

Merton Council

General Purposes Committee

Membership

Councillors

Peter McCabe (Chair)

Janice Howard (Vice-Chair)

Laxmi Attawar

Adam Bush

Tobin Byers

Stephen Crowe

Mary Curtin

Ian Munn BSc, MRTPI(Rtd)

David Williams

Agatha Mary Akyigyina

Substitute Members:

Stan Anderson

Michael Bull

Daniel Holden

Imran Uddin

A meeting of the General Purposes Committee will be held on:

Date: 4 November 2015

Time: 7.15 pm

Venue: Committee rooms D & E - Merton Civic Centre, London Road, Morden SM4 5DX

This is a public meeting and attendance by the public is encouraged and welcomed. For more information about the agenda and the decision making process contact democratic.services@merton.gov.uk or telephone 020 8545 3616.

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General Purposes Committee

4 November 2015

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Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

Agenda Item 3

GENERAL PURPOSES COMMITTEE 16 SEPTEMBER 2015

(19.15 - 21.06)

PRESENT Councillors Peter McCabe (in the Chair), Janice Howard, Laxmi Attawar, Tobin Byers, Ian Munn BSc, MRTPI(Rtd) and Agatha Mary Akyigyina

ALSO PRESENT Councillors

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from: Councillors Adam Bush, Stephen Crowe, Mary Curtin and David Williams.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

No declarations of interest were made.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The Minutes of the meeting held on 25 June 2015 were agreed as a correct record.

4 AUDITED FINAL ACCOUNTS 2014/ 2015 - INCLUDING THE EXTERNAL AUDITORS REPORTS ON THE COUNCIL AND PENSION ACCOUNTS (Agenda Item 4)

The Director of Corporate Services presented the report jointly with Council's External Auditors, which detailed the Council's Statement of Accounts, including the Pension Fund Accounts for 2014-2015. It was noted that the report included the external Auditor's reports and letters of representations on the Council and Pension Accounts respectively. Members were reminded that they had seen the draft accounts at their last meeting in June. Also they were informed that the pension fund account had been before the Pension Fund Advisory Committee for scrutiny and they had no further comments. It was noted, as requested by the Committee, that the summary of the accounts was now included at the front of the Statement of the Accounts.

In considering the external Auditor's results letters/reports, on the Council's Accounts, it was noted that the Auditors, were issuing an unqualified opinion on the accounts. A further unqualified opinion was issued in terms of the Council's approach to Value for money, namely in terms of securing economy, efficiency and effectiveness in use of resources.

The Members sought clarity on a number of issues within the report which included

- the level of useable reserves and what they were incorporating,
- seeking the reason why in the Statement of Account, it implies that there was a significant pension deficit, which seemed to be slightly at odds with the level of 'funded' pension shown within the Pension Fund Accounts.
- on the constancy of short term debtors

In respect on the Pension Fund, Members were informed that in 2013 when the last Pension Fund valuation occurred the Council's fund was ranked 9th best funded account out of 99 across the country.

RESOLVED

That General Purposes Committee

1. approves the audited Statement of Accounts, including the Pension Fund Accounts.
2. notes any comments made by the Pensions Fund Advisory Panel in relation to the Pension Fund Accounts.
3. notes Ernst and Young's Draft Audit Results Report for the Council's Pension Fund accounts under the International Standard on Auditing (ISA) 260.
4. notes Ernst and Young's Final Audit Results Report for the Council's Statement of Accounts under the ISA 260.
5. approves that the Chair signs the Statement of Responsibilities in the Council's Statement of Accounts.
6. approves that the Chair signs the Letter of Representation for the Council's 2014/15 Statement of Accounts.
7. approves that the Chair sign the Letter of Representation for the Council's 2014/15 Pension Fund accounts.

5 INTERNAL AUDIT PROGRESS REPORT (Agenda Item 5)

The Head of Internal Audit and Investigations presented the report which provided the regular update on work carried out by the Internal Audit team up until September 2015, as well as detailing the planned work for the remainder of the year. It was noted that there had been 26 audit reports completed since the Committees last report in March of 2015 and of those reports 7 had been issued with limited assurance. Detail of the limited assurance reports were set out in Appendix B to the report.

To gain a greater depth of understanding and scrutiny of what had been done to address the issues identified within the 7 limited reports, the Chair of the General

Purposes Committee invited key officers responsible for each the areas to address the committee and answer their questions:

- I-Trent – Joint Head of Human Resources commented that one of the key problems has been recruiting a manager with appropriate technical experience to manager the team and to take forward the issues raised by the audit. Headway had been made on improving recording of processes and it would be completed by the end of the year. The Committee asked that it be recorded that there would be no circumstances where it would be acceptable that I-Trent received a limited assurance next year.
- Disabled Facility Grant – Head of Assessment and Commissioning, confirmed that the Council does now have formal agreements in place with the providers and now they were working on a revised model, leading to a tender process for the DFG's payments. It was acknowledged that one of the delays in tackling the issues raised by the audit, related to the service switching between different directorates within the Council.
- Treasury Management – Assistant Director for Resources, confirmed that all the recommendations made by the report would be implemented by the end of the year. Also to ensure greater resilience improved processes will be created and additional people trained within finance to support and cover the treasury management function, when necessary.
- Supporting People – Head of Assessment and Commissioning stated that she held her hands up over the retendering process issues and confirmed that a new procurement task group was being set up to address this matter. She confirmed that it would not be back before the committee in next year's report.
- Block and Spot Contracts – Head of Assessment and Commissioning, stated she actually welcomed the finding of the audit as it highlighted changes and improvement needed within the service. She confirmed to Members that the Block and Spot would not be back before the committee in next year's report.
- DBS – Joint Head of Human Resources confirmed that the new e-recruitment system was now in place and that would ensure that it would not be possible for the key issues raised in the audit report to occur again.
- Transport Fleet Management – Transport Services Manager confirmed that historically processes were not as tight as they should have been, especially over procuring vehicles. Now all the Council vehicles were on the fleet list and a new process for procuring a new vehicle has been established. In response to the question as to whether it would be returning next year, Members were told, that there was every intention, that it would not, but it could not be guaranteed, due to the historic nature surrounding the issue.

In concluding the discussion the Chair on behalf of the Committee requested that a response, from the Chief Executive and the Corporate Management Team be sought, within the next update Internal Audit Report in March 2016, with specific proposals on

how they will ensure that services do not have limited assurance reports for two years running.

RESOLVED:

That General Purposes:

1. notes the report and comments upon matters arising from the Internal Audit Progress Report
2. notes the progress of the South West London Fraud Partnership and the Shared Internal Audit Service.

6 VEHICLE MAINTENANCE FOLLOW-UP AUDIT REVIEW (Agenda Item 6)

The Head of Internal Audit and Investigations presented the requested report. Members were reminded of the background that in September 2014 internal audit was carried out on vehicle maintenance report and the related final audit report was issued with limited assurance and contained 30 recommendations of which 12 were high, and 16 medium priority.

Members were then informed that a follow up review had recently taken place focusing on how the 30 recommendations had been addressed. To date, 25 of the recommendations had been implemented with remaining 5 now ongoing and the audit option as a result had been upgraded to satisfactory assurance.

The Transport Services Manager and the Head of Street Scene and Waste answered a number of questions on how the service had changing to tackles the problems identified. The issues that were raised included:

- Why had the original management structure allowed the clear mistakes to occur?
- Were there still elements of servicing being outsourced, even though the related equipment had now been purchased and why
- Confirmation that processes both internally and externally, had been put in place to ensure that no conflict of interest in terms of use of outsourced or tendered services.

Members noted that the original audit had been requested by the service, due to senior officers concerns. The Transport Services Manager also asked that her thanks be recorded for the help of the audit team, in addressing the serious issues that were found.

RESOLVED

That the General Purposes Committee notes the progress made in response to the recommendations on the Vehicle Maintenance report

7 SHARED SERVICE ARRANGEMENTS (Agenda Item 7)

The Assistant Director of Business Improvement presented to Members the requested report which provided details of the shared services that the Council was involved in. The table included, which other councils were involved in the shared service, the practical arrangements and the governance arrangements.

In considering the report Members were pleased with having all the information about shared services in one clear format. They requested, for the benefit of all Members that the table within the report be published on the intranet and that the name of lead contact officer and their contact information, for each of the shared service be included in the table. The Committee also requested that the online table be a rolling document and updated as further joint services were formed. The Committee asked that they be kept updated on any new shared service including their governance arrangements, so they could consider if they required more information on that newly formed service and whether it should be brought before the Committee.

RESOLVED

That the General Purposes Committee:

- 1) noted and welcomed the report
- 2) requested that the table be published on the intranet update with contact information of the leader officer for each service, and
- 3) be kept update with an further shared service including their governance arrangements that are established.

8 WORK PROGRAMME (Agenda Item 8)

RESOLVED

That the General Purposes notes its scheduled work programmed.

9 EXCLUSION OF PUBLIC (Agenda Item 9)

RESOLVED

That the public were excluded from the meeting during consideration of the following reports on the grounds that they were exempt from disclosure for the reasons stated in the reports.

10 REPORT ON THE USE OF TEMPORARY WORKERS AND CONSULTANTS (Agenda Item 10)

The Joint Head of Human Resources presented the update report on the Council's use of temporary workers and consultants and the various approaches being used to mitigate of the use of such temporary staff. Members were informed that senior HR officer now regularly attended directorate management meetings to work with senior

officers to look at their staffing requirements and seek justifications over the current use of consultants and temporary workers. Also at those meeting HR officers challenge the use of long term temporary staff. Members were pleased to learn that since their last update there had been a 7% reduction in the use of non-permanent staff, and questioned if there was a justification for a permanent officer instead.

It was noted that the report included a small set of benchmarking data on the Council's expenditure on agency workers compared to the London Council's research as detailed in paragraph 3.3 of the report. In response to the benchmarking Members requested three further sets of data comparing our expenditure on agency workers against other London Councils be sought in respect of Council's gross expenditure, work force size and per capita comparison.

Members noted that it was helpful that the report's appendices had been printed in A3 and asked that this continued. They also asked that the graphs be redesigned so that when there were printed in black and white the graph and its key were readable.

