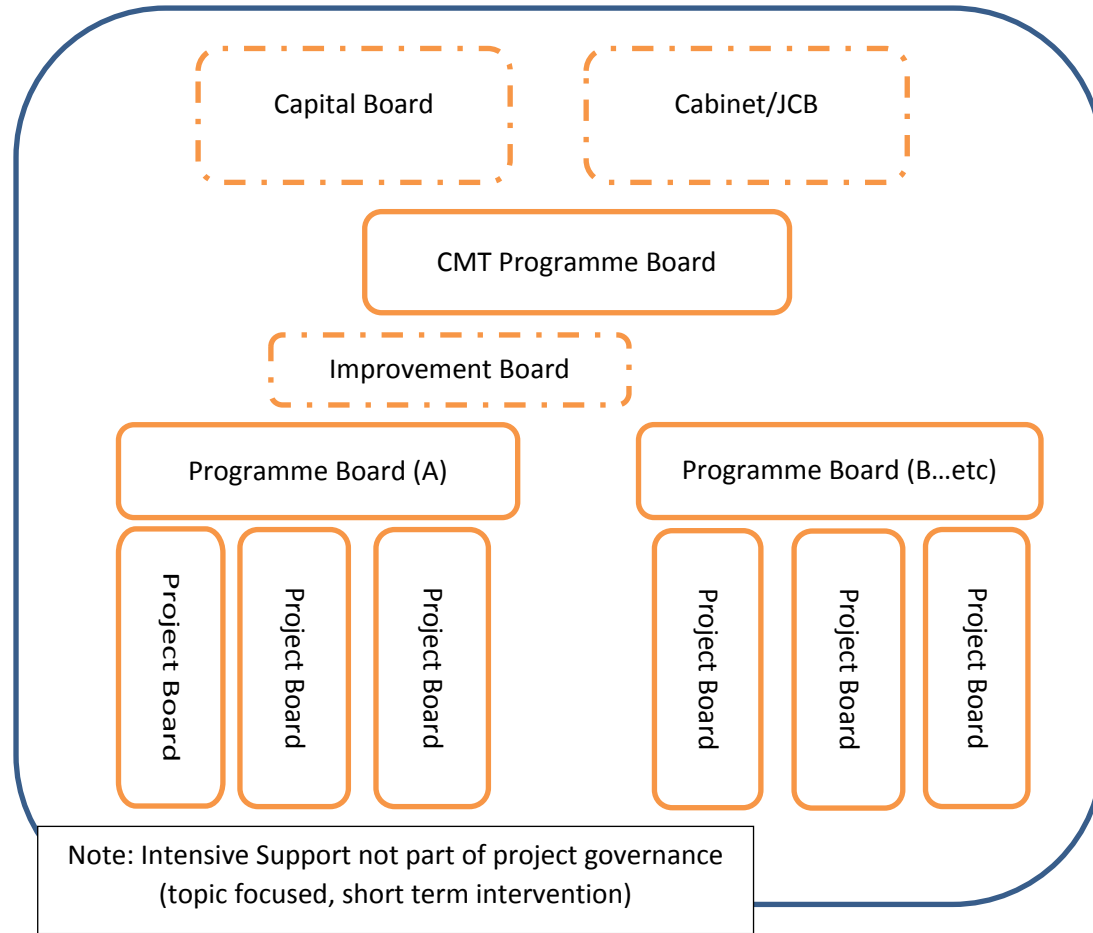
	Paris that will support streamlined ways of working and facilitate better mobile working capability.
15.	<ul style="list-style-type: none"> Clean Air Zone (Design) - Review of options to improve air quality within Southampton and New Forest District Council areas to meet legislative requirements.
16.	<ul style="list-style-type: none"> Housing Improvement (Design) – the programme aims to review and improve efficiency and the customer journey across a number of different project areas: Rent collection and arrears management, voids and repairs. The outcomes of the projects include reduced delays, improved repairs responsiveness, enhanced interactivity of IT systems to create streamlining and efficiency, and improvements in materials availability, staff allocation to jobs and speed of service response to customer issues.
17.	Going forwards it has been agreed that key projects from the Capital Assets team will also be included in the report to CMT Programme Board.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
18.	Individual projects may have financial and resource implications. These are understood and addressed on a project basis. All projects should adhere to the governance lifecycle which includes review points to understand the business case and determine whether a project is justified before proceeding to the next stage (see appendix 1).
<u>Property/Other</u>	
19.	Not applicable.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
20.	Not applicable.
<u>Other Legal Implications:</u>	
21.	Not applicable.
RISK MANAGEMENT IMPLICATIONS	
22.	All projects should follow the council's project risk management process. In its suite of project templates, the SPC team have developed a template RAID (risks, assumptions, issues, dependencies) log that will be used by project teams throughout the lifecycle of a project.
POLICY FRAMEWORK IMPLICATIONS	
23.	Not applicable
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	NA
<u>SUPPORTING DOCUMENTATION</u>	

Appendices	
1.	Project Governance Lifecycle
2.	CMT Programme Board highlight report
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Project governance overview



Project governance overview



Meeting	Attendees
<p>Capital Board Where Capital funding is required - approval followed by monitoring capital projects/programmes against key milestones.</p> <p>Cabinet Where Cabinet approval of funding is required followed by monitoring projects/programmes against key milestones.</p>	<p>Cabinet Members Chief Officers</p>
<p>CMT Programme Board Monitoring suite of major programmes across the council against key milestones and outcomes. Decision maker on programme conflicts, escalations and prioritisation.</p>	<p>Council Management Team Service Lead – Programme Management Project/Programme Managers as required</p>
<p>Programme Board Project updates Monitoring programme progress and key success criteria. Decision maker on project conflicts and escalations and within agreed authority levels.</p>	<p>Programme Sponsor Programme Manager Project Managers Key stakeholders</p>
<p>Project Board Monitoring project progress and key success criteria. Decision maker within agreed authority levels.</p>	<p>Project Sponsor Project Manager Workstream leads</p>

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Key documentation		Project governance documentation	
Stage	Stage review documents		
Justify	Project plan on a page Outline business case Outline resourcing plan (Cabinet paper) (Capital Board paper)	Governance document Risks, Assumptions, Issues & Dependencies (RAID) log Actions, Decisions & Lessons log	Privacy Impact Assessment (PIA) Equality & Safety Impact Assessment (ESIA) Highlight report
Design	Project Approach Document Full business case High level acceptance document (Cabinet paper) (Capital Board paper)	Detailed project plan (MS project) Detailed requirements document Requirements prioritisation template Business Change approach Business Change plan Change control document High level acceptance document	Detailed resourcing plan(s) Updated ESIA & PIA RAID Highlight report Work packages Test approach and plans Actions, Decisions & Lessons log
Deliver	High level acceptance document Business readiness document Updated business case	Highlight reporting Updated Project Approach Document Detailed project plan RAID	Budget tracker Change control document Benefits realisation tracker Actions, Decisions & Lessons log
Handover & close	Project closure pack Benefits monitoring mechanism & timelines		
Post project review	Post project review documents Updated benefits position Updated lessons learned Ongoing benefits monitoring mechanism and timeline		



CMT programme board

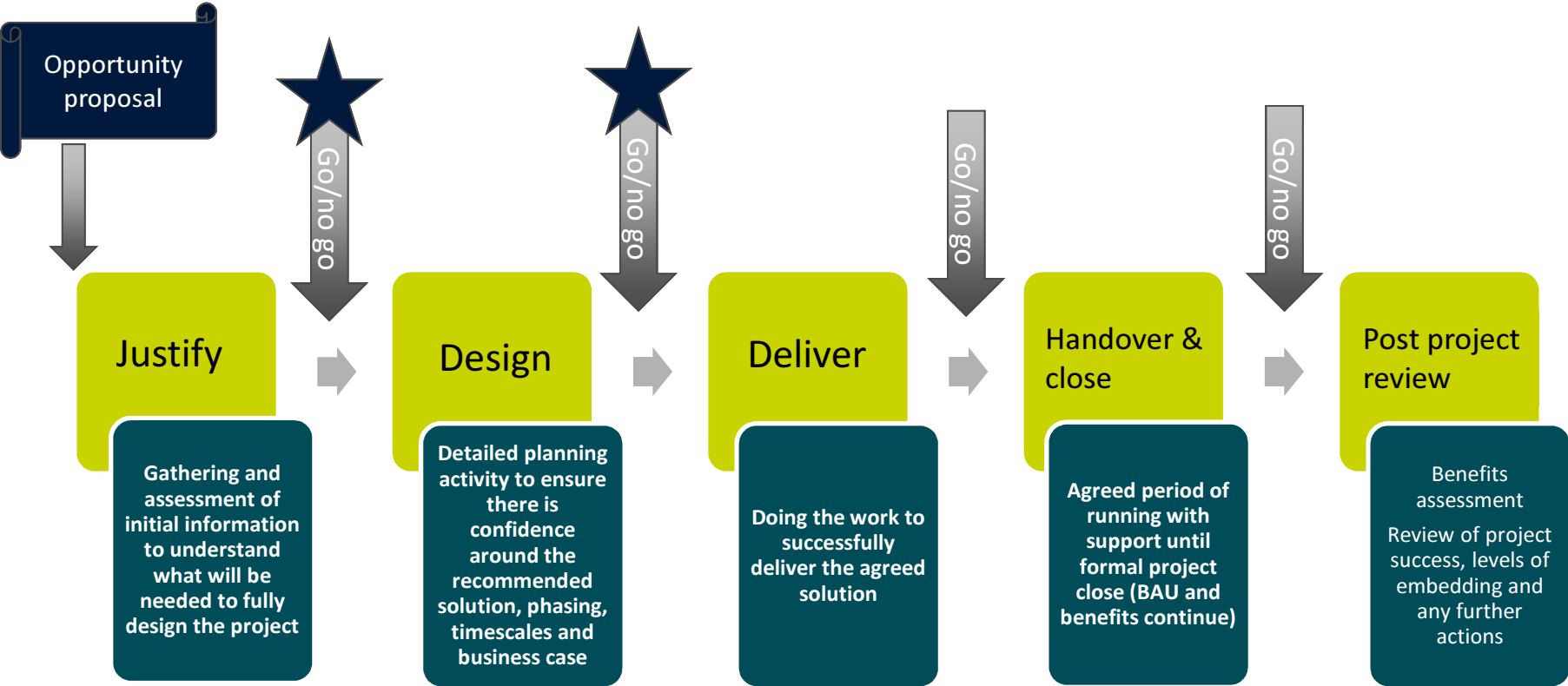
Date: 8 October 2018



A city of opportunity where everyone thrives



Governance lifecycle



Residential Homes

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Justify

Report date: 03/10/2018

Next report date: 03/12/18

Key milestones

Milestone	Target date	Status
Proposals made public	08/10/18	G
Consultation Go-Live	24/10/18	G
Consultation Closes	16/01/19	G
Closure Decision	20/02/19	G

Support, decisions & discussions required:

- Appropriate resourcing of the project as and when required.

