

# Merton Council

## Standards and General Purposes Committee Agenda

### Membership

#### Councillors:

Peter McCabe (Chair)  
Janice Howard (Vice-Chair)  
Agatha Mary Akyigyina  
Adam Bush  
Stephen Crowe  
Mary Curtin  
John Dehaney  
Mary-Jane Jeanes  
Ian Munn BSc, MRTPI(Rtd)  
Marsie Skeete  
Gregory Patrick Udeh  
David Williams

#### Substitute Members:

Michael Bull  
Sally Kenny  
Oonagh Moulton  
Imran Uddin

#### Independent Person invited to attend:

Derek Prior

**Date: Thursday 3 November 2016**

**Time: 7.15 pm**

**Venue: Committee rooms C, 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 please contact 020 8545 3357 or  
[democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk)

All Press contacts: [press@merton.gov.uk](mailto:press@merton.gov.uk), 020 8545 3181

# Standards and General Purposes Committee Agenda

## 3 November 2016

1	Apologies for Absence	
2	Declarations of Pecuniary Interest	
3	Minutes of the previous meeting	1 - 4
4	Motion from Council regarding Honorary Freeman of the Borough Andy Murray	5 - 12
5	External Audit Annual Letter	13 - 38
6	Internal Audit progress report on Annual Audit Plan	39 - 54
7	Procurement of external auditors	55 - 60
8	Annual Gifts and Hospitality report (Members)	61 - 70
9	Annual Gifts and Hospitality report (Officers)	71 - 78
10	Annual Complaints report	79 - 96
11	Progress report on Risk Management	97 - 118
12	Complaints against Members (verbal update)	
13	Proposed response to the 2018 Boundary Review of Parliamentary Constituencies consultation	119 - 130
14	Member Learning and Development	131 - 158
15	Exclusion of the press and public To RESOLVE that the press and public are excluded from the meeting during consideration of the following report on the grounds that it is exempt from disclosure for the reasons stated in the report.	
16	Temporary and Contract Staff update	159 - 172
17	Update of Terms of Reference	173 - 174
18	Work Programme	175 - 176

### 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 it, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

# Agenda Item 3

## STANDARDS AND GENERAL PURPOSES COMMITTEE 8 SEPTEMBER 2016

(7.15 pm - 8.15 pm)

PRESENT Councillor Peter McCabe (in the Chair),  
Councillor Janice Howard, Councillor Agatha Mary Akyigyina,  
Councillor Adam Bush, Councillor Stephen Crowe,  
Councillor Mary Curtin, Councillor John Dehaney,  
Councillor Mary-Jane Jeanes, Councillor Ian Munn,  
Councillor Marsie Skeete and Councillor Gregory Udeh

ALSO PRESENT: Stephen Bowsher, Chief Accountant  
Brendan Bradley, Senior Accountant  
Kim Brown, HR Lead  
Paul Evans, Assistant Director Corporate Governance /  
Monitoring Officer  
Caroline Holland, Director of Corporate Services  
Simon Williams, Director of Community & Housing  
Susanne Wicks, Democratic Services Officer

Paul King and Simon Mathers, Ernst & Young

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor David Williams. Councillor Michael Bull was present as substitute.

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

### 3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The Democratic Services Officer outlined an amendment to item 11 on the draft minutes as follows:

#### DRAFT ACCOUNTS

Paragraph 6 to read: "With regard to the approval of the 2017/18 accounts, the Committee noted their wish to move the June 2018 meeting to late July in order to approve the accounts".

RESOLVED: That, subject to the amendment shown above, the minutes of the meeting held on 30 June 2016 are agreed as an accurate record.

### 4 EXCLUSION OF THE PUBLIC (Agenda Item 7)

RESOLVED: That the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).

## 5 TEMPORARY AND CONTRACT STAFF UPDATE (Agenda Item 8)

At the suggestion of the Chair, the Committee agreed to reorder the agenda to take this item earlier.

The Director of Community and Housing, along with the HR Lead, Kim Brown, presented a detailed report of interim and temporary staff employed at a rate of £30 per hour or more.

Members of the Committee asked detailed questions to which officers responded.

The Chair asked that future reports show comparison with previous periods, so the Committee may identify trends and performance over the longer term.

Whilst noting the HR Lead's rigorous approach to scrutinising and challenging any request to recruit temporary or interim staff, the Chair suggested that it would be beneficial for departmental targets to be set to reduce the rates of non-permanent staff. The Director of Corporate Services advised that interim staff are engaged for a range of valid reasons, so it's likely that targets would not be met. The Chair acknowledged the point and suggested that targets should be set, with a proviso that there will be exceptional circumstances when it's recognised that an interim staff member is the only solution, e.g. to cover a finite project or inability to permanently recruit. The Director of Corporate Services undertook to discuss the imposition of targets with the Corporate Management Team.

RESOLVED: That the Standards and General Purposes Committee noted the progress made to monitor and control the use of temporary workers and consultants.

At the conclusion of this item, the Committee moved back into public session.

## 6 AUDITED FINAL ACCOUNTS 2015/16 (Agenda Item 4)

The report was introduced by the Director of Corporate Services, who advised that no material changes have been made to the draft