RESOLVED

The General Purposes Committee:

- 1) noted the report and
- 2) requested a further update report for its meeting scheduled for 10 March 2016, with
 - the appendices to be printed in A3
 - redesigned graphs so they are readable in black and white, and
 - the requested benchmarking data

Committee: General Purposes Committee

Date: 4th November 2015

Agenda Item

Wards: Village, Raynes Park, Cannon Hill

Subject: Review of Polling Places

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Mark Allison

Contact officer: Andrew Robertson, Head of Electoral Services

Recommendations:

- A. That the General Purposes Committee recommends that the full council agrees the designation of Christ Church as the polling place for polling district KB in Village Ward and polling district LA in Raynes Park Ward.
 - B. That the General Purposes Committee recommends that the full council makes no change to the polling place for polling district SD in Cannon Hill Ward.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 A new polling place is required in Village Ward and Raynes Park Ward due to the loss of the currently designated building.
- 1.2 The Committee is also asked to consider whether Hillcross Primary School should remain as the designated polling place for polling district SD in Cannon Hill Ward in light of a recent consultation.

2 DETAILS

- 2.1 **Village Ward and Raynes Park Ward:** The current polling place for polling district KB in Village Ward and polling district LA in Raynes Park Ward is the Christchurch Hall, 2 Cottenham Park Road. This building is due to be demolished in early 2016 with a new community building being built in its place. Christ Church, which is adjacent to the Christchurch Hall, has adapted the rear of the church for use as a meeting place and is agreeable to this area being used as a polling place. The church has also agreed that no services would be held on polling day and that the venue would be used exclusively for polling purposes. Following a site visit the church has been assessed as meeting the requirements of a polling place. It is adjacent to the church and so is well known to electors, has step free access, and sufficient space for two polling stations. This proposal would involve the minimum of disruption to electors.
- 2.2 **Cannon Hill Ward:** The current polling place for polling district SD is Hillcross Primary School on Ashridge Way. There is currently some opposition from parents who have children at the school to the school being used as a polling place, because Hillcross Primary School is required to close on polling day. Due to building works, there were also some accessibility issues for electors

when the school was used at the general election in May 2015. After the election, the Cannon Hill Ward councillors received some complaints about the use of Hillcross Primary School as a polling station, and as such requested that the polling place be reviewed ahead of the next scheduled elections in 2016.

3 ALTERNATIVE OPTIONS

- 3.1 **Village Ward;** In Village Ward, the Westside Lawn tennis club is located over the road from Christ Church at 20 Woodhayes Road, SW19 4RF. Following a site visit, the tennis club was not judged to be as suitable a venue as the Church. The polling station would be located in the clubhouse, which is accessed through quite a long walk past the tennis courts. The clubhouse does not have level access, and entry is up two fairly steep steps. The clubhouse would also remain open on polling day to club members and contains a bar. However the polling station would be separated from the main clubhouse by wooden screen doors.
- 3.2 **Raynes Park Ward;** The Norwegian school is located on the other side of polling district LA at 28 Arterberry Road, SW20 8AH. Following a site visit, the school office staff were helpful and were cautiously positive about the school making itself available as a polling station. However, the school did have some access issues. Access to the main building is up an unlit 50 metre uphill driveway, and the building itself does not have level access. There is also the issue of separating the public from the children at the school; this would be very difficult and in all likelihood the school would probably have to close if it were to be used as a polling station. The school is not under local authority control so the final decision on whether it could be used would be entirely up to the Head Teacher.
- 3.3 **Cannon Hill Ward;** The alternative to Hillcross Primary School being used as a polling place is the Central Ward Residents and Sports Club, also on Ashridge Way. In 2012 the Central Ward Residents and Sports Club was proposed as an alternative polling station for polling district SD, but it was the view of the council and the Returning Officer that Hillcross Primary School should remain the designated polling place.
- 3.4 In 2012, the Cannon Hill Ward councillors were firmly against the proposal despite the disruption caused to the school and to parents. They saw the school as a longstanding historic polling place, which is easily accessible to voters from both the Ashridge Way and Monkleigh Road sides of the school. They believed that if the polling place moved to the Central Ward Residents and Sports Club, the school would form a barrier for those on the western side of the polling district and turnout on that side may suffer.
- 3.5 The location of the club is in Ashridge Way, almost opposite the driveway to the school. The club has been inspected and its management have been helpful in enabling the building to be used by the local community for polling purposes. The club has also indicated that it will be willing to close to patrons

on election day, so that the sole use will be for polling purposes. The club also has ample parking facilities.

3.6 The main advantage of using the Central Ward Residents and Sports Club is that Hillcross Primary School would no longer have to close to serve as a polling place, which would avoid disruption for parents and pupils. However, the club does have some disadvantages:

- The building is approached by an unlit 40 metre driveway into an unlit car park. The driveway would have to be illuminated by temporary lighting.
- Access into the polling station room would be by a shallow permanent ramp and surround that has some wear and tear. A wooden ramp would also need to be constructed to get over the lip in the doorway.
- This door to the polling station would remain open, with any party tellers having to remain outside.
- The club can only be accessed by Ashridge Way, whilst the school can be accessed by Ashridge Way and Monkleigh Road on its opposite side.

4 CONSULTATION UNDERTAKEN AND OUTCOMES

4.1. **Village Ward and Raynes Park Ward;** all councillors for both Wards have been consulted and are in agreement with the proposal to designate Christ Church as the polling place for polling district KB in Village Ward and polling district LA in Raynes Park Ward in lieu of the Christ Church Hall.

4.2. Political party agents have also been consulted on the proposal. Both the Labour and Conservative group are in support designating the Church as the polling place.

4.3. It is the view of the Returning Officer that the General Purposes Committee recommends that the full council agrees the designation of Christ Church for polling district KB in Village Ward and polling district LA in Raynes Park Ward, until the Christchurch Hall has been rebuilt.

4.2 **Cannon Hill Ward;** Electoral Services conducted a consultation exercise with members of the public on whether the school should continue to be used as a polling place. The consultation was open from 14 September to 9 October and was published on the Electoral Services and Consultations pages of the council website. The Cannon Hill Ward councillors also publicised the consultation to their e-mail list of residents. The survey was completed by 19 people, with the majority of respondents being parents who have a child at the school.

- Only 6 people completing the survey had visited the school as a voter. All respondents reported that they were satisfied with the facilities at the school as a polling station, however 2 of those respondents commented on the disruption to parents caused by the school being used.

- In answer to the question: 'Should Hillcross Primary School be used as a polling station?' 4 people answered yes and 11 people answered no.
- Looking at the comments giving reasons for the decision, it is clear that the people against the use of the school are the parents of children at the school and most do not visit the school in order to vote.
- Two comments are in support of the school being used.

Detailed responses to the Hillcross Primary School consultation can be found in Appendix C.

- 4.3 The Cannon Hill Ward councillors and political party agents have also been consulted on whether to continue to use Hillcross Primary School as a polling place for polling district SD.
- 4.4 It is the view of the Cannon Hill Ward councillors that whilst it would be preferable to avoid using a school as a polling station that is required to close on election day; the primary concern needs to be whether the electors in the polling district will be adversely affected if the polling station were to be moved. Therefore, whilst being sympathetic to the consultation responses of parents who have children at the school, it is their view that the polling place should remain at the school as that is the most convenient option for the majority of electors in the polling district.
- 4.5 The Merton Conservative Group is against the proposal to move the polling place from Hillcross Primary School to the Central Ward Residents and Social Club. Whilst they acknowledge the inconvenience for parents and hope that an arrangement can be made where the school can remain partly open, they state that:
- Hillcross Primary School is the longstanding historic polling station for this polling district and is well known and recognised in the local community. No compelling argument is being made as to why a change is necessary, or how this will make voting easier for local residents
 - It is clear from the consultation results that there is no appetite for change among electors in polling district SD. The consultation only received 19 responses and there was no unanimous opinion overall. Moreover, amongst the 6 respondents who had visited the school to vote, satisfaction with the polling place overall was high, suggesting that the electors in SD are content with the existing arrangements.
 - The proposed alternative is further away from the centre of the polling district, and the current polling place (Hillcross Primary School) would create a barrier electors would have to walk a considerable distance around to reach.
 - Accessibility to Hillcross Primary School is significantly better than for the Central Ward and Residents Social Club, where temporary modifications would have to be made each time it was used as a polling station. These temporary modifications, along with the hire charge

levied by the social club, would undoubtedly prove more costly to the council than the £40 heating and hire charge that is levied by the school as a council owned building.

- 4.6 The school has also been consulted and it is their opinion that despite not wishing to lose any learning days, they accept that the school is a long standing polling place and they will not object to the school being used as a polling station for future elections.
- 4.7 It is the view of the Returning Officer that Hillcross Primary School should be retained as the polling place for polling district SD.
- 4.8 Building works at the school have now been completed so accessibility will not be an issue for future elections. The Central Ward Residents and Social Club has less than ideal access, with adjustments needing to be made if it was to be used on polling day. The school is also in a more advantageous location in the centre of the polling district, with access via Ashridge Way to the east of the polling district and Monkleigh Road to the west.
- 4.9 The response to the consultation on whether Hillcross Primary School should remain as a polling station was very low, and was also split. Only 11 respondents voted against the school being used as a polling station, with 4 people voting for the school to remain as the polling place. Most of the respondents who did not want the school to be used were not voters at the school. Of those respondents who had used the school as a polling place, all were satisfied with the facilities.
- 4.10 As a result of the split response to the consultation and the low numbers of people responding as a whole; moving the polling station into the Central Ward Residents and Social Club risks causing confusion for, or inconveniencing, the majority of voters in the polling district, (around 2150) based on the opinion of a very small number of respondents, the majority of which are not electors at the polling place.
- 4.11 Taking all the above factors into account, the Returning Officer therefore recommends that the council makes no change to the polling place for polling district SD in Cannon Hill Ward.

5 TIMETABLE

- 5.1 The Council meeting on 18th November must make the decision on these proposals so that all polling districts have a designated polling place for the elections on 5th May 2016.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 Provision for the hire of buildings for use as polling places is included within the budget for the elections to be held on 5th May 2016. It is estimated that the proposal to use the Central Ward Residents Club would add around £500 extra cost to the election budget in 2016. This would consist of additional accommodation costs of using a building not funded out of the public purse.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1 The Council has a duty under the Representation of the People Act 1983 (RPA 1983) to divide its area into polling districts for parliamentary and local government elections, to designate a polling place for each polling district, and to keep these under review. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000¹ list section 18 of the RPA1983 as one of the functions that are not to be the responsibility of an authority's executive. This function has not been specifically delegated by the Council.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 Under section 149 of the Equality Act 2010 it is the duty of a public authority in the exercise of its functions to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
 - Advance equality of opportunity between people who share a protected characteristic and those who do not;
 - Foster good relations between people who share a protected characteristic and those who do not.