Key activities completed this period

- Timeline for consultation agreed
- Briefing on proposals with Staff and effected families planned and being held 8/10.
- Key consultations documents in early draft stage.

Key activities for next reporting period

- **Consultation materials finalised and approved**
- **Consultation events held**

Key considerations

	Status
Scope	Green
Time	Green
Budget	NYB
Benefits	Amber
Resources	Amber
Success criteria	Green

Key risks

Description	Actions
A decision to close negatively impacts upon the council reputation and this may escalate to have impacts in local media.	Briefings arranged with families to ensure they hear messages direct from the council. Informative consultation to be held allowing stakeholder to provide feedback on proposals.
Quality of service falls due to uncertainty regarding the future of the homes.	Managers to work with staff to keep focus on the retention of high standards. Full staff consultation to be held. Learning from other projects to be applied.
Challenge or judicial review due 4 consultations being run simultaneously (resultant capacity leads to less rigorous consultation).	Consultation pushed back from 17 th to 24 th Oct to provide time to develop materials. All materials to be signed off from Legal and IIC.

Adults – Strength Based approach Implementation

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Justify/Design

Report date: 03/10/18

Next report date:

Key milestones

Milestone	Target date	Status
QAF framework launch	Oct 2018	G
Training events for staff	Nov / Dec 2018	G
Toolkit for staff	Nov 2018	G
Staff Conference	Nov 2018	G
3 conversation model built into Paris	TBC	A

Support, decisions & discussions required:

- Resources from within Service Area and Strategic Programme and Change team to be agreed

Key activities completed this period

- Opportunity proposal approved by ASC Improvement Board 14/09/18

Key activities for next reporting period

- Outline BC to go to ASC Improvement Board for approval 22/10/18

Key considerations

	Status
Scope	Green
Time	Green
Budget	NYB
Benefits	NYB
Resources	Amber
Success criteria	NYB

Key risks

Description	Actions
Lack of resources assigned to project	Resource plan to be completed
Understanding of reasons for failure of strengths based implementation project not complete	Assess baseline and targets / key areas for improvement as part of business case
Crossover between project and BAU	Regular liaison with Service Improvement manager to understand and agree priorities

STEP/ Sage

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Design

Report date: 03/10/2018

Next report date: 03/12/18

Key milestones

Milestone	Target date	Status
NYB		

Support, decisions & discussions required:

- Milestones to be included once Gantt v 1 is agreed by SCC.
- NB for general awareness, commercial discussions are decoupled from this project

Key activities completed this period

- STEP PID v1.6 agreed by SCC
- Reviewed activities out of scope
- Initial review of existing structure charts provided by Capita
- First drafts of other project documentation received and provided feedback

Key activities for next reporting period

- STEP Gantt chart for joint project to be agreed
- Finalise first versions of other key project documentation
- Develop SCC programme plan
- Update resource plan
- Workstreams to kick off

Key considerations

	Status
Scope	Green
Time	Amber
Budget	Green
Benefits	Green
Resources	Green
Success criteria	NYB

Key risks

Description	Actions
Novation of contracts to SCC not complete prior to termination date leading to service disruption.	Requesting early and ongoing provision of contract information from Capita to enable prompt negotiation with suppliers.
Excessive staff attrition during termination period leading to loss of key skills and knowledge.	Regular communications with affected staff. Review of information provided by Capita regarding TUPE roles.
Inaccurate service planning/disruption due to lack of accurately documented operational processes/contract information/workforce data.	Working to negotiate reasonable timescales for release of information, workstreams to agree quality standards and content.

Smart Ways of Working

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Design

Report date: 01/10/2018

Next report date: 03/12/2018

Key milestones

Milestone	Target date	Status
Develop P1 design	30/11/18	G
Furniture spec dev.	28/09/18	G
WiFi Survey	21/09/18	R
Develop HR policies	28/02/19	G
Develop guidance	01/08/19	G

Support, decisions & discussions required:

- CMT & Leadership support and role-modelling of 'Smart Ways of Working' model is vital to the success of the project. Including challenging teams and managers to adopt the change as it occurs and holding to account if expectations are not met .

Key activities completed this period

- Listed building application submitted.
- CMT & Leadership briefing sessions.
- Move Manager post out to advert and shortlisting complete.
- Review of teams user requirements.

Key activities for next reporting period

- Update meetings with Phase 1 teams.
- Progress furniture procurement.
- Develop suite of design stage project documentation.
- Commence detailed design work.
- Project Risk workshop.
- Project launch to staff.

Key considerations

	Status
Scope	Green
Time	Green
Budget	Green
Benefits	Green
Resources	Amber
Success criteria	NYB

Key risks

Description	Actions
Failure to adopt new model of working will lead to project failure.	Focus on leadership support and buy in. Dedicated Change Manager to project.
Insufficient funds for whole project roll out, leading to failure of model.	Break out further phases into smaller pieces of work, allowing more dynamic capital funding.
Teams in satellite locations could be made to feel 'less than'.	Clear communications strategy. Organisation to consider stance on model rollout to satellite sites.

CCM

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Design

Report date: 01/10/2018

Next report date: 03/12/2018

Key milestones

Milestone	Target date	Status
Contract signature	30/09/18	R
V5 vs V6 decision	09/10/18	G
Provision of V5 test environment	31/10/18	G
'As Is' business process mapping	31/01/19	G

Support, decisions & discussions required:

- V5 vs V6 decision required (dependency for contract signature)
- Milestone plan for implementation to be agreed (Go live Q1 2020)

Key activities completed this period

- Awarded contract to Careworks Ltd
- Contract discussion/negotiation ongoing
- Option paper created for presentation to Project board and Councillor's for V6 decision.
- Business process mapping started in Children's and Adults.
- Draft resource plan created.

Key activities for next reporting period

- Confirm V6 decision
- Sign Contract
- Continue with business process mapping
- Project plans and governance documents to be presented to project board.
- Agree resource plan at board.

Key risks

Description	Actions
V6 of CareDirector is under development. If the interface or functionality is different or not what we expect, we have limited options to change.	Clear defined requirements, regular meetings with CareWorks to ensure expectations are aligned. As soon as V6 is demonstrable, ensure project team are familiar with it and also engage the business.
Lack of early comms leads to a level of service disengagement (frontline staff).	The Business Change Manager will write a full communication and change plan along side the project planning for this project. As soon as the contract is signed, send comms to all Paris Users.
Challenge from non-successful providers (due to timelines).	Involve legal in any significant slippage or other issues that may impact this.

Key considerations

	Status
Scope	Green
Time	NYB
Budget	Green
Benefits	Green
Resources	Green
Success criteria	NYB

Clean Air Zone

Overall project status:
Amber

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Design

Report date: 04/10/2018

Next report date: 03/12/2018

Key milestones

Milestone	Target date	Status
Technical Feasibility study	12/10/18	G
Consultation outcomes	22/10/18	G
Modeling report	28/11/18	G
BC submission to JAQU	30/11/18	R
Forward Plan	30/11/18	G

Support, decisions & discussions required:

- Appropriate resourcing and prioritisation of project as required within existing resources.
- Organisational support for commissioning at risk for implementation team and existing posts prior to receipt of JAQU funding.
- Strict prioritisation required over any additional work directed to project team – need to focus on BC development & associated documentation to reduce challenge during any judiciary review.
- Continued support from CMT & members related to local and national engagement.

Key activities completed this period

- Successful consultation complete (8,500) and currently under review.
- Collaborative work with Port community to inform assessment.
- Adopted revised project plan to align with achievability.

Key activities for next reporting period

- Publication of consultation.
- Modelling results.
- Delivery and completion of NFDC collaboration.
- Draft of full Business Case for recommended option.
- Clean Air Charter for the City

Key considerations

	Status
Scope	Green
Time	Amber
Budget	Amber
Benefits	Green
Resources	Red
Success criteria	NYB

Key risks

Description	Actions
Legal challenge (judiciary review) against project.	Ongoing engagement with Counsel over required mitigation action plan.
Infrastructure delivery within timescales required due to national works.	Ongoing CMT and Members engagement at national level.
Resource, staffing and prioritisation to complete project as required.	CMT required to support phased approach to recruitment at risk prior to JAQU funding.

Housing - Repairs

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Design
Report date: 03/10/2018
Next report date: 03/12/2018

Support, decisions & discussions required:

N/A

Key milestones

Milestone	Target date	Status
Work packages complete	08/11/18	G
New work Packages	22/10/18	G
IT Workshop	02/11/18	G
HIB	06/11/18	G

Key activities completed this period
 There are various work streams that have been or are being competed which do not link up to the areas identified for improvements. Work packages have been sent out in order to verify, consolidate and validate the suggested areas of improvement.

Key activities for next reporting period
 Review all work packages, identify and prioritise improvement opportunities.

 Complete a project plan with realistic dates of completion

Key considerations

	Status
Scope	Green
Time	Amber
Budget	NYB
Benefits	NYB
Resources	Amber
Success criteria	NYB

Key risks	
Description	Actions
IT – Northgate Vanilla Upgrade Available test data is not of a suitable quality to enable effective testing across all areas of the Northgate system. Lead time is 3-6 months.	Initial response is that a work around with the available data will be investigated. A revised completion of the testing phase then be determined. The risk to the programme is that the testing phase will now take 3-6 months before completion.
Materials unavailable due to - TP contract core/non standard items, lack of staff understanding about ability to collect materials locally under TP contract, telephone calls/e-mail material ordering increasing beyond the capacity of the Hub team	Review to understand exact cause and nature of problem and identify potential solutions.

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Business World

Overall project status:
Green

R	Outside agreed parameters
A	At risk
G	On track
NYB	Not yet baselined

Project Stage: Delivery

Report date: 02/10/2018

Next report date: 03/12/2018

Key milestones

Milestone	Target date	Status
E-recruitment go-live	21/05/2018	G
U4 cloud servers in place	14/07/2018	G
All workshop signoff	16/07/2018	G
System Build complete	31/10/2018	G
UAT complete	31/01/2019	A

Support, decisions & discussions required:

- CMT and Leadership support for resources to be made available for User Acceptance Testing from beginning of December 2018.

Key activities completed this period

- Successful Show and Tells sessions taken place for Expenses and Budget to Control
- Familiarisation sessions booked for most modules, these start from 1st October
- Build progressing
- Project Lifecycle agreed and change request approved.

Key activities for next reporting period

- Familiarisation sessions for Budget to Control, Sales to Cash, Organisation & Position and Payroll, Expenses.
- UAT plan to be finalised.

Key considerations

	Status
Scope	Green
Time	Green
Budget	Green
Benefits	Green
Resources	Amber
Success criteria	Amber

Key risks

Description	Actions
If the project slips it will require a delay of go live to April 2020 due to restrictions on chart of accounts.	Mitigation options paper to be discussed at board meeting on 9th October
Reliance on a small number of key staff causes delays in implementation or negative impact on BAU activities. Additional risk or the risk that lack of knowledge of the system if staff leave.	<ul style="list-style-type: none"> • Backfill requirements identified, funded and resourced. • Include the Resourcelink team in any Knowledge Transfer
Inadequate levels of resources made available for comprehensive UAT leads to delays or inadequate testing and subsequent system issues.	Engagement with leadership and wider to identify and engage UAT resources.
Inadequate levels of compliance with policies and procedures leads to benefits not being fully realised.	Engagement and education on policies and procedures. Leadership role-modelling behaviours. Repeat offenders managed appropriately.

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	UPDATE ON VALUE FOR MONEY AUDIT CONCLUSION – FINANCIAL STATEMENTS 2017/18		
DATE OF DECISION:	12 TH NOVEMBER 2018		
REPORT OF:	SERVICE DIRECTOR – FINANCE & COMMERCIALISATION		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Paul Paskins Sue Cuerden	Tel: 023 8083 4353 023 8083 4153
	E-mail:	Paul.Paskins@southampton.gov.uk Sue.Cuerden@southampton.gov.uk	
Director	Name:	Mel Creighton James Strachan	Tel: 023 8083 4897 023 8083 3436
	E-mail:	Mel.Creighton@southampton.gov.uk James.Strachan@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

The report is to update the Governance Committee on the Value For Money (VFM) conclusion and recommendations of the external auditor as reported to the Governance Committee in July 2018.

RECOMMENDATIONS:

	(i)	To note that since the observations associated with the audit were made, substantial progress has been made in completing a comprehensive action plan as detailed in paragraph 7.
	(ii)	To note that a number of actions – most of which have other dependencies – are programmed for future completion.

REASONS FOR REPORT RECOMMENDATIONS

1.	As part of the 2017/18 external audit, conducted by Ernst & Young a conclusion was issued regarding VFM. This considers whether the Council has in place 'proper arrangements' to secure economy, efficiency and effective use of resources.
2.	The External Audit – Audit Results report, presented to Governance Committee in July 2018, identified an 'except for' conclusion would be issued. The auditors were satisfied that there were proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources except for some weaknesses in procuring supplies and services to effectively support the delivery of strategic priorities.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	To take no action and accept that there may be further exceptions to the VFM conclusion in future years.
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DETAIL (Including consultation carried out)

4.	The External Audit – Audit Results report identified that the council has an appropriate procurement and contracting framework in place, however there are some instances of non-compliance within this framework. The findings particularly noted that some staff had failed to engage with the central procurement team with regard to particular projects.
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5.	All of the issues had already been identified in September 2018 when Governance Committee received the results of an internal audit report in respect of contract framework and procurement and the actions being taken to resolve the issues.
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6.	The conclusion of the internal audit report was that there is a sound framework in place that complies with both EU and UK legislation but that there are failures in staff compliance with this framework when the procurement team are not engaged in processes; and that these processes need to be improved to reduce non-compliance.
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Update on Actions

7.	<p>The majority of issues identified in both reports had already been recognised and a comprehensive Procurement Development Plan (PDP) containing specific actions had already been put in place to resolve these issues.</p> <p>Many of the actions associated with the PDP have already been completed and others are in progress. The table below provides a summary of the actions, the lead officer responsible, the current status and the due date where the action is yet to be completed</p>
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Action	Lead Officer(s)	Status	Due Date
<p>1. Specific Instances of Officer non-compliance Investigate the contractual relationships with the specific suppliers identified in the Internal Audit report and the reasons why Procurement Services were not involved in sourcing the service area requirements. Take necessary action in accordance with CPRs</p>	Service Director Growth/ Service Director, Adults, Housing and Communities (as the responsible Service Directors)	Completed	Completed
<p>2. Develop the Contracts Register to ensure it is comprehensive and accurate</p> <ul style="list-style-type: none"> Request from Service Directors details of all contracts in excess of £25k involving multiple payments which they have procured historically/or without Procurement Service involvement for entry onto Contracts Register. 	Service Lead – Supplier Management	Completed	Completed
<ul style="list-style-type: none"> Expand the requirement to include all contracts in 		Request completed.	Completed

	excess of £5k and review any contracts which have not been included.	Service Lead – Supplier Management /CMT	Results being assessed. Contracts Register to be updated no later than end November 2018	End November 2018
	<p>3. Sub £100k procurement compliance</p> <ul style="list-style-type: none"> Continue to monitor compliance with Sub £100k processes and report instances of non-compliance to Service Directors for action Hold Sub 100k meetings with Service Directors in 2017/18, investigate instances of non-compliance to identify why it had occurred and to remind officers of the compliant process Improve Sub £100k reporting and compliance Resolve the commercial and operational position relating to the Procurement Guarantee to assist in addressing compliance more effectively 	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Capita Head of Procurement Operations</p> <p>Service Director Digital and Business Operations / Service Lead – Supplier Management</p>	<p>Completed/ongoing. Data is showing significant improvements in compliance</p> <p>Completed</p> <p>Completed</p> <p>In progress</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>TBC</p>
	<p>4. Learning and Development</p> <p>Mandatory training introduced for all staff who have any involvement in buying</p>	Service Lead – Supplier Management	Completed CMT reviewing those who have undertaken the training	Completed
	<p>5. Better Reporting and Robust Action</p> <p>Further develop the reporting of spend to flag annual values spent with each supplier and support Service Directors in identifying when CPRs are not being followed and taking appropriate action</p>	Service Lead – Supplier Management	Completed	Completed
	<p>6. Requisitioning and Procure to Pay (P2P)</p> <p>Introduce requisitioning to ensure all spend is processed through the requisition workflow in order to mandate that CPR processes are followed and procurement are involved in all spend in accordance with CPRs</p>	Service Lead – Supplier Management	Phase 1 (Requisitioning) completed Phase 2 (Business World and P2P) in progress	Completed April 2019
	<p>7. Improve Controls</p> <p>Mandate the requisitioning process by introducing system controls which provide no alternative route to processing</p>			

	<p>orders and/or allowing suppliers to be paid including:-</p> <ul style="list-style-type: none"> • Empowering the Procurement Service to reject non-compliant orders. • Control of supplier set up and usage – regulating who can set suppliers up and managing when and how they can be used. • Requiring officers to state contract name on requisition when wishing to use a specific supplier because a contract is believed to exist. • Link products (including services) to Contracted Suppliers in Business World to ensure that contracts are only used for the purpose they were set up for (i.e. a user will not be able to use supplier to purchase an item for which it does not have a contractually linked product). • Undertake review of requisitioning’s impact on procurement process compliance 	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p>	<p>Completed</p> <p>Partly Completed. To be fully implemented as part of Business World and P2P</p> <p>Completed</p> <p>Partly Completed. To be fully implemented as part of Business World and P2P</p> <p>Ongoing</p>	<p>Completed</p> <p>April 2019</p> <p>Completed</p> <p>April 2019</p> <p>Ongoing</p>
	<p>8. Cohesive Contract Management and Procurement service</p> <p>Implement a ‘full cycle’ cohesive contract management and procurement approach as set out in the Procurement Strategy</p> <ul style="list-style-type: none"> • Phase 1 – Strategic Contracts and Integrated Commissioning Unit (ICU) • Phase 2 – Review of Strategic Contracts and agreements re managing Key Managed Contracts 	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p>	<p>Phase 1 (creation of Supplier Management and consolidation of ICU function) completed.</p> <p>Phase 2 (fully integrated approach) outstanding as dependent on the termination of the Capita contract</p>	<p>Completed</p> <p>July – Oct 2019</p>
	<p>9. Feeder Systems</p> <p>‘Feeder’ systems (those systems which create financial commitments outside of the Council’s main financial system) are to be reviewed and usage clearly defined, restricted and managed to ensure mis-use does not occur.</p>	<p>Service Director - Finance and Commercialisation / Service Lead – Supplier Management / CMT</p>	<p>Phase 1 – headline review – in progress</p> <p>Phase 2 – completion of prioritised actions – to follow on from Phase 1</p>	<p>April 2019</p> <p>TBA depending on the outcome of Phase 1</p>
	<p>10. Procurement processes</p> <p>Review procurement processes to ensure that these are simple</p>			