Having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics;
 - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people;
 - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 8.2 In providing services and access to them the Council is required by law to make reasonable adjustments in order to avoid discriminating against disabled persons. When considering what adjustments should be considered as reasonable the council is required to have regard to the relevant code of practice. The following are some of the factors to be taken into account when considering what is reasonable:
- Whether taking any particular steps would be effective in overcoming the substantial disadvantage that disabled people face in accessing the services in question;

¹ SI 2000/2853

- The extent to which it is practicable for the service provider to take the steps;
 - The financial and other costs of making the adjustment;
 - The extent of any disruption which taking the steps would cause;
 - The extent of the service provider's financial and other resources;
 - The amount of any resources already spent on making adjustments; and
 - The availability of financial and other assistance.
- 8.3 The right to free elections forms part of Article 3 of Protocol 1 of the Human Rights Act 1998. Any resident is entitled to vote, if qualified by age and nationality, and if not subject to any other legal incapacity.
- 8.4 As indicated above, the principles have been followed of seeking to ensure that all electors have such reasonable facilities for voting as are practicable in the circumstances, and seeking to ensure that so far as is reasonable and practicable every polling place is accessible to electors who are disabled. There is a commitment to ensure that all polling places are accessible.
- 8.5 The aim of enhancing community cohesion and engagement would be expected to be achieved by the principles in 8.1 and 8.2 through promoting democratic engagement by seeking to make voting in person as easy as possible for residents of all communities.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1 Integrity plans are maintained for elections. These involve working closely with Merton Police on operational matters, together with liaising with the Metropolitan Police Service officer specifically delegated with responsibility for potential election offences.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 In reviewing polling places, the reasonable facilities for staff at polling stations during elections have been considered. The physical fabric of possible polling places has also been considered to reflect the need for members of the public to visit their polling station.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

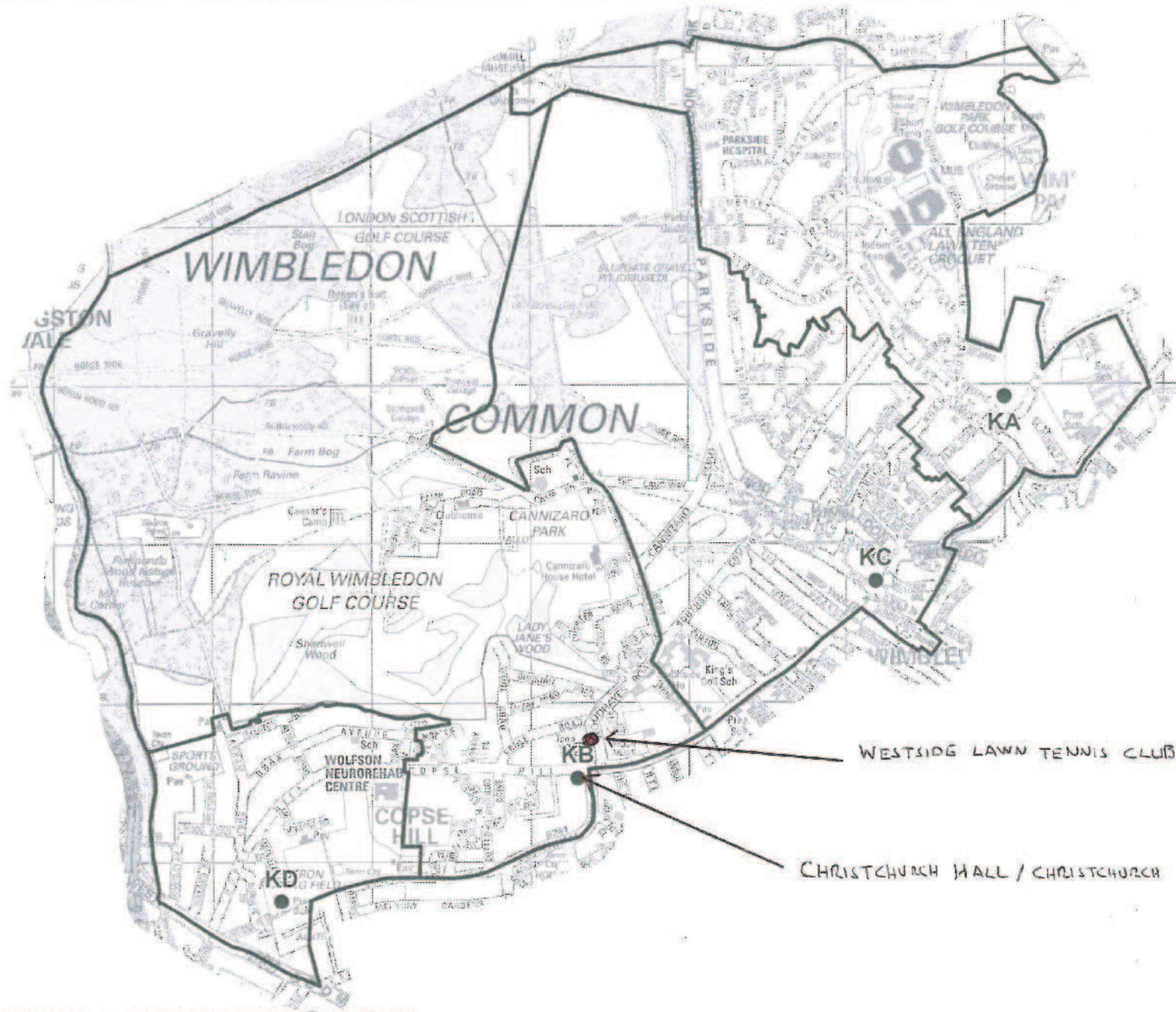
- a) Maps of Village Ward and Raynes Park Ward with location of Christ Church.
- b) Map of Cannon Hill Ward with location of Hillcross Primary School and Central Ward Residents Club.
- c) Detailed responses to Hillcross Primary School consultation.

12 BACKGROUND PAPERS

- Reports on polling stations made by Electoral Services staff, by presiding officers and polling station inspectors at past elections.

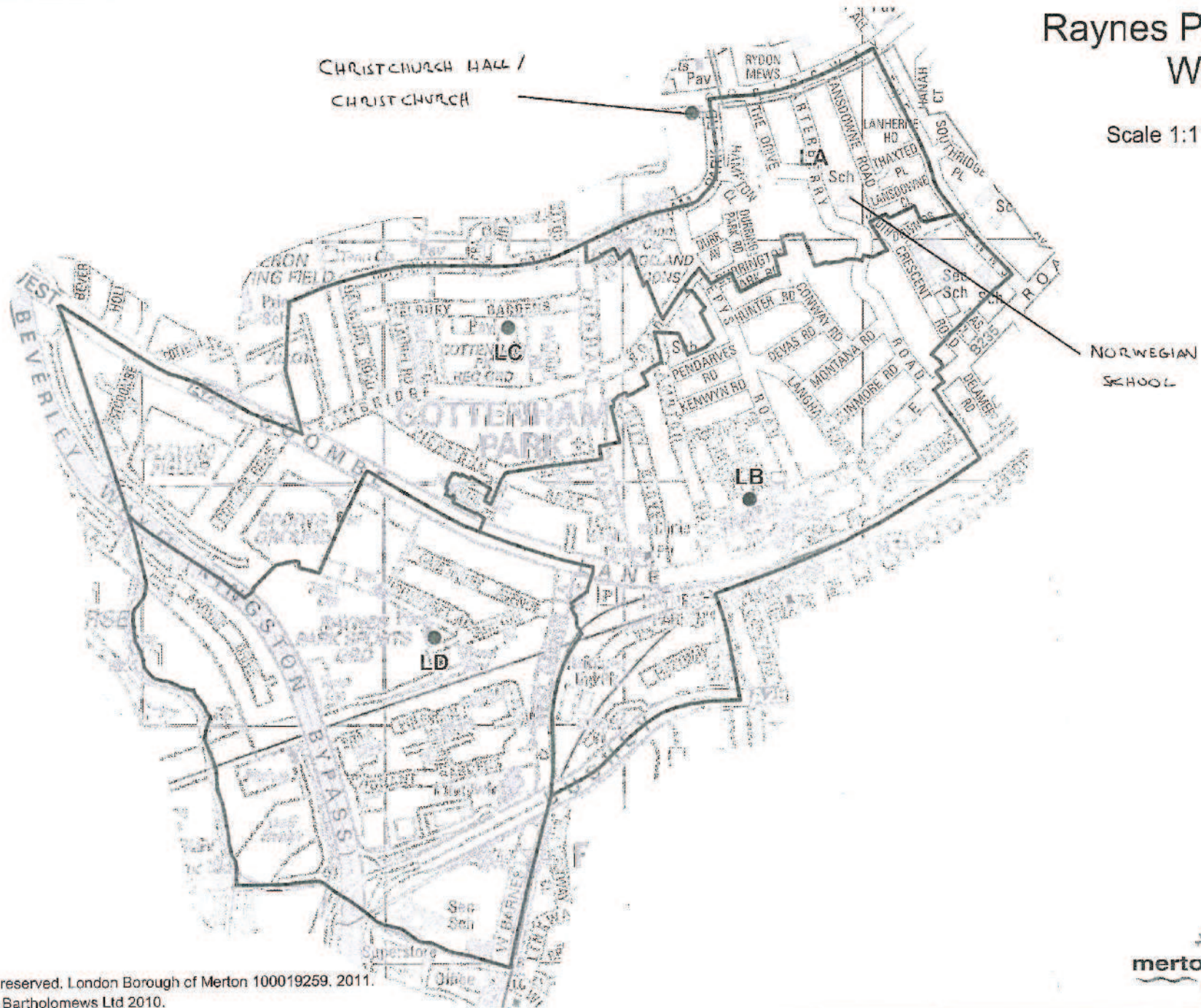
Village Ward

Scale 1:17,500



Raynes Park Ward

Scale 1:11,000



Cannon Hill Ward

Scale 1:11,000

CENTRAL WARD
RESIDENTS CLUBS

HILLCROSS
PRIMARY
SCHOOL



Crown Copyright. All rights reserved. London Borough of Merton 100019259. 2011.
Digital Map Data @ Collins Bartholomews Ltd 2010.

16 respondents accessed the campaign

Step 1:1.00-1:Who is completing

This multiple response question was answered by 16 respondents.

Response	Number of Respondents	Percentage of Respondents
I am an Elector who visits Hillcross Primary School to vote	4	25%
I am a parent who has a child at Hillcross Primary School	13	81.25%
Other	2	12.50%

Step 1:1.01-1:Please Specify

This open response (Free text) question was answered by 2 respondents.

Response	Number of Respondents
concerned voter	1
resident on Hillcross Avenue	1

Step 1:2.00-1:Have visited Hillcross

This single response question was answered by 16 respondents.