	<p>and user-friendly with a single spending route:</p> <p><u>Phase 1:</u></p> <ul style="list-style-type: none"> • Introduction of requisitioning, conduct workshops and surveys to better understand and address user issues with procurement processes • Development of e-learning to reflect user feedback and clarify processes <p><u>Phase 2:</u> Roll out revised procurement sections of the intranet</p> <p><u>Phase 3:</u></p> <ul style="list-style-type: none"> • Ensure there is reporting to track timescales associated with procurement activities • Digitise forms and updates to reflect requisitioning and P2P • Follow up to ensure relevant staff undertake the e-learning) • Streamline “Project Gateway” documents to make simple to ease within confines of contractual requirements but also supports compliant procurement. 	<p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Service Lead – Supplier Management</p> <p>Head of Procurement Operations</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Substantially completed. Digitisation of forms in progress</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Rolling programme End Feb 2019</p>
	<p>11. Procurement Service Repatriate the procurement service to the Council to support the development and improvement of the procurement service</p>	<p>Service Director Digital and Business Operations / Service Lead – Supplier Management</p>	<p>Outstanding</p>	<p>July 2019</p>

Conclusions

8.	Significant and substantial progress has been made in completing the action plan to address the issues raised. This range of actions includes better information and training for officers, making systems and processes easier to use, tighter controls, better reporting, closing process loopholes and stronger information to support sanctions where appropriate.
9.	The Council Management Team (CMT) are fully briefed on the issues and challenges and are fully supporting the actions being taken. The Leadership Team have also recently been briefed on the issues and their responsibilities.
10.	The remaining actions are generally dependent on other matters including the repatriation of the procurement service to the council and the implementation of the Business World system but – once the full range of actions are completed – the council should have confidence that there will be significant, demonstrable and sustainable operational and strategic improvements to the whole approach and practice in relation to third party spend.

<u>Capital/Revenue</u>	
11.	Whilst there are no specific financial implications in relation to the contents of this report, failure to comply with the council's procurement and contract rules may result in additional expenditure for supplies and services which could have otherwise been secured more efficiently and may impact on the achievement of approved savings proposals.
<u>Property/Other</u>	
12.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
13.	None
<u>Other Legal Implications:</u>	
14.	The legal framework concerned includes the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 and the Best Value Duty.
RISK MANAGEMENT IMPLICATIONS	
15.	Continued non-compliance may result in future except for VFM conclusions.
16.	The council is at risk of failing to fully comply with its own Constitution and CPRs (which form part of that Constitution), the legislative framework set out at paragraph 12 and, in turn, risks potential procurement challenge.
POLICY FRAMEWORK IMPLICATIONS	
17.	None

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	N/A

Documents In Members' Rooms

1.	N/A
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents N/A

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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DECISION-MAKER:		GOVERNANCE COMMITTEE	
SUBJECT:		INTERNAL AUDIT PROGRESS REPORT 2018-19	
DATE OF DECISION:		12th NOVEMBER 2018	
REPORT OF:		CHIEF INTERNAL AUDITOR	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Elizabeth Goodwin	Tel: 023 8083 4616
	E-mail:	Elizabeth.Goodwin@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	Mel.Creighton@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>The Public Sector Internal Audit Standards 2017 (PSIAS), requires the Chief Internal Auditor (CIA) to provide periodical updates to the Governance Committee on:</p> <ul style="list-style-type: none"> • Progress made against the agreed annual audit plan. • Results of audit activities and • Management’s response to risk that in the CIA’s judgement maybe unacceptable to the Authority <p>All other PSIAS requirements are communicated in either the charter or annual audit opinion, which are reported separately to this committee at various times throughout the year.</p> <p>Internal Audit Progress for the period 1st September to the 29th October 2018 is covered in the attached Appendix 1.</p>			
RECOMMENDATIONS:			
	(i)	That the Governance Committee notes the Internal Audit Progress report for the period 1 st September to the 29 th October 2018.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	In accordance with the Public Sector Internal Audit Standards the Chief Internal Auditor is required to provide an update on progress against the annual audit plan to the Governance Committee for information.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None		
DETAIL (Including consultation carried out)			
3.	None		
RESOURCE IMPLICATIONS			
<u>Capital/Revenue</u>			
4.	None		

<u>Property/Other</u>	
5.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
6.	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
<u>Other Legal Implications:</u>	
7.	None
RISK MANAGEMENT IMPLICATIONS	
8.	The report is for note only, there is no decision to be made.
POLICY FRAMEWORK IMPLICATIONS	
9.	None
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Internal Audit Progress Report for the period 1 st September to the 29 th October 2018.
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at: Internal Audit Office, Civic Centre, Municipal, 1st floor, Rm 219.	
Title of Background Paper(s) None	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)



Internal Audit Progress Report

29th October 2018

Elizabeth Goodwin - Chief Internal Auditor

Introduction

The Internal Audit function is a statutory function for all Local Authorities. Southampton City Council Internal Audit service has an in-house team and a shared Chief Internal Auditor with Portsmouth City Council (PCC). The in house audit team is supported by audit & counter fraud staff from PCC under a collaborative working arrangement.

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2016].

Purpose of report

The purpose of this report is to update the committee on the progress of the 2018/19 Audit Plan as at 29th October 2018 and to highlight any significant risk exposure and control issues, including fraud and governance risks. Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives. Assurance opinions are categorised as follows:

Overall Assurance Levels:	Description / Examples
Assurance	No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority
Reasonable Assurance	Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority
Limited Assurance	Control weaknesses or risks were identified which pose a more significant risk to the Authority
No Assurance	Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit

NOTE: Where the audit receives an overall level of 'No Assurance' then the exceptions are be reported in their entirety to the Governance Committee along with the Directors comments.

The following table outline the exceptions raised in audit reports and are reported on in priority order.

Exception Priority Level	Description
Low Risk - Improvement	Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.
Medium Risk	These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.
High Risk	Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not “show stopping” but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.
Critical Risk	Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the organisation’s objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.

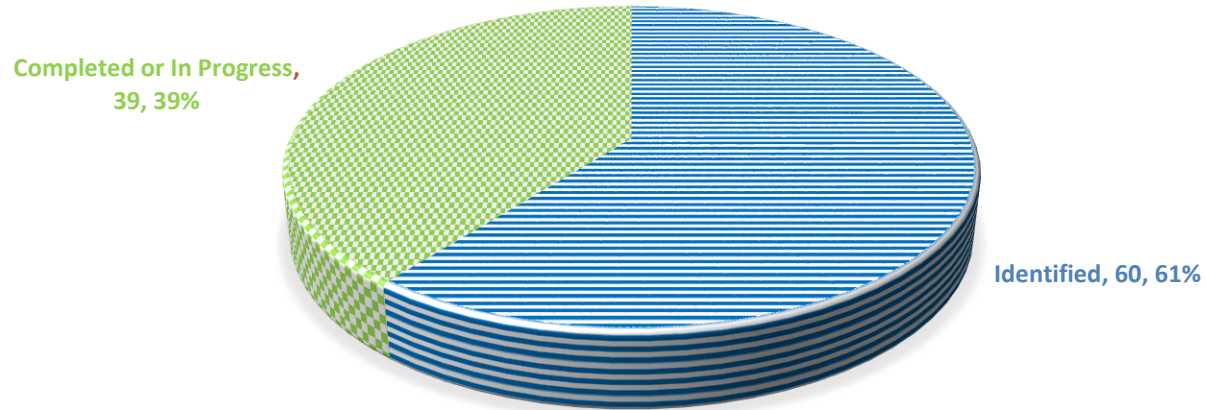
NOTE: Any critical exceptions found the exceptions will be reported in their entirety to the Governance Committee along with the Directors comments.

The following table outlines the follow up categories used to describe the outcome of follow up testing completed.

Follow Up Categories	Description
Open	No action has been taken on agreed action.
Pending	Actions cannot be taken at the current time but steps have been taken to prepare.
In Progress	Progress has been made on the agreed action however they have not been completed.
Implemented but not Effective	Agreed action implemented but not effective in mitigating the risk.
Closed - Verified	Agreed action implemented and risk mitigated, verified by follow up testing.
Closed – Not Verified	Client has stated action has been completed but unable to verify via testing.
Closed – Management Accepts Risk	Management have accepted the risk highlighted from the exception
Closed – No Longer Applicable	Risk exposure no longer applicable.

Audit Plan Progress:

AUDIT PLAN PROGRESS TO 29TH OCTOBER 2018



39% of the Audit Plan has been completed or is in progress as at 29th October 2018. The remaining 61% has yet to commence. This is based on 99 audits, which includes follow up reviews.