Response	Number of Respondents	Percentage of Respondents
Yes	6	37.50%
No	10	62.50%

Step 1:3.00-1:satisfaction with polling station (Step free access)

This single response question was answered by 6 respondents.

Response	Number of Respondents	Percentage of Respondents
Very satisfied	4	66.67%
Satisfied		
Neither satisfied or dissatisfied	1	16.67%
Dissatisfied		
Very dissatisfied		
Don't know	1	16.67%

Step 1:3.00-2:satisfaction with polling station (Parking)

This single response question was answered by 6 respondents.

Response	Number of Respondents	Percentage of Respondents
Very satisfied	4	66.67%
Satisfied		
Neither satisfied or dissatisfied	1	16.67%
Dissatisfied		
Very dissatisfied		
Don't know	1	16.67%

Step 1:3.00-3:satisfaction with polling station (Public transport links)

This single response question was answered by 6 respondents.

Response	Number of Respondents	Percentage of Respondents
Very satisfied	4	66.67%
Satisfied		
Neither satisfied or dissatisfied	1	16.67%
Dissatisfied		
Very dissatisfied		
Don't know	1	16.67%

Step 1:3.00-4:satisfaction with polling station (Location)

This single response question was answered by 6 respondents.

Response	Number of Respondents	Percentage of Respondents
Very satisfied	4	66.67%
Satisfied	1	16.67%
Neither satisfied or dissatisfied		
Dissatisfied		
Very dissatisfied		
Don't know	1	16.67%

Step 1:4.00-1:Currentpollingplacecomments

This open response (Free text) question was answered by 2 respondents.

Response	Number of Respondents
Everything about it is fine. My only objection is that with mor and more pupils attending it is no longer appropriate to disrupt a whole day of education and force the parents to seek alternative childcare arrangements for something that actually takes up so little space. You could put a portocabin on the playing field and still keep the school open!	1
It is very inconvenient to have the whole school shut down for voting: could it not be done e.g. in Martin Way Methodist Church's Hall which is pretty similar in terms of location, is a large and convenient space and could easily accommodate voting for the day?	1

Step 1:5.00-1:Should Hillcross be used?

This single response question was answered by 15 respondents.

Response	Number of Respondents	Percentage of Respondents
Yes	4	26.67%
No	11	73.33%
Don't know		

Step 1:6.00-1:Why used or not used

This open response (Free text) question was answered by 15 respondents.

Response	Number of Respondents
As a full time working parent i believe in is not appropriate for a school to close for children in random day of the week an parents left with not option/alternative but taking time. Surely there many more places that could be used for polling stations	1
As a working parent with children at the school i would prefer it not to be used as a polling station as it is causes childcare issues and im sure there are plenty of halls (including church halls) or centers that can be used instead	1
because schools are well known in the area they serve. It is well known that pooling stations are generally in local schools, churches or community halls.	1
Hillcross school is more a neutral venue and easier to access for residents in this ward. Moving it to a biased venue (central ward club) is an affront to democracy and should be refused.	1
Hillcross should not be used as a polling place as children are losing a days education each time the school is used as a polling station. That day is not made up for in the school calendar. If there are other viable possible venues that could be used as a polling station then I would rather Hillcross not be used for polling days.	1
I am a parent at Hillcross school and I object to the school being closed to become a polling station. As working parents it is hard enough through the year to cover school holiday and inset days. Closing a whole large school for polling as well is not acceptable to education or working life. Why should our children miss out on a days teaching, when parents are threatened with fines for keeping children out of school at all? With the increased size of the school for 3 form entry, this now has an even greater impact on the c.350 families in the school community. I understand that the nearby The Central Ward Residents and Sports Club, is a viable option instead. I'm sure previously considered issues of lighting in the car park, and ramp access can surely be accommodated or should be in place as health and safety factors, for a building that is open to members anyway ?	1

I don't believe that 500+ children should miss a whole day of their schooling for the purpose of voting. It is not only unfair on the children it is also extremely inconvenient and expensive for all working parents who need to make childcare arrangements.	1
I don't believe that any school should be closed for the day to be used as a polling station, education is precious. It also impacts working parents who have to take a day off work to cover the day that the school is closed.	1
It creates childcare problem for many parents. There are other places in Morden such as community halls, church halls etc that stay empty all day and can easily be used for that purpose. The school is growing and has more children than ever, so the disruption is greater and greater each year.	1
It is an extremely convenient location	1
It is in a very central location to many houses/properties	1
It seems very contradictory that Merton Council threaten to fine parents for taking their kids out of school due to the "loss of learning hours etc etc" yet somehow this gets forgotten when it suits the council ??? Hillcross have done the last few years but think now it's time to find another place	1
it's another day taken out of a child's education with extra cost and problems for the parents to find childcare.	1
Please see previous comment: shutting down the whole school is very inconvenient.	1
The polling station takes up one room. The use of this room disrupts the whole school and results in a loss of education and pushes childcare back onto the parents for this time. The school is too large now for this disruption to be considered acceptable.	1

Step 2:7.00-1:alternativevenueyesorno

This single response question was answered by 15 respondents.

Response	Number of Respondents	Percentage of Respondents
yes	7	46.67%
no	8	53.33%

Step 2:9.00-1:Alternaitvetype

This single response question was answered by 7 respondents.

Response	Number of Respondents	Percentage of Respondents
school		
church hall	1	14.29%
church		
community building	5	71.43%
other	1	14.29%

Step 2:9.01-1:Please Specify

This open response (Free text) question was answered by 1 respondents.

Response	Number of Respondents
Sports club	1

Step 2:10.00-1:Alternative owner

This open response (Free text) question was answered by 5 respondents.

Response	Number of Respondents
Church	1
Don't know but is already a polling station and is 300yards away from hillcross	1
Not sure. There also a Community Centre almost opposite Hillcross School on Ashridge Way.	1
residents / members? Here is the web link. Right oposite Hillcross School on Ashridge Way: http://www.central-ward.co.uk/	1
Unknown	1

Step 2:11.00-1:alternative suitable

This multiple response question was answered by 7 respondents.

Response	Number of Respondents	Percentage of Respondents
step free access	6	85.71%
parking	6	85.71%
public transport links	7	100%
is accessible for disabled voters	6	85.71%

Step 2:12.00-1:alternative other comments

This open response (Free text) question was answered by 7 respondents.

Response	Number of Respondents
It has a big hall	1
it is directly across the road from hillcross Primary school so would have the same catchment but choosing it as a venue would disrupt far less people / families than are currently disrupted by using Hillcross	1
It is located immediately opposite the school in Ashridge way, near bus stops, it has parking and disabled access. Part of the club can function while part of the club can be used for polling. Electoral Services officers reviewed this site in 2012. Previous issues determined of lighting, heating and access could be addressed in conjunction with the club to improve, for it's own success and health and safety standards and attraction to new members.	1
It's already a polling station and is 300 yes from hill cross	1
It's location is right opposite Hillcross school, so centrally located.	1
large hall that is plenty big enough for a polling station	1
Not sure on Step Free Access / dissabled accessible.	1

Step 3:13.00-1:organisation response

This open response (Free text) question was answered by 2 respondents.

Response	Number of Respondents
Myself	1
n/a	1

Step 3:14.00-1:Gender

This single response question was answered by 15 respondents.

Response	Number of Respondents	Percentage of Respondents
Male	5	33.33%
Female	10	66.67%

Step 3:15.00-1:AGE (5 BANDS, ADULTS)

This single response question was answered by 15 respondents.

Response	Number of Respondents	Percentage of Respondents
18 - 29		
30 - 44	13	86.67%
45 - 64	2	13.33%
65 and over		

Step 3:16.00-1:Disability

This single response question was answered by 15 respondents.

Response	Number of Respondents	Percentage of Respondents
Yes		
No	15	100%

Step 3:17.00-1:Ethnicity

This single response question was answered by 14 respondents.

Response	Number of Respondents	Percentage of Respondents
White British or Irish	11	78.57%
White Eastern European	2	14.29%
White Other	1	7.14%
Black British		
Black Caribbean		
Black African		
Mixed White & Caribbean		
Mixed White and African		
Mixed White and Asian		
Mixed Other		
British Asian		
Indian		
Bangladeshi		
Pakistani		
Tamil		
Chinese		
Other		

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London Borough of Merton

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP



The Members
Merton Council
Civic Centre
London Road
Morden
SM4 5DX

October 2015

Dear Members

Annual Audit Letter 2014/15

The purpose of this annual audit letter is to communicate the key issues arising from our work to the Members and external stakeholders, including members of the public.

We have already reported the detailed findings from our audit work in our 2014/15 audit results report to the 16 September 2015 meeting of the General Purposes Committee, representing those charged with governance. We reported the detailed findings from our audit work of Merton Pension Fund in our audit results report for the Pension Fund accounts to the same General Purposes Committee meeting and the 15 September meeting of the Pension Fund Advisory Committee. We do not repeat our detailed findings here.

The matters reported here are those we consider most significant for the Council and Pension Fund.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours faithfully



Paul King
Executive Director
For and on behalf of Ernst & Young LLP
Enc.

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Relevant parts of the Audit Commission Act 1998 are transitionally saved by the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015 for 2014/15 audits.

The Audit Commission's 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's 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 Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (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.

1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued in March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS 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 having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements, including the Pension Fund, and on the consistency of other information published with them
- reviewing and reporting by exception on the Council's AGS
- forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statement of the London Borough of Merton and Merton Pension Fund for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland).	On 18 September 2015 we issued an unqualified audit opinion on the Council's financial statements On 18 September 2015 we issued an unqualified audit opinion on Merton Pension Fund.
Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources.	On 18 September 2015 we issued an unqualified value for money conclusion
Report to the National Audit Office on the accuracy of the consolidation pack the Council needs to prepare for the Whole of Government Accounts.	We reported our findings to the National Audit Office on 22 September 2015.
Consider the completeness of disclosures on the Council's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance.	No issues to report.
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit.	No issues to report.
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act.	No issues to report.

As a result of the above we have also:

Issued a report to those charged with governance of the Council with the significant findings from our audit.

Our audit results report for the main Council audit was issued on 16 September 2015 to the General Purposes Committee.

Our audit results report for the Pension Fund audit was issued to the Pension Fund Advisory Committee on 15 September and to the General Purposes Committee on 16 September.

Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

Issued on 22 September 2015.

In January 2016 we will also issue a report to those charged with governance of the Council summarising the certification (of grant claims and returns) work we have undertaken.

2. Key findings

2.1 Financial statement audit

The Council's Statement of Accounts is an important tool to show both how the Council 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 Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 18 September 2015.