Breakdown of Progress:

Status	Number of Audits
Identified	60
Field Work	15
Draft Report	4
Issued Report	20

Unplanned Work:

Since 1st September 2018 to 29th October 2018, Internal Audit has provided advice/performed adhoc work in the following area. (For reference, Advice is only recorded when the time taken to provide the advice exceeds 1 hour).

- Data Analysis and data matching in relation to Duplicate Invoices. Work has been undertaken to use data analytics software to identify potential duplicate invoices and or payments with the view to conduct continuous testing in this area.

Audit Plan Status/Changes:

The following changes have been made to the plan since it was agreed earlier in the year. These changes are as follows;

Audits added to the audit plan:

1. Local Capital Transport Funding has been added to the plan and the grant is required to be verified against the terms and conditions applied.

Audits removed from the audit plan:

1. Debt Management Accounts Receivable has been removed as this area will be covered under the Accounts Receivable review.
2. Income Housing Rents has been removed as this area will be covered under the Housing Rents & Debt review.
3. Disabled Facilities has been removed as this was entered twice on the audit plan and has been covered under the review titled Disabled Facilities Grant which was completed and reported at the September committee meeting.
4. Adult Safeguarding (follow-up) audit has been removed as there were no high risks identified during the original audit.

Areas of Concern:

No new areas of concern have been raised.

Completed Audits between 1st September 2018 and 29th October 2018

Project Name	Hub	Overall Opinion	Total No. of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk Improvement
Local Transport Capital Funding Grant	Strategy (SD Finance & Commercialisation)	Assurance	-	-	-	-	-
Scope of Audit:	Review of the Local Transport Capital Funding Grant						
To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Local Transport Capital Funding Grant have been complied with.							
Pupil Referral Unit (Compass School)	Operational (SD Children & Families)	Assurance	-	-	-	-	-
Scope of Audit:	Policies, processes, performance monitoring, governance arrangements, pupil funding, placements and applications.						
No exceptions have been raised in relation to the areas tested under the scope of this review and for the samples selected.							
Bus Subsidy Grant 2017/18	Strategy (SD Finance & Commercialisation)	Assurance	-	-	-	-	-
Scope of Audit:	Review of the Bus Subsidy Grant 2017/18.						
To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant Determination 2017/18 have been complied with.							
Licensing (Hackney Carriage & Private Hire)	Operational (SD Transactional & Universal)	Reasonable Assurance	2	-	-	1	1
Scope of Audit:	Enforcement decisions, spot checks, documentation, temporary licensing process, complaints, procedure notes and registers.						
The first medium risk exception relates to the limited information provided to taxi drivers on the retention period of Disclosure & Barring Service (DBS) certificates and the reasoning for retaining certificate information. The low risk relates to procedure notes not reflecting current processes and needing minor revision.							

Project Name	Hub	Overall Opinion	Total No. of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk Improvement
Payroll	Strategy (SD HR & Organisational Development)	Reasonable Assurance	2	-	-	2	-
Scope of Audit:		Honorariums, overpayments, variances to staff pay, new starters and leavers, staff pay deductions.					
<p>The first medium risk relates to cases of overpayments due to management and HR pay error, these included late notice of termination of staff employment, incorrect information being supplied to HR Pay, lack of National Insurance deductions and incorrect hourly rates inputted - 100% of the overpayments were recovered. The second medium risk relates to 1/29 employees, who had opted for a Season Ticket Loan scheme, had also been receiving a Contractual Car User Allowance.</p> <p>Follow up Testing: Four exceptions raised in the 2017/18 payroll audit have been followed up. Testing evidenced that the first medium risk relating to leaver notification forms had been standardised as much as possible and therefore had been closed and verified. The second medium risk relating to there being a lack of reporting on staff pay variances, this agreed action is currently in open awaiting the implementation of the new Business World ERP system. The third medium risk relates to pension returns not being submitted in time, this financial year they were sent within the required deadline and therefore this risk has been closed and verified. Finally, a low risk a lack of a standard new starter notification form, a proforma is now being used and therefore this exception has been closed and verified.</p>							
Direct Payments Children's	Operational (SD Children & Families)	Reasonable Assurance	4	-	-	3	1
Scope of Audit:		Client engagement, care assessments, guidance provided to clients, payments made meet the criteria for the child's needs.					
<p>The first medium risk exception relates to 1/10 clients that had not signed a declaration form in relation to their spending conditions. The second medium risk relates to 6/10 cases requiring a 6 monthly review and 2/10 being in assessment. The final medium risk relates to 1/10 cases having 2 receipts missing which should be allocated to short breaks meaning it was not possible to confirm it was spent on short breaks appropriate for the client's needs. Finally, the low risk relates to the council outcome of "increasing take up of personal budgets/personal health budgets" not being an active drive of the service.</p>							
Looked After Children	Operational (SD Children & Families)	Reasonable Assurance	6	-	1	5	-
Scope of Audit:		Policy, reviewed care plans, personal education plans and health care assessments, statutory visits, supervision of cases.					
<p>One high risk exception arose relating to 3/18 statutory visit timescales having lapsed going back to the 19th June 2018 and a further case could not evidence the statutory visit timescale from Paris records. The first medium risk relates to 2/18 cases where care plans had not been signed by management until 11 and 17 weeks after they were completed. The second medium risk relates to being unable to evidence</p>							

Project Name	Hub	Overall Opinion	Total No. of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk Improvement
<p>1/18 personal education plans (PEP) being completed for summer term 2018. The third medium risk relates to there not being a current health care assessment plan in place for 1/18 children with the last assessment completed in March 2017. The fourth medium risk relates to a cases not being supervised by the Team Manager for as long as 42, 12, 11 and 9 weeks which are exceeding the expected 8 week timescale for review. The final medium risk relates to Paris reports not accurately recording statutory visit timescales and therefore in some cases a statutory visit will show as overdue when it may not be.</p>							
Expenses Travel & Subsistence	Strategy (SD HR & Organisational Development)	Limited Assurance	3	-	2	1	-
Scope of Audit:	Expense claims are legitimate, subsistence claims reflected correct rates, and contractual car users' posts are compliant.						
<p>The results of this audit presented the same issues as identified in last year's audit. A number of the agreed actions have been implemented, however as evidenced from this year's audit the level of non-compliance has increased. The first high risk relates to the lack of claim information and receipts, from the samples tested there has been a 70% increase in non-compliance relating to a lack of sufficient claim details being provided and similarly a 91% increase in expense claims failing to provide satisfactory receipts. The other high risk relates to a lack of regular monitoring for Contractual Car User (CCU) posts, from sample testing one post did not meet the required criteria and was receiving the allowance for three consecutive years. The medium risk relates to the travel and subsistence policies not being reviewed since 2015.</p>							
Agency / Temps	Strategy (SD HR & Organisational Development)	Limited Assurance	2	-	1	-	1
Scope of Audit:	Policy and procedures, performance monitoring of hays contract, pre-employment checks, induction & leaver processes.						
<p>One high risk exception arose relating to staff circumventing the recruitment framework and making their own arrangements with £2,212,163 (25% of total agency spend) having been spent with recruitment agencies other than Hays during the 2017/18 financial year. One low risk exception was also raised in relation to there being no formal agency recruitment policy in place and outdated information being displayed on the intranet.</p>							

Completed Follow up Audits between 1st September 2018 and 29th October 2018

	Project Name	Follow Up Opinion	Original Opinion	Total Number of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
1.	Deprivation of Liberty (DOLs) Adult Services	Limited Assurance	Limited Assurance	2	-	2	0	0	N/A
	Scope of Audit:	Applications for a review of current DOLs, processing applications for a DOLs							
	Summary of Follow Up:	The two original high risk exceptions remain open with actions in progress as a result of follow up testing, this is due to the risks still not having been mitigated and therefore the overall opinion remains as limited assurance.							
	Risk	Original Issue							Status
	High	The first high risk in progress related to new assessments not being completed within the stipulated timescales and on average were completed 45 days after they were due.							In Progress
	Follow up Testing								
	Follow up tested found that 13/15 DOLs had been granted outside of required timescales with 2 being overdue by 11 weeks each.								
	High	The second high risk in progress related to DOLs renewals being completed outside of the required timeframe of 21 days, taking on average 47 days, with a further 104 reviews awaiting to be allocated.							In Progress
	Follow up Testing								
	Follow up testing found that from the start of the financial year there were 89 reviews awaiting allocation, urgent requests were 7 days overdue and standard requests were 21 days overdue.								
2.	Fostering Arrangements - Children & Families	Reasonable Assurance	Reasonable Assurance	3	-	1	2	0	N/A
	Scope of Audit:	Foster carers payment records, registration of interests, recruitment drives							
	Summary of Follow Up:	The original high risk exception is open with actions currently pending and two medium risk exceptions actions remain in progress as a result of follow up audit testing and therefore the overall opinion remains as reasonable assurance.							
	Risk	Original Issue							Status
	High	The high risk related to not being able to verify what payment level a foster carer was approved to receive in 1/5 foster carers payment records tested. Furthermore, it was not possible to reconcile the payments made to the Respite Carer's for the children within their care.							Pending

	Project Name	Follow Up Opinion	Original Opinion	Total Number of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned	
	Follow up Testing									
	Work has been placed on hold as Finance are due to have their system upgraded, the new e-form will be placed online once the new system is up and running.									
	Medium	The medium risk related to issues with 4/10 initial enquires by prospective Foster Carer applicants, 2 calls were not screened and went straight to a home visit, 1 enquiry was not followed up within 7 days and 1 could not establish a PARIS reference number.						In Progress		
	Follow up Testing									
	Follow up testing found from a sample of 5 new enquiries, one had no records on Paris to evidence the Initial Screen Call and one record did not include whether a Carer was still with the Independent Fostering Agency.									
	Medium	The medium risk related to the Net Natives facebook campaign which resulted in 46 enquiries. Out of these only one led to a potential applicant and a further visit for another applicant is planned. If the visit is successful, only 4% of enquires lead to potential applications.						In Progress		
	Follow up Testing									
	Follow up testing found the Fostering enquiry form has been improved, campaigns had been running on social media and emails were used to reach a wider audience. However, extrapolating average enquiries per month would mean 264 enquiries will be made this year, 86 under target.									
3.	Adoption	Reasonable Assurance	Reasonable Assurance	4	-	1	1	2	N/A	
	Scope of Audit:	The assessment process, timeliness of recruitment, adoption records and management information.								
	Summary of Follow Up:	For the one high risk, one medium risk and one low risk exceptions the agreed actions had been implemented but were not fully effective in mitigating the risks raised during the original audit. The second low risk remains in progress.								
	Risk	Original Issue						Status		
	High	The high risk related to testing 4/26 adoption cases. 3 out of 4 cases did not gather stage one information and complete the pre-assessment decision within the 2 month statutory deadline with it being exceeded by 9 days, 2 weeks and 9 weeks respectively. Furthermore, for 3 out of 4 cases the statutory deadline for the final decision was exceeded by at least two months. Finally for 3 out of 4 cases audit were unable to confirm dual signatory or approval from a suitably qualified manager.						Implemented, not fully effective		
	Follow up Testing									

	Project Name	Follow Up Opinion	Original Opinion	Total Number of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
	Follow up tested reviewed 3 stage one cases, 3/3 did not have consent to share on Paris while for 1/3 the DBS check has returned a status "further information/action" but it was unclear on records whether this was addressed. Furthermore, 2 stage two cases were reviewed and found 1/2 could not evidence a family tree, chronology of either prospective adopter or a copy of the Prospective Adopter's Report. Additional actions have been agreed at the closure of the follow-up review in order to mitigate the risk exposure.								
	Medium	The medium risk related to 1/10 pre-assessment enquiries not receiving an information pack within the 2 working day timescale and was sent 13 working days after the enquiry.						Implemented, not fully effective	
	Follow up Testing								
	Follow up testing reviewed 3 enquires for 1/3 the information was sent 23 days after initial enquiry (21 days after policy requirement). Furthermore, a potential adopter was not recorded on Paris and the registration of interest form had not been attached to the electronic file. Additional actions have been agreed at the closure of the follow-up review in order to mitigate the risk exposure.								
	Low	The low risk related to testing 2 fast track adoption applications finding no evidence of the content of the initial discussion held between prospective adopters and the social worker.						Implemented, not fully effective	
	Follow up Testing								
	Follow up testing reviewed a fast track case and found DBS and medical checks had been commenced but no DBS certificate numbers were logged on the system.								
	Low	The low risk related to supervision sessions with staff had not been conducted on a monthly basis while the Team Manager was on long term sick.						In Progress	
	Follow up Testing								
	Follow up testing found the Adoption Manager was recorded meeting notes in their notebook and was not transferring the information into Paris.								
4.	Bank Account - Finance	Limited Assurance	Limited Assurance	4	-	4	-	-	N/A
	Scope of Audit:	Timely reconciliations, suspense account investigations & clearance, procedure documentation, segregation of duties.							
	Summary of Follow Up:	Follow up testing found two high risk exceptions which have been closed and verified, one high risk agreed action remains in progress and one high risk action has been implemented but has not been effective.							
	Risk	Original Issue						Status	
	High	The first high risk related to the weekly and monthly cashbook reconciliations which were behind by four months.						In Progress	

	Project Name	Follow Up Opinion	Original Opinion	Total Number of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned	
	Follow up Testing									
	Follow up testing evidenced that the monthly reconciliations were currently two months behind and has been four months in arrears at the start of the financial year.									
	High	The second high risk related to the suspense account balance being at £3,576,934.05 and testing evidenced a lack of clear management trails in regards to proactive documented investigations and continuous follow ups of unreconciled items.						Implemented, not fully effective		
	Follow up Testing									
	Follow up testing identified new and improved processes in place to ensure suspense account items are identified and reconciled in a timely basis however the suspense account balance had increase to £4,352,106.92. Additional actions have been agreed at the closure of the follow-up review in order to mitigate the risk exposure.									
	High	The third high risk related to a lack of comprehensive written procedures in place with regards to daily and weekly reconciliation procedures.						Closed and Verified		
	Follow up Testing									
	Follow up testing evidenced that both the daily and weekly reconciliation procedures were documented and flow charts have been produced.									
	High	The fourth high risk relates to an inadequate separation of duties as the cash office supervisor, who carries out daily reconciliations responsibilities included cash handling duties such as covering the front line counter at breaks, leave and sickness.						Closed and Verified		
	Follow up Testing									
	Follow up testing found daily banking files are now compiled by assistance accounts and peer reviewed by the cash office supervisor before the assistance accounts process the transactions into Agresso and/or ICON.									
5.	Email & Internet Controls - Digital	Reasonable Assurance	Limited Assurance	5	-	2	2	1	N/A	
	Scope of Audit:	Email encryption, account deletion requests, website allow requests, IT Policies and staff understanding.								
	Summary of Follow Up:	Significant process has been made on the risks identified in the original audit report. One high risk, two medium risks and one low risk improvement exceptions have been closed and verified due to the agreed actions being fully implemented. One high risk, relating to account deletion requests, is in progress with significant improvements having been made.								
	Risk	Original Issue						Status		

	Project Name	Follow Up Opinion	Original Opinion	Total Number of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
	High	The first high risk related to 5/9 employees being unaware of how to encrypt emails or password protect documents.						Closed and Verified	
	Follow up Testing								
	Follow up testing reviewed the new email encryption options available to staff. Testing found the new options were communicated to all relevant staff and the send secure button is prominently featured when sending outlook emails.								
	High	The second high risk related to it taking on average 59.04 days to get an ex-employees account deleted after they left the authority. Furthermore, testing evidenced two cases were the individuals accessed their accounts after their leave date.						In Progress	
	Follow up Testing								
	Follow up testing found significant progress had been made in the time taken to delete an account after an employee leaves the authority. Testing found from a sample of 10 requests, the time taken to delete the account was on average 33.1 days (down from 59.04). However 10 requests were not submitted for employees who had left the authority and one accessed their account 42 days after leaving.								
	Medium	The first medium risk related to 10/15 employees not having read an IT Policy for over a year.						Closed and Verified	
	Follow up Testing								
	Follow up testing found that there is now a central area for IT policies and they were found to be precise and easily accessible. Furthermore, the updated induction checklist includes a prompt for managers to provide information on corporate standards for IT and all relevant policies.								
	Medium	The second medium risk related to website allow access requests taking 20.83 days to be completed and 6/14 had been authorised incorrectly.						Closed and Verified	
	Follow up Testing								
	Follow up testing found the time taken to complete requests had fallen to 4.55 days and all requests had been authorised correctly.								
	Low	The low risk related to 14/16 IT policies having missed their review dates.						Closed and Verified	
	Follow up Testing								
	Follow up testing found that all policies have been incorporated into four information technology policies which had been reviewed.								

Audits in Draft Report Stage

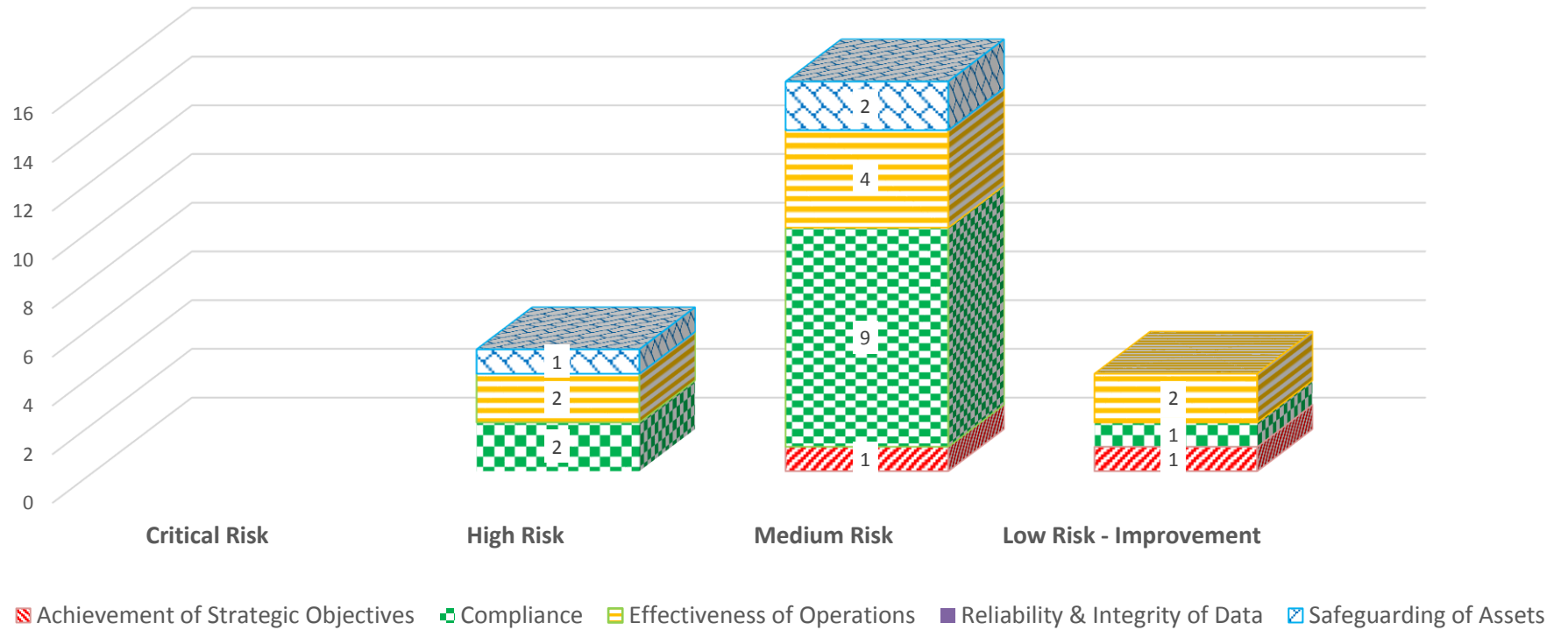
	Project Name	Hub	Project Status	Draft Since	Projected Reporting Date	Revised Reporting Date	Comments
1.	Pest Control	Operational (SD Transactional & Universal)	Draft Report	12/10/2018	November 2018	February 2019	This audit spans three different service areas and therefore required several different meetings to close down the report. It is expected to be issued at the start of November.
2.	Project Governance	Strategy (SD Finance & Commercialisation)	Draft Report	26/10/2018			
3.	Land Charges	Strategy (SD Legal & Governance)	Draft Report	26/10/2018			
4.	Community Funerals	Operational (SD Transactional & Universal)	Draft Report	19/10/2018			