Our detailed findings were reported to the 16 September 2015 General Purposes Committee.

The main issues identified as part of our audit were:

Significant risk 1: Accounting for schools (main Council audit)

During the year there was a developing national position on how councils are required to account in their financial statements for the assets of schools held by a third party (voluntary-aided, voluntary-controlled and foundation schools). The amounts associated with the treatment of these non-current assets is material to the Council's financial statements.

We were satisfied that the Council made an appropriate assessment of how schools related non-current assets should be recognised on its balance sheet. We gained sufficient assurance that the Council only recognised schools assets to which it has rights and obligations and that appropriate disclosures were made in its financial statements.

Significant risk 2: Risk of management override of controls (main Council audit and Pension Fund)

Our work identified no material misstatement due to fraudulent financial reporting or other evidence of material fraud.

We also considered the impact of changes to the staffing with the Council's Finance Team, the impact of start of a new pension scheme which all members of the Local Government Pension Scheme automatically joined at the start of the year and accounting for pension scheme management costs as 'not-significant' audit risks on the main Council and Pension Fund audits respectively. We identified no matters to report.

2.2 Value for money conclusion

As part of our work we must also conclude whether the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Council had proper arrangements in place for:

- ▶ securing financial resilience, and
- ▶ challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 18 September 2015.

Our audit did not identify any significant matters.

2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Authority for Whole of Government Accounts purposes. We had no issues to report.

2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

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

2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the Public.

2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

2.7 Independence

We communicated our assessment of independence to the General Purposes Committee as part of our Audit Plan in March 2015, and as part of our Audit Results Report in September 2015. In our professional judgement the firm is independent and the objectivity of the executive director and audit staff has not been compromised within the meaning of regulatory and professional requirements

2.8 Certification of grant claims and returns

We will issue the Annual Certification report for 2014/15 in January 2016.

3. Control themes and observations

As part of our work, we obtained enough understanding of internal control 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 must tell the Council about any significant deficiencies in internal control we find during our audit.

We did not identify any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in the Council's financial statements.

4. Looking ahead

The following national issues are relevant to the Council.

Description	Impact
Highways Network Assets	
<p>The Invitation to Comment on the Code of Accounting Practice for 2016/17 (ITC) sets out the requirements to account for Highways Network Asset under Depreciated Replacement Cost from the existing Depreciated Historic Cost. This is to be effective from 1 April 2016.</p>	<p>CIPFA have produced <i>LAAP bulletin 100</i>, which provides a suggested timetable for actions to prepare for this change. This has been supplemented by the issue of the <i>Code of Practice on Transport Infrastructure Guidance Notes (May 2015) and ITC (July 2015)</i>.</p>
<p>This will be a material change of accounting policy for the Council. It will also require changes to existing asset management systems and valuation procedures.</p>	<p>The Council is aware of the challenges this presents and is developing arrangements to meet the new requirements. Specific challenges will include being able to demonstrate the completeness of base information and the need to ensure that valuation information is appropriate to the Council, and that national valuation indicators are not used without consideration of their appropriateness locally.</p>
<p>Relevant assets may also be held outside of the highways department e.g. within the Housing Revenue Account, which will also have to be valued on the revised basis.</p>	<p>The Council has already started work on a survey to identify its highways network assets, noting that much of the required information was already available to it. The Council has also been able to value relevant assets using currently available guidance.</p>
<p>Nationally, latest estimates are that this will add £1,100 billion to the net worth of authorities.</p>	

Better Care Fund

The Better Care Fund (BCF) is a major policy initiative between local authorities, clinical commissioning groups (CCGs) and NHS providers with a primary aim of driving closer integration and improving outcomes for patients, service users and carers. From the 1 April 2015 BCF has been set up as pooled budget between local government and NHS partners using powers available under pre-existing legislation. The partners use the pooled fund to jointly commission or deliver health and social care services at a local level.

Although local authorities, CCGs and NHS providers have experience of pooled budgets and established joint commissioning arrangements, pooled arrangements under BCF are likely to be on a much larger scale.

Local BCF arrangements may be complex and varied, involving a number of different commissioning, governance and accounting arrangements that raise risks of misunderstanding, inconsistencies and confusion between the partners. There are also structural, cultural and regulatory differences between local government and the NHS, and it is important that these are understood and considered by all of the partners in the operation of the pool.

In October 2014 HFMA/CIPFA produced "*Pooled Budgets and the Better Care Fund*" which provides more detailed guidance on the governance and finance issues underpinning the operation of a pooled budget and the associated risks and challenges faced by local government and

Nationally the fund is comprised of a number of existing funding streams and will involve a minimum NHS spend of £3.8 billion together with other grant funding streams historically administered by local authorities.

The detailed form of local pooled arrangements is not prescribed and has needed to be agreed between the partners.

NHS partners.

Merton Clinical Commissioning Group has increased its investment in the Better Care Fund in 2015/16 by £3.6m over 2014/15 levels. Some of this investment will form part of the pooled funds with Council to deliver social care aspects such as reablement and domiciliary packages. In addition the money will also be used to provide seven-day services across community and social care.

Earlier deadline for production and audit of the financial statements from 2017/18

The Accounts and Audit Regulations 2015 were laid before Parliament in February 2015. A key change in the regulations is that from the 2017/18 financial year the timetable for the preparation and approval of accounts will be brought forward.

As a result, the Council will need to produce draft accounts by 31 May and these accounts will need to be audited by 31 July.

These changes provide challenges for both the preparers and the auditors of the financial statements.

The Council is aware of this challenge and the need to start planning for the impact of these changes. This will necessarily include review of the processes for the production and audit of the accounts, including areas such as the production of estimates, particularly in relation to pensions and the valuation of assets, and the year-end closure processes.

Recognising the challenges faced in 2017/18 the Council plans to bring forward the target deadline for production of its 2015/16 unaudited financial statements to 31st May 2016.

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ey.com

Local government audit committee briefing

Contents at a glance

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Find out more

This sector briefing is one of the ways that we hope to continue to support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the Local government sector and the audits that we undertake. The public sector audit specialists who transferred from the Audit Commission form part of EY's national Government and Public Sector (GPS) team. Their extensive public sector knowledge is now supported by the rich resource of wider expertise across EY's UK and international business.

This briefing reflects this, bringing together not only technical issues relevant to the local government sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing, as well as some examples of areas where EY can provide support to Local Authority bodies. We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please do contact your local audit team.



Government and economic news

EY item club summer 2015 forecast

In its latest forecast, the EY Item Club highlights the continuing impact on the UK economy of world events, with those in Greece and China being of particular concern. Despite this, domestic demand remains buoyant and activity has increased since winter. They forecast GDP growth of 2.7% for this year and next, and inflation, as measured by CPI, well below target.

The latest data shows consumer expenditure remaining strong, and set to continue into next year, with the strong pound and weak commodity prices keeping inflation low. With manufacturing 'stuck in the slow lane', the economy is seen to be becoming increasingly unbalanced. The forecast goes on to predict that interest rates are unlikely to move above 3% until 2019.

Commenting on the Summer Budget, the Club sees the new surplus target as very challenging, meaning a significant increase in household taxes and a massive squeeze on welfare payments. It comments that, if the public sector is to move from heavy deficit into surplus, the private and overseas sectors must move in the opposite direction. As it sees households as being reluctant to move further into deficit, it will be up to companies to increase investment and exports to make the Budget strategy work. Alternatively, to swing the balance of payments and government accounts back into surplus, growth and imports will have to slow down.

National living wage

In the recent Budget the Chancellor announced that, from April 2016 workers aged over 25 will be entitled to a National Living Wage significantly higher than the current minimum wage of £6.50 which applies to those aged over 21. Those entitled to the 'living wage', will get £7.20 and that will rise to at least £9 an hour by 2020. This is expected to boost the income of approximately six million workers, covering all full and part-time workers, and those in public and private sectors. Whilst the government announced changes in corporation and employment taxes which it said would offset the additional costs to employers, the former will not apply in the public sector, and many comments have been made about the significant impact on employers from bodies such as the Local Government Association and the UK Homecare Association. The EY Item Club (in its Summer Forecast) commented that **"The Chancellor has effectively passed the prime responsibility for supporting low income working people over to employers and this poses a clear risk to hours and employment"**.



Government and economic news

All bodies will need to carefully consider the impact of the changes on their finances in the short and medium term. The impact is not liable to be limited to the additional employment costs of those employees currently on the minimum wage, but include:

- ▶ Employment costs relating to employees currently earning above minimum wage but below the National Living Wage
- ▶ Pressure on supplier contract prices arising from their increased costs (particularly in relatively low paid sectors such as care)

Whilst the increase is to be phased over a number of years, there will be a potential impact from 2015/16.

Creating a better care system

A new report by EY, commissioned by the Local Government Association, suggests the development of a new sustainable health and social care system, backed by establishment of a £1.3 billion a year transformation fund until 2019/20. It states that the fund should focus on keeping people independent and preventing complex and long-term conditions, and should be supported by:

- ▶ A pooled health and social care budget
- ▶ Devolved powers for health
- ▶ Reformed incentives

It outlines four key areas of focus as follows:

- ▶ **Put people in control** – including expanding integrated personal commissioning across health and care, increasing the number of personal health and care budgets by 250,000 in the next five years
- ▶ **Integrate and devolve commissioning powers** – including greater local control and freedom over pooled budgets to better respond to local needs and outcomes and allow local innovation
- ▶ **Fund services adequately and in an aligned way** – including aligning social care and health funding settlements over a five year period
- ▶ **Free the system from national constraints** – including replacing the tariff in the NHS with capitated accounting and payment mechanisms



Accounting, auditing and governance

The 2016/17 code of practice on local authority accounting in the United Kingdom: Invitation to Comment (ITC)

Each year CIPFA issue various Invitations to Comment (ITCs), setting out the proposed changes to the Code of Practice (the Code) for the following financial year and requests responses to the specific proposals. This year the ITC also requests comments on standards that are not expected to lead to changes within the Code until later years. The ITC this year has a closing date for responses of 9 October 2015.

The main changes proposed in the ITC are set out below:

Highways network asset

This proposal introduces the requirements for the measurement of this asset at Depreciated Replacement Cost (DRC) from 2016/17 onwards. In the ITC, CIPFA/LASAAC proposes, for the first time, that the separately identified items in the Transport Infrastructure Assets Code are classed as one asset for financial reporting purposes. It is proposed that Highways Network Asset is a separate class of asset and will be shown separately in the balance sheet.

This change is fully retrospective and will require:

- ▶ A third balance sheet as at 1 April 2014
- ▶ Fully restated comparatives for 2015/16

The ITC also confirms that an annual condition survey will be required.

As outlined in the June 2015 Audit Committee Briefing, this change will have major implications for highway authorities and non-highway authorities who have material transport infrastructure assets. We have already run a number of successful workshops for accountants and engineers at highway authorities during the summer to discuss how this fundamental change will impact on the accounts closedown and audit. As a result we will be running additional separate events for highway and non-highway authorities going forward.

Review of accounting and reporting by pension funds

This review coincides with the publication of Financial Reports of Pension Schemes: A Statement of Recommended Practice (2015). The ITC:

- ▶ Proposes minor changes to the Fund Account and to the Net Assets Statement to improve presentation and mirror the updated SORP
- ▶ Adapts the reporting requirements of IFRS 13 to include fair value disclosure requirements for pension fund investments in the 2016/17 Code
- ▶ Recognises that under IAS 26, three options as to how to disclose the actuarial present value of promised retirement benefits are allowed and seeks views on the option to use
- ▶ Sets out a new recommended disclosure for transaction costs

Narrow scope amendments

These are amendments to International Financial Reporting Standards (IFRS), largely around clarification of individual standards.



Accounting, auditing and governance

The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 (English Authorities)

The ITC updates the specific references within the Code to reflect these legislative changes. In addition it:

- ▶ Considers that a full interpretation of section 3.1 of the Code will fully meet the requirements to produce a Narrative Report
- ▶ Highlights the additional guidance provided to enable the requirement that the Narrative Report **“must include comment by the authority on its financial performance and economy, efficiency and effectiveness in its use of resources over the financial year”**

Telling the story: consultation on improving the presentation of local authority financial statements

The financial statements are a vital part of the accountability framework of local authorities. CIPFA/LASAAC considers it vital that the user can relate the information contained within the financial statements to the funding the local authority receives and the promises made about how money will be spent.

Over the past couple of years CIPFA/LASAAC has been developing an approach to both streamline the financial statements and improve accessibility to users. The two publications *Financial Statements; A Good Practice Guide for Local Authorities* and the updated *How to Tell the Story*, have both sought to remove clutter from the financial statements and focus on material items.

The next stage was seen to be how to adapt the IFRS based accounts to improve the accessibility of information for the lay user with the benefits and improvements in reporting that IFRS has brought being retained.

The Invitation to Comment (ITC) sets out the recommended proposals for change, seeking views on whether they are considered to be the preferable option. The key strands of the proposal are that:

- ▶ To allow local authorities to report on the same basis they are organised by rather than in an analysis set out by Service Reporting Code of Practice (SeRCOP)
- ▶ To introduce a new Funding Analysis as part of the narrative report which provides a direct reconciliation between the way local authorities are funded and budget and the CIES in a way that is accessible to the lay-reader

It is important to note that the Service Reporting Code of Practice (SeRCOP) analysis used for Government returns will continue. Thus the revised approach will not, at this stage, lead to a single financial reporting regime.

The ITC also seeks views on the timing of the proposed changes and the practical effect of introducing this change in financial reporting on authorities. The closing date for responses is 9 October 2015.



Accounting, auditing and governance

EY digital innovation programme

In the digital age organisations are expected to be innovative and tech savvy to support the way they deliver services. As well as making services more accessible, embracing digital offers cost saving potential, and enables organisations to be forward thinking, faster and fitter.

EY has launched a Digital Innovation Programme, a new awards initiative designed to recognise and celebrate digital innovation in health and social care. Its aim is to help share best practice, and recognise and celebrate the patients, carers and citizens who, through their innovative use of digital platforms, have made a positive difference to society.

It is linked to the EY Startup Challenge which is an intensive six-week innovation programme focused on accelerating technological solutions for tomorrow's business problems. Participants will receive:

- ▶ Mentoring and coaching
- ▶ Access to the EY firm and client network
- ▶ Training and support workshops
- ▶ An understanding of how to access funding

Nominations close in November 2015 and the programme culminates in a national recognition ceremony in June 2016. More details can be found at <http://www.ey.com/UK/en/Industries/Government---Public-Sector/EY-Digital-Innovation-Programme>.

Cap on public sector exit payments: consultation

The government announced in May that it intended to end six figure exit payments for public sector workers.

Exit payments help to unlock substantial reductions in staff costs in the medium to longer term and help authorities to meet the challenge of reduced funding available. However, given the scale of the costs associated with exit payments it is vital that they offer value for money to the taxpayer.

The government already has in place, for 2016, legislation to prevent highly paid individuals who return to the public sector within 12 months of exit from retaining their full exit payment.

Following on from this the government believes that it is right to ensure that public sector workers do not receive disproportionately large exit payments in the first instance. In particular the government is concerned about the number of public sector workers who are receiving exit payments of six figures. In 2013-14 alone, nearly 2,000 public sector employees received exit payments costing more than £100,000.

The government has proposed to introduce a cap of £95,000 on the total value of exit payments and HM Treasury launched a consultation on the proposed cap which ended in August 2015.

The current proposal has indicated that compensation payments in respect of death or injury attributable to the employment, serious ill health and ill health retirement will not be in the scope of the cap.



Regulation news

PSAA annual regulatory compliance and quality report

Public Sector Audit Appointments (PSAA) have released their Quality Review Programme annual reports for the 2014/15 audit season. There are individual reports on the seven principal audit firms and an overall summary report that compares all firms. The two main categories auditors are monitored for are audit quality and regulatory compliance.

PSAA have used a Red, Amber, Green (RAG) system throughout their reports. EY were one of two firms that received Green for the combined regulatory compliance and audit quality performance rating with the remaining five audit firms receiving an Amber rating.

For the second year in a row EY have received the highest Audit Quality score improving from 2.49 in 2014 to 2.55 in 2015 compared to a 2015 average of 2.19. Similarly for the financial statement audit work EY topped the table with a score of 2.36 compared to an average of 2.07.

As well as obtaining Green ratings for the two above categories, EY received a Green rating for Whole of Government Accounts work, VFM Conclusion work, Housing Benefit work, Regulatory Compliance, and Client Satisfaction.

The PSAA report on EY states:

“The firm is meeting our standards for overall audit quality and our regulatory compliance requirements. The firm has maintained its performance against the regulatory compliance indicators since last year, with all but one of the 2014-15 regulatory compliance indicators scored as green. The firm’s overall weighted audit quality score has increased from last year and the satisfaction survey results show that audited bodies are satisfied with the performance of EY as their auditor.”

Based on this review, PSAA state:

“We are satisfied that the risks of audit failure remain low; that all firms are meeting PSAA’s regulatory requirements; and that all firms are continuing to produce work to an acceptable standard.”

Auditors’ work on value for money arrangements

The Local Audit and Accountability Act 2014 provided the Comptroller and Auditor General with the power to issue guidance to auditors which may explain or supplement the provisions of the Code of Audit Practice. This was a role previously undertaken by the Audit Commission.



Regulation news

This guidance is issued in the form of Auditor Guidance Notes (AGNs) and the 2014 Act requires auditors to comply with this guidance.

The NAO is currently consulting on a draft AGN regarding auditors' work on value for money arrangements. The consultation closes 30 September 2015 in advance of the guidance being issued in November 2015. EY and other audit suppliers are currently coordinating their responses to the draft guidance which would apply to audits from 2015/16 onwards.

A short guide to the NAO's work on local authorities

The NAO is publishing a suite of short guides relating to each government department and some cross-government issues. Although the main purpose of these guides is to assist House of Commons Select Committees, the guide on local authorities provides a useful overview for elected members. It includes arrangements for funding, major recent developments, the pressures faced by local authorities, and developments that are on the horizon.

Care Act first-phase reforms: local experience of implementation

Under its powers in the Local Audit and Accountability Act 2014, the Comptroller and Auditor General has published a report concerning the Care Act.

The Care Act 2014 puts new legal responsibilities on local authorities in England and requires them to cooperate with local partners to meet them. The NAO have previously reported that only a fraction of care is publicly funded, with the majority of support and care being provided by unpaid family, friends and neighbours. Many adults pay for all or a proportion of their care. Despite this, adult social care continues to be one of the biggest areas of spending for many local authorities. For 2014/15, the NAO estimates that net spend on adult social care in 2014-15 for local authorities is £14.4 billion.

This further report follows the NAO's report on central government's approach to the Care Act First-phase reforms, and provides examples from local case study areas which show how different authorities are addressing risks arising from uncertainty in demand from carers and self-funders.



Key questions for the audit committee

What questions should the Audit Committee ask itself?

Has the authority considered the impact (both direct and indirect) on its finances of the National Living Wage?

Are there any patients, carers or citizens that we wish to nominate for the EY Digital Innovation Programme?

Are we aware of our responsibilities under the Care Act 2014, and have we considered what changes we may need to make in order to fulfil our responsibilities whilst maintaining affordability?



Find out more

EY item club summer 2015 forecast

For details of the EY Item Club's latest forecast, see <http://www.ey.com/UK/en/Issues/Business-environment/Financial-markets-and-economy/ITEM---Forecast-headlines-and-projections>

National living wage

Sources include:

BBC – <http://www.bbc.co.uk/news/uk-politics-33437115>

Local Government Association – http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7386419/NEWS

UK Homecare Association – <http://www.ukhca.co.uk/downloads.aspx?ID=473>

Creating a better care system

Find out more details and a copy of the report at http://www.local.gov.uk/web/guest/publications-list/-/journal_content/56/10180/7350693/PUBLICATION

2016/17 code of practice ITC

For details about the CIPFA Invitation to Comment on the 2016/17 Code of Practice, see <http://www.cipfa.org/policy-and-guidance/consultations/201617-code-of-practice-on-local-authority-accounting-in-the-united-kingdom-invitation-to-comment>

'Telling the Story' ITC

More information about CIPFA's consultation on 'Telling the Story' can be found at <http://www.cipfa.org/policy-and-guidance/consultations/telling-the-story-improving-the-presentation-of-local-authority-financial-statements>

EY digital innovation programme

Details of the programme and how to nominate can be found at <http://www.ey.com/UK/en/Industries/Government---Public-Sector/EY-Digital-Innovation-Programme>

Cap on public sector exit payments: consultation

The details of the Government's consultation on capping public sector exit payments can be found at <https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap/consultation-on-a-public-sector-exit-payment-cap>

PSAA annual regulatory compliance and quality report

The PSAA's Audit Quality webpage can be found at <http://www.psa.co.uk/audit-quality/>, the annual Regulatory Compliance and Quality Review Programme report is at <http://www.psa.co.uk/wp-content/uploads/2015/07/Annual-Regulatory-Compliance-and-Quality-Review-Programme-2015-Final.pdf>, and the report specific to EY is at <http://www.psa.co.uk/wp-content/uploads/2015/07/EY-2014-15-Annual-Regulatory-Compliance-and-Quality-Report-Final.pdf>

Auditors' work on VfM arrangements

The consultation document is available at <http://www.nao.org.uk/keep-in-touch/wp-content/uploads/sites/11/2015/08/Vfm-arrangements-auditor-guidance-consultation-document.pdf>

A short guide to the NAO's work on local authorities

To access the interactive guide see <http://www.nao.org.uk/wp-content/uploads/2015/08/A-Short-Guide-to-the-NAOs-work-on-local-authorities2.pdf>

Care Act first-phase reform

The full report is available at <http://www.nao.org.uk/report/care-act-first-phase-reforms-local-experience-of-implementation/>

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ED None

18793.indd (UK) 09/15. Artwork by Creative Services Group Design.