Audits in Progress

	Project Name	Hub	Project Status	Delays	Projected Reporting Date	Revised Reporting Date	Comments
1.	Care Leavers	Operational (SD Children and Families)	Work in Progress	Yes (See Comments)	November 2018	TBC	This item of work is on hold pending implementation of the Council's internal action plan, following the recent Ofsted inspection.
2.	Family Matters Grant	Operational (SD Children and Families)	Work in Progress	None	April 2019	April 2019	This is a claim verification, which is required on a quarterly basis. Therefore this will remain 'work in progress' until the end of year.
3.	Access Controls	Operational (SD Digital & Business Ops)	Work in Progress				
4.	Early Years	Operational (SD Children and Families)	Work in Progress				
5.	Building Control	Operational (SD Growth)	Work in Progress				
6.	IT Procurement, Inventory and Disposal	Operational (SD Digital & Business Ops)	Work in Progress				
7.	Tower Blocks	Operational (SD Growth)	Work in Progress				
8.	Purchase Cards	Strategy (SD Finance & Commercialisation)	Work in Progress				
9.	Schools (Mount Pleasant)	Operational (SD Children and Families)	Work in Progress				

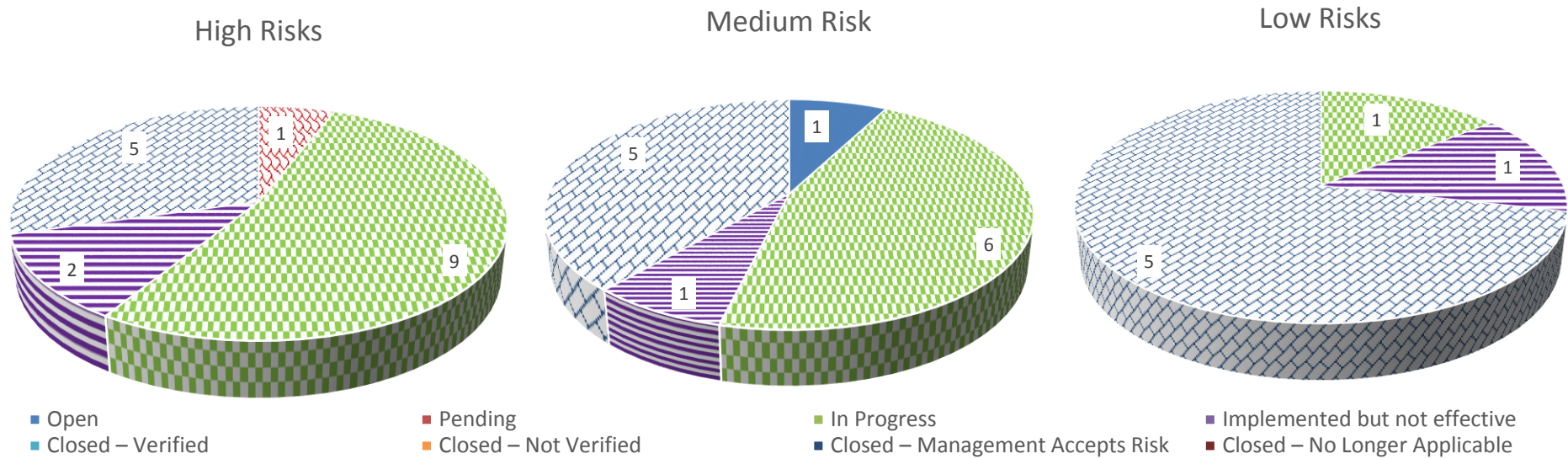
	Project Name	Hub	Project Status	Delays	Projected Reporting Date	Revised Reporting Date	Comments
10.	Child Sexual Exploitation & Missing Persons	Operational (SD Children and Families)	Work in Progress				
11.	Leaseholder Charges	Operational (SD Adults Housing & Communities)	Work in Progress				
12.	Regeneration Projects	Operational (SD Growth)	Work in Progress				
13.	Planning	Operational (SD Growth)	Work in Progress				
14.	Children in Need	Operational (SD Children and Families)	Work in Progress				
15.	Apprenticeships	Strategy (SD HR & Organisational Development)	Work in Progress				

Exception Analysis to date



	Achievement of Strategic Objectives	Compliance	Effectiveness of Operations	Reliability & Integrity	Safeguarding of Assets	Total
Critical Risk						0
High Risk		2	2		1	5
Medium Risk	1	9	4		2	16
Low Risk - Improvement	1	1	2			4
Grand Total	2	12	8	0	3	25

Follow Up Analysis



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	Open	Pending	In Progress	Implemented but not effective	Closed – Verified	Closed – Not Verified	Closed – Management Accepts Risk	Closed – No Longer Applicable
Critical Risk								
High Risk		1	9	2	5			
Medium Risk	1		6	1	5			
Low Risk			1	1	5			
Grand Total	1	1	16	4	15			

The Internal Audit Service follows up all audits where at least 1 high risk exception has been raised. These audits are followed up in the next financial year to allow for agreed actions to be sufficiently implemented. Any critical risk exceptions or No Assurance audits are followed up within 3 months due to the potential severity of the risks identified. The overall position of the exceptions followed up currently through 2018/19 shows that 41% have been closed and verified by audit, however 59% remain open and or are in progress.

DECISION-MAKER:		GOVERNANCE COMMITTEE	
SUBJECT:		EXTERNAL AUDIT – ANNUAL AUDIT LETTER 2017-18	
DATE OF DECISION:		12 NOVEMBER 2018	
REPORT OF:		EY LLP (EXTERNAL AUDITOR)	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Helen Thompson	Tel: 02380 382099
	E-mail:	HThompson2@uk.ey.com	
Director	Name:	Mel Creighton	Tel: 02380 834897
	E-mail:	Mel.creighton@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>The National Audit Office’s Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body. The annual audit letter summarises key findings from across the range of the auditor’s work and responsibilities under statute and the Code. It covers the work carried out by auditors since the previous letter was issued. It provides a clear, readily understandable commentary on the results of the auditor’s work and highlights any issues that the auditor wishes to draw to the attention of the public. The annual audit letter is a public facing document and is written for a wider audience because it must be published by the audited body.</p>			
RECOMMENDATIONS:			
	(i)	To note the Annual Audit Letter 2017-18 as attached Appendix 1.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	The National Audit Office’s Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	See ‘brief summary’ section and appendix 1.		
RESOURCE IMPLICATIONS			
<u>Capital/Revenue</u>			
4.	None.		
<u>Property/Other</u>			
5.	None.		

LEGAL IMPLICATIONS	
Statutory power to undertake proposals in the report:	
6.	Audit work is undertaken in accordance with the requirements of the Local Audit & Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments Ltd, auditing standards and other professional requirements.
Other Legal Implications:	
7.	None.
RISK MANAGEMENT IMPLICATIONS	
8.	None.
POLICY FRAMEWORK IMPLICATIONS	
9.	None.
KEY DECISION?	No.
WARDS/COMMUNITIES AFFECTED:	None directly.
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Annual Audit Letter for the year ended 31 March 2018.
Documents In Members' Rooms	
1.	None.
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.	No.
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No.
Other Background Documents	
Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None.

Southampton City Council

Annual Audit Letter for the year ended 31 March 2018

August 2018

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The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the letters.

Building a better working world

Appendix 1

Agenda Item 12

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Focused on your future



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated 23 February 2017)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Southampton City Council following completion of our audit procedures for the year ended 31 March 2018. Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's: ▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2018 and of its expenditure and income for the year then ended.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We had the following matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources.
Page 180	Our review of the Council's arrangements found the Council has an appropriate procurement and contracting framework. However, there is non-compliance with this framework, with the most significant issues being caused by staff failing to engage with the central procurement team. This includes breaches of both legislation and internal regulations. The consequence of such breaches could include challenge from suppliers, reputational damage to the Council and value for money not being achieved. We conclude that the Council should put central arrangements in place to monitor and enforce compliance with procurement and contract procedure rules, with clear consequences for non-compliance.
	We issued an 'except for' conclusion: we are satisfied with your proper arrangements to secure economy, efficiency and effectiveness in its use of resources except for weaknesses in procuring supplies and services effectively to support the delivery of strategic priorities.
Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.