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ey.com/uk

Committee: General Purposes

Date: 4 November 2015

Wards: All

Subject: Progress Report on Risk Management

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Mark Allison, Deputy Leader of the Council and Cabinet Member for Finance

Contact officer: Zoe Church, Head of Business Planning, 020 8545 3451

Recommendations:

- A. That the General Purposes Committee reviews the adequacy of the risk management framework and the associated control environment
 - B. To consider the Key Strategic Risks and Issues faced by the council, and determine whether these are being actively managed
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide a progress report on risk management within Merton, including details of the Key Strategic Risks (KSRs) faced by the council.
- 1.2 The risk management strategy was approved by Cabinet on 19 January 2015 and approved by Council on 4 March 2015 as part of the Business Plan 2015-16. The strategy was also subjected to an internal audit during the first quarter of 2015-16.
- 1.3 The procedure for identifying and monitoring risks is that each department manages their risks through their risk registers, and these are reviewed quarterly by DMTs. Any significant risks which may have a strategic impact are escalated by the Corporate Risk Management Group (CRMG) to CMT for inclusion on the Key Strategic Risk Register (KSRR) to ensure that risks which affect the council are being effectively monitored and managed.
- 1.4 Strategic oversight is provided by Cabinet and General Purposes Committee.

2 DETAILS

- 2.1. The risk management strategy emphasises the benefits of effective risk management, particularly in the context of budget savings. The strategy includes clear guidance for defining the likelihood and impact of risks, and the appropriate matrices for assessing these. This results in consistency across the council when it comes to scoring and monitoring risk. Where risks which might affect the Council as a whole are concerned, the strategy clearly sets out the process for escalating risks onto the KSRR.

- 2.2. The risk management strategy was subjected to an internal audit during the first quarter of 2015-16 (final report June 2015). The internal audit identified that the strategy embodies all the essential elements of a model risk management system, and that there is a robust system of reviewing risks at service, departmental and corporate level. The internal audit further identified the Council's risk scoring system as being consistent with good practice.
- 2.3. However, the internal audit found that, although all key controls are in place, there is evidence of some minor controls not operating. Resolution of many of these minor deficiencies is already underway, including delivery of further risk management training for departmental risk champions, putting improved controls in place to ensure adherence to the risk reporting cycle, and reviewing the risk management pages on the intranet to ensure all information is current and effective.
- 2.4. The internal audit also recommended that the KSRR be split into its two distinct components ie Risks (events which may happen in the future) and Issues (things which are happening now). This has now been implemented.
- 2.5. The procedure for managing risk is laid out clearly in the strategy. Departmental risks are reviewed quarterly by the relevant risk champions and DMTs, to ensure that they have been assessed accurately and in a manner consistent with risk assessment across the organisation.
- 2.6. Risks rated as High (Red) risks must be supported by an action plan to mitigate against the risk. Where possible, the risks are linked to an existing action plan such as a service or project plan, and up-to-date management commentary is supplied to demonstrate progress with mitigation actions.
- 2.7. CRMG meets quarterly within two weeks of the DMT risk review meetings, and subjects the departmental risk registers and the KSRR to thorough scrutiny and challenge. Proposed amendments to KSRs, including the addition or deletion of corporate risks, are escalated to CMT via a quarterly risk report. Any urgent decisions regarding KSRs can be escalated to CMT via the monthly finance and performance report.
- 2.8. In accordance with the risk reporting cycle, the last quarterly review of the KSRR took place in October 2015, which has resulted in a streamlining of the KSRR ensuring that it is more corporately focused. A report on the status of the KSRR was subsequently presented to CMT on 27 October 2015.
- 2.9. At October 2015, there were 10 risks on the KSRR, of which two were scored as red risks:
- Red Strategic Risks:
 - KSR21/RE03: Failure to adhere to EU procurement regulations
 - KSR61/RE16: Delivery of savings programme 2014-19

At October 2015, there were six issues on the KSRR of which one was scored as a red issue:

- KSR56 Children Schools & Families funding changes, budget savings & resource management.

- 2.10. The October 2015 KSRR, containing full details of all strategic risks together with their associated action plans and management commentary, can be found at Appendix 1.
- 2.11. The results of the next quarterly review of the departmental risk registers and the KSRR will be scrutinised by CRMG in early January 2016.
- 2.12. All internal audit report recommendations are reviewed by the departmental risk champions to ensure all relevant risk issues are addressed, supporting the internal control process.
- 2.13. Cabinet receives reports on the risk management strategy in order to determine whether corporate risks are being actively managed, and is also responsible for agreeing the risk management strategy on an annual basis. General Purposes Committee provides an independent oversight of the adequacy of the risk management framework and the associated control environment; and must be satisfied that the council's strategic risks are being actively managed.
- 2.14. The risk management strategy is included within the dedicated risk management pages on the Intranet, and informs and underpins all risk management processes. The risk management pages on the intranet have been reviewed and all information is up to date. All departmental risk registers and the KSRR are published on the intranet, along with guidance and information to assist officers who are responsible for managing and monitoring risks.

3 ALTERNATIVE OPTIONS

- 3.1. Not applicable.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. CRMG members served as key consultees for the risk management strategy's internal audit report, and also the revision of the risk management strategy during 2013-14.

5 TIMETABLE

- 5.1. Not applicable.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Improved risk management can potentially benefit all these areas.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Risk management is a requirement of regulation 4(a) (iii) of the Accounts and Audit Regulations 2015.
- 7.2. Responses to FOI and other statutory enquiries relating to the Council's risks are based upon the published Key Strategic Risk Register within the Council's annual Business Plan. Should departmental risk registers form the subject of FOIs, these are redacted as and when appropriate.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. There is a specific key strategic risk on equalities, KSR 53 - Failure to comply with equalities duties, currently rated as an Amber issue.

9 CRIME AND DISORDER IMPLICATIONS

9.1. There are no key strategic risks with specific crime and disorder implications.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. Risk management issues are detailed in this report. As at October 2015 there was one key strategic risk relating to the health and safety of staff and customers:

- KSR 35 – Safeguarding children, currently rated as an Amber risk

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix I - Key Strategic Risk Register October 2015

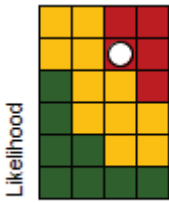




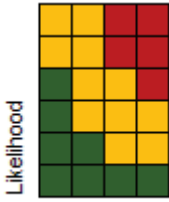
12 BACKGROUND PAPERS

12.1. Relevant papers held within the Resources Division

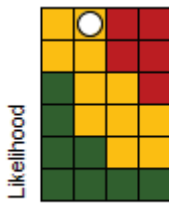




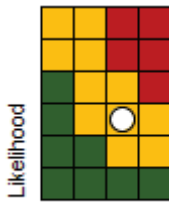




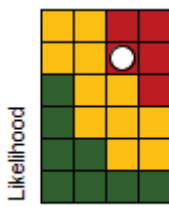




Risks & Issues Register ~ Key Strategic Risks ~ October 2015






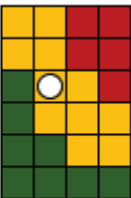




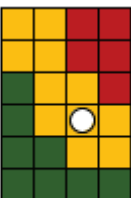




Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Cabinet Member(s)	Control Measures in place
Sophie Ellis	BI18 / KSR68 Inability to deliver TOM's across the organisation	Key Strategic Risk	Inadequate delivery planning for TOM's across the organisation.	Ambition set out in TOM is not achieved.		4 17-Sep-2015	O	Cllr Mark Allison	1. Delivery planning coordinated through Programme Office and M2015. Likelihood reduced as delivery arrangements now embedded. 2. Business Partners leading on departmental delivery assurance. 3. Savings proposals for 17/9 to articulate TOM impact.
						6 24-Jun-2015			
						6 26-Mar-2015			
						9 05-Jan-2015			
Yvette Stanley	CSF01 / KSR35 Safeguarding children	Key Strategic Risk	Potential for less effective inter-agency working. Changing expectations & updated regulatory framework. Ongoing budget pressures across all agencies could undermine Merton Model.	Child protection & safeguarding issues including possible child death or serious harm. Possible increase for high cost interventions.		12 08-Oct-2015	R	Cllr Maxi Martin	LSCB Business Plan & refreshed CYPP. Reconstituted CYP partnership board. Strengthened MSCB governance.
						12 06-Jul-2015			
						12 10-Apr-2015			
						12 30-Mar-2015			
Charles Baker; Cormac Stokes	ER112 / KSR73 Waste disposal overarching risk (sub risks ER 113 to ER 117)	Key Strategic Risk	1. Increase in waste disposal costs 2. Increase of waste to landfill 3. Construction work at Beddington Lane Sub-risks ER113 to ER117 provide additional detail to this overarching risk	1. Increased costs for waste disposal 2. Operational difficulties 3. Performance may be affected (more landfill, less recycling and more missed bins) 4. Political fallout		12 06-Oct-2015	Fi/Rep/P/O p	Cllr Andrew Judge	This covers ER 113 - residual waste closure of landfill site, ER 114 residual waste out of contract, ER 115 Reduced recycling due to contaminated wet paper, ER 116 restricted access to disposal facility, ER 117 insufficient budget allocation to cover disposal costs.
Dean Shoesmith	HR09 / KSR42 Single status	Key Strategic Risk	Post single status challenge	Cost of settlement; cost of litigation & resources to contest; impact on staff morale; reputational & political impact		6 17-Sep-2015	R	Cllr Mark Allison	Discussions are currently being undertaken with the unions to finalise any outstanding allowances and mitigate any further risk. Risks are mitigated through COT3 signings with staff concerned. Some further work outstanding on allowances in C&H and E&R in particular. An equality impact assessment will also be conducted between September and December 2015 in order to manage risk further. The risk rating remains as before.
						6 23-Jun-2015			
						6 14-Apr-2015			
						6 23-Mar-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Cabinet Member(s)	Control Measures in place
Mark Humphries	IT03 /KSR48 IT Systems	Key Strategic Risk	Major disruption in the civic centre causing 6th floor data centre to become unusable	IT failure leading to unavailability of IT services impacting on organisational service delivery.		8 17-Sep-2015	SP	Cllr Mark Allison	Testing of new IT Disaster Recovery arrangements were due to be tested in September but unfortunately this was delayed and has now been rescheduled for completion in November 2015.
						8 17-Jun-2015			
						8 23-Mar-2015			
						8 05-Jan-2015			
Paul Audu	MPF11 / KSR72 Failure to procure replacement investment managers in good time and so not improving Fund performance	Key Strategic Risk	Failure to procure replacement investment managers within appropriate timescales resulting in failure to improve performance of investments.	Investment performance does not improve, investment performance falls, fund may fail to meet its investment and funding objectives in the short and medium term.		12 02-Oct-2015	FI, R	Cllr Mark Allison	Corporate Services DMT on 23 September 2015 agreed that there should be an over-arching Pensions risk on the Key Strategic Risk Register centred upon the failure to procure. The wording of the risk description, cause and consequence have been reviewed by the Interim Treasury and Insurance Manager. The scoring of this risk has also been re-assessed. Existing control measures: Engage manager with complementing strategies. Passive investments.
						16 24-Jul-2015			
Paul Dale; Caroline Holland	RE02 / KSR49 Developing corporate Business Plan & setting a balanced budget for 15/19 & beyond	Key Strategic Risk	Reduced budgets may impact negatively on service delivery levels	Impact on service provision, reputation, staff morale & internal & external customers satisfaction		9 21-Sep-2015	FI	Cllr Mark Allison	Risk has been updated to reflect Business Planning Period 16-20, and a timetable is in place.
						9 19-Jun-2015			
						9 07-Apr-2015			
						9 05-Jan-2015			
Simon Williams	RE03 / KSR21 Failure to adhere to Public Contract Regulations 2006 and Contract Standing Orders	Key Strategic Risk	Lack of awareness in some areas that procurement is a tightly regulated area of council activity.	Impact on strategy and time for procurement exercises. Adverse budget and service implications if not carried out correctly in accordance with regulations and standing orders such as legal challenges and slower identification, capture and delivery of savings.		15 21-Sep-2015	R	Cllr Mark Allison	New EU Procurement Regulations came into force in February 2015 and while these affect social care areas primarily, there are implications for all Council procurement. Training and guidance for all officers engaged in procurement has already begun. Comprehensive departmental procurement plans are in place and reviewed regularly by Procurement Board.
						15 01-Jul-2015			
						12 19-Jun-2015			
						12 10-Apr-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Cabinet Member(s)	Control Measures in place
									The risk rating has increased as there are currently delays in providing a substantial proportion of exemption reports in Community & Housing. However C&H is finalising the development of a commissioning plan, which includes a strategy for processing and prioritising these exemptions. This will be reviewed by the project's board and the Procurement Board.
Caroline Holland	RE16 / KSR61 Failure to deliver 2014-18 Savings Programme	Key Strategic Risk	Savings of £19m have been agreed for the period 2014/15 to 2018/19, the period of budget decisions required by this council. There is a budget gap of £21m after this.	Non achievement of any significant saving would adversely impact on the authorities ability to balance its budget in the medium to long term if larger than the contingency.		15  21-Sep-2015	F	Cllr Mark Allison	A significant part of the 2014/15 programmed savings were not achieved which had a very detrimental effect upon the savings for the forthcoming year. It is imperative that future years' savings are delivered, and that monitoring is put in place to ensure this. Greater emphasis needs to be placed upon the delivery and monitoring of savings for 2014/15 and 2015/16 as part of the monthly monitoring report.
						15  01-Jul-2015			
						10  19-Jun-2015			
						10  09-Apr-2015			
YET TO BE ASSIGNED	KSR74 NEW KSR Failure to consult in general	Key Strategic Risk	Failure to adequately consult over changes to Council services and policies, and/or the design and implementation of projects etc	Inadequate consultation carries the risk of increasingly robust scrutiny and challenge, including Judicial Reviews.		YET TO BE SCORED	R, FI	YET TO BE ASSIGNED	CMT agreed on 27 October 2015 that this risk should be added to the Key Strategic Risk Register. The details are currently being refined.

Risks & Issues Register ~ Key Strategic Issues ~ October 2015

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Cabinet Member(s)	Control Measures in place
Yvette Stanley	CSF04 / KSR55 Changing Borough Demographics	Key Strategic Issue	Increases in both the total population in the borough, including in particular families with young children, & also in the mix of the population with respect to ethnicity, disability & deprivation.	Additional demand for services for children with special educational needs & disabilities, as well as pressure for growth in children's social care & child protection interventions including support for families with no recourse to public funds.		12  08-Oct-2015	O	Cllr Maxi Martin; Cllr Martin Whelton	CSF Service Plans identify current control measures, these include reviewing eligibility criteria and consistently managing demand. Specifically to address this there is SENDIS Improvement plan in place which is regularly reviewed with clear actions set out.
						12  06-Jul-2015			
						12  30-Mar-2015			
						12  05-Jan-2015			
Paul Ballatt; Yvette Stanley	CSF05 / KSR34 School places	Key Strategic Issue	Although primary numbers are now expected to plateau, the increase in birth-rate & numbers of children reaching secondary puts continued pressure on special school places.	Lack of land availability for secondary expansion prevents LA delivering in the major growth years, resulting in insufficient capacity to meet demand.		9  08-Oct-2015	R	Cllr Martin Whelton	CSP Service Plan and recent council paper outlines recommendations to address this. Secondary and special school places strategy in place - working with EFA.
						9  06-Jul-2015			
						9  30-Mar-2015			
						9  05-Jan-2015			
Children, Schools & Families; Resources	CSF06 / KSR56 CS&F funding changes, budget savings & resource management	Key Strategic Issue	Continued uncertainty regarding changes to funding regimes & external grants, & concurrent additional statutory duties & demographic pressures. Changes to national funding formula for DSG expected from 2016/17 onwards, & the impact of any maintained schools becoming academies. Funding associated with C&F Act, & detailed requirements for CYP with SEND remain uncertain, as do youth justice and adoption changes. Demand	Impact on ability to provide statutory services, possibility of undermining the Merton Model, causing additional spend pressures in targeted services. Low staff morale, difficulties in managing the impact of the Workforce Management Strategy. Time & effort required to manage change & meet expectations of members & central government may lead to failures in the		15  08-Oct-2015	FI	Cllr Maxi Martin; Cllr Martin Whelton	Monitor Government proposals, consultation response & implications fed into budget & MTFS. Budget savings identified & analysed for impact including equality assessments, TOM & Service Planning work. All CSF Divisional Service Plans, School Improvement Strategy, NRTPF Working Group Strategy Plan, and Children and Family Act Implementation Plan. Likelihood - still waiting on national changes being announced. NRTPF demand management plan in place. TOMS and MTFS savings all progressing.
						15  06-Jul-2015			
						15  30-Mar-2015			
						15  05-Jan-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Cabinet Member(s)	Control Measures in place
			on "no recourse to public funds" cases is increasing. Requirement to make significant savings over the next 3-4 years. Need to balance competing & increasing demands at a time of contracting resources & major change.	management of ongoing operational work.					
Paul Ballatt	CSF09 / KSR62 Recommissioning Early Intervention and Prevention (Partnership)	Key Strategic Issue	Likely reduction in contracting with local third sector leads to reputational & political risk.	Destabilisation of the Local Strategic Partnership & Children's Trust Board partnership arrangements.	 Likelihood	10  08-Oct-2015	R	Cllr Maxi Martin	CSP Service Plan highlights area of high risk and continuation of commissioned services.
						10  06-Jul-2015			
						10  30-Mar-2015			
						10  05-Jan-2015			
Dean Shoesmith	HR13 / KSR44 Change to staff terms & conditions	Key Strategic Issue	Impact of review of T&Cs & ongoing staffing reductions	Impact on staff morale, recruitment & sickness - this will also lead to more financial implications.	 Likelihood	8  17-Sep-2015	SP	Cllr Mark Allison	A paper with options covering pay and rewards is being developed for CMT through the Workforce Strategy Board.
						8  23-Jun-2015			
						8  23-Mar-2015			
						8  06-Jan-2015			
Yvette Stanley; Evereth Willis	RE11 / KSR53 Failure to comply with equalities duties	Key Strategic Issue	Failure to evidence how equalities implications have been considered in developing new policy, designing services & decision making	Reputational impact for council, risk of judicial review & litigation, negative impact on service users and loss of savings.	 Likelihood	9  21-Sep-2015	O/R/FI/SP	Cllr Edith Macauley	Equality Analysis has been incorporated into the budget process and the equalities impact assessment of savings proposals are systematically undertaken.
						9  01-Jul-2015			
						9  19-Jun-2015			
						9  08-Apr-2015			

Definition of the Likelihood of Risk for *Service Area* use

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur over 50% of the time
4 - Significant	Occurs or likely to occur over a 25% of the time
3 - Possible	Occurs or likely to occur less than a 25% of the time
2 - Low	Occurs or likely to occur less than 5% of the time
1 - Almost Impossible	Occurs or likely to occur less than 1% of the time

Definition of the Impact of Risk for *Service Area* use

Categories	1 - Marginal	2 - Significant	3 - Critical	4 - Catastrophic
Financial Impact - FI	Up to 15% of gross budget or turnover	Over 15% and up to 50% of gross budget or turnover	Over 50% and up to 75% of gross budget or turnover	Over 75% of gross budget or turnover
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

Definition of the Likelihood of Risk for *Key Strategic Risk Register (KSRR)*

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur over 50% of the time
4 - Significant	Occurs or likely to occur over a 25% of the time
3 - Possible	Occurs or likely to occur less than a 25% of the time
2 - Low	Occurs or likely to occur less than 5% of the time
1 - Almost Impossible	Occurs or likely to occur less than 1% of the time

Definition of the Impact of Risk for *Key Strategic Risk Register (KSRR)*

Categories	1 - Marginal	2 - Significant	3 - Critical	4 - Catastrophic
Financial Impact - FI	£2.5 million per annum £10 million one off	£5 million per annum £20 million one off	£7.5 million per annum £30 million one off	£10 million per annum £40 million one off
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years