Executive Summary (cont'd)

Area of Work	Conclusion
<p>Reports by exception (continued):</p> <ul style="list-style-type: none">▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	<p>We did not receive a valid objection to the 2017/18 accounts from the public. However, we make the following observation.</p> <p>The notice of inspection of public rights was properly issued and the period of inspection ran from 9 May 2018 to 20 June 2018. During that period we received two calls from an individual experiencing difficulties in accessing the statement of accounts, initially because an incorrect contact number had been provided, and subsequently in receiving complete responses to the questions raised. The Council's final response to the questions posed was after the period of inspection rights had concluded. Management have explained that this was because they:</p> <ul style="list-style-type: none">• received follow up questions on 15 June 2018 and they could not turnaround responses to these in time; and• needed to consider the commercial sensitivity of some requests. <p>We received a formal objection on 6 July 2018. As this was outside the inspection period set out in the Accounts and Audit Regulations 2015, we were unable to accept this as an objection. However, we have taken the issues raised into account in our work on the financial statements and the value for money conclusion.</p> <p>The Council should ensure, in future, that its notice of inspection rights contains accurate and complete contact details; and should make very effort to respond to questions posed during the inspection period in sufficient time to allow members of the public to exercise their rights.</p>

Area of Work	Conclusion
<p>Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).</p>	<p>The work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack is ongoing. The deadline for completion of this work is 31 August 2018.</p>



Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 20 July 2018.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	We have not as yet issued our audit completion certificate. We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

In November 2018 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

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Helen Thompson

Associate Partner

For and on behalf of Ernst & Young LLP



02 Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2017/18 Audit Results Report to the July 2018 Governance Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan that we issued in February 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

Expressing an opinion:

- ▶ On the 2017/18 financial statements; and
- ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the NAO.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the Annual Governance Statement, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



03

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health. We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 31 July 2018. Our detailed findings were reported to the July 2018 Governance Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Misstatements due to fraud or error</p> <p>Page 108</p> <p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business</p>

Significant Risk	Conclusion
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.</p> <p>We respond to this risk by reviewing and testing areas of risk which we assessed to be contract guarantees.</p>	<p>Our testing has not identified any material misstatements from revenue and expenditure recognition.</p> <p>Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Council's financial position.</p>

Financial Statement Audit (cont'd)

Other areas of audit focus	Conclusion
Property, Plant and Equipment Valuation	<p>With the exception of one finding, our work on this estimate concluded that the methodology and assumptions used by the Council gave rise to materially accurate estimates of property values.</p> <p>Our only finding was that Studio 144 was incorrectly classified as an Investment Property when it should have been classified as Property, Plant and Equipment (PPE). This reclassification to PPE meant that Studio 144 had to be revalued on a different basis. The revised valuation is based on the replacement cost of the asset rather than the income stream it generates. This increased the asset valuation from £0.3m to £30.4m. The Council amended the financial statements to correct this issue.</p>
Pension Liability Valuation	<p>Our work on this estimate concluded that the methodology and assumptions used by the Council give rise to a materially accurate estimate of the pension liability.</p> <p>Our work identified one matter that we reported. For timing reasons, the actuary estimates the value of the pension fund assets at 31 March 2018. This estimate was approximately £31 million lower than the actual pension fund assets held at 31 March 2018. Southampton City Council's share of this variance was £3.7m, meaning that the pension liability was overstated by this value. We agreed with management's assessment not to adjust the accounts on the basis that this matter was not material.</p>
Private Finance Initiative (PFI) accounting	<p>Our work on this estimate concluded that the methodology and assumptions used by the Council give rise to a materially accurate accounting entries</p> <p>Our work identified two matters that we reported relating to PFI Schools and PFI Street Lighting. These matters were of a technical accounting nature and neither impacted the Council's General Fund balance or any other measure of the Council's financial viability.</p>

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Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £13.3 million (2016/17: £12.6 million), which is 2% of gross revenue expenditure reported in the accounts.</p> <p>We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p>
Reporting threshold	We agreed with the Governance Committee that we would report to the Committee all audit differences in excess of £0.64 million (2016/17: £0.63 million)

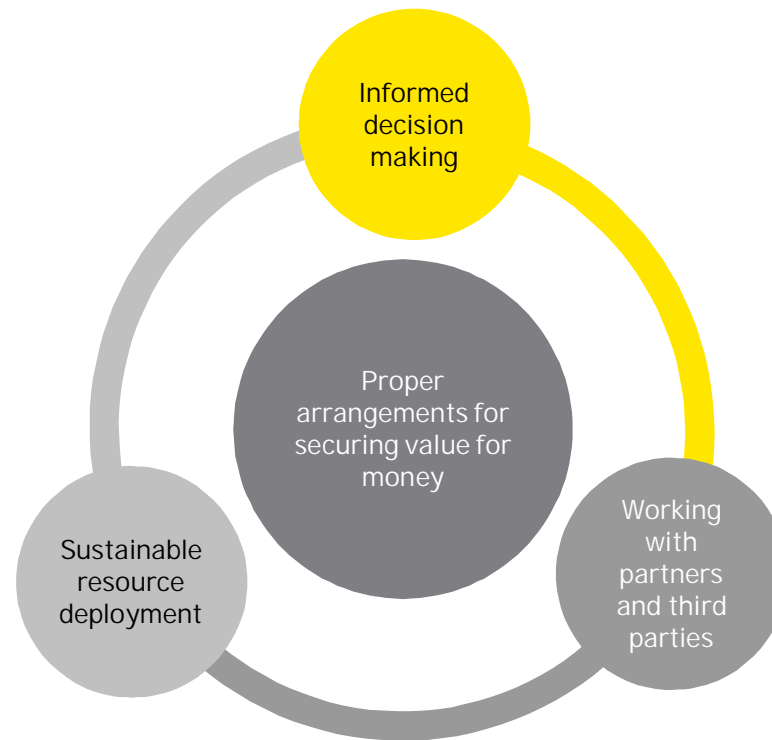


04 Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.



We identified two significant risks relating to these arrangements.

In relation to these risks, we had the following matters to report about the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources:

- we were satisfied that the Council has appropriate arrangements in place to deliver the savings required to achieve its medium term financial strategy.
- our review of the Council's arrangements found the Council has an appropriate procurement and contracting framework in place. However, there was non-compliance with this framework, with the most significant issues being caused by staff failing to engage with the central procurement team. This included breaches of both legislation and internal regulations. The consequence of such breaches could include challenge from suppliers, reputational damage to the Council and value for money not being achieved. We concluded that the Council should put central arrangements in place to monitor and enforce compliance with procurement and contract procedure rules, with clear consequences for non-compliance.

We issued an 'except for' conclusion: we were satisfied with the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources except for weaknesses in procuring supplies and services effectively to support the delivery of strategic priorities.



05

Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

The work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack is ongoing. The deadline for completion of this work is 31 August 2018.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.



Other Reporting Issues (cont'd)

Objections Received

We did not receive a valid objection to the 2017/18 accounts from the public. However, we make the following observation.

The notice of inspection of public rights was properly issued and the period of inspection ran from 9 May 2018 to 20 June 2018. During that period we received two calls from an individual experiencing difficulties in accessing the statement of accounts, initially because an incorrect contact number had been provided, and subsequently in receiving complete responses to the questions raised. The Council's final response to the questions posed was after the period of inspection rights had concluded. Management have explained that this was because they:

- received follow up questions on 15 June 2018 and they could not turnaround responses to these in time; and
- needed to consider the commercial sensitivity of some requests.

We received a formal objection on 6 July 2018. As this was outside the inspection period set out in the Accounts and Audit Regulations 2015, we were unable to accept this as an objection. However, we have taken the issues raised into account in our work on the financial statements and the value for money conclusion.

The Council should ensure, in future, that its notice of inspection rights contains accurate and complete contact details; and should make very effort to respond to questions posed during the inspection period in sufficient time to allow members of the public to exercise their rights.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Governance Committee on 30 July 2018. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not specifically tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the Governance Committee.



06 Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 9 Financial Instruments	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> • How financial assets are classified and measured; • How the impairment of financial assets are calculated; and • The disclosure requirements for financial assets. <p>There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to:</p> <ul style="list-style-type: none"> • Reclassify existing financial instrument assets • Re-measure and recalculate potential impairments of those assets; and • Prepare additional disclosure notes for material items.
IFRS 15 Revenue from Contracts with Customers	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> • Leases; • Financial instruments; • Insurance contracts; and • For local authorities; Council Tax and NDR income. <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p>	<p>As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited.</p> <p>The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. The Council will need to consider the impact of this on their own group accounts should a trading company be consolidated.</p>



Focused on your future (cont'd)

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.</p>



07 Audit Fees

Audit Fees

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2018].

We confirm that we have not undertaken non-audit work outside the Public Sector Audit Appointments Ltd. (PSAA) Code requirements.

	Final Fee 2017/18	Planned Fee 2017/18	Scale Fee 2017/18	Final Fee 2016/17
	£	£	£	£
Total Audit Fee – Code work	154,557*	142,715	142,715	147,101
Non-audit work [Housing Benefit Subsidy grant claim]	TBC**	19,524	19,524	15,204
Total non-audit services	TBC	19,524	19,524	15,204

*The final fee for the 2017/18 account audit is still to be agreed with the Service Director of Finance and Commercialisation (s151 officer). The additional work related to:

- the matters giving rise to the anticipated 'except for' conclusion on the Council's proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- correspondence related to a formal objection; and
- involvement of an auditor's specialist in the audit of property valuations.

These will also need to be approved by PSAA.

** Our final fee for the 2017/18 HB certification will be reported to you in our Grant Claim Certification Report once the work is complete. The deadline for completion of this work is 30th November 2018.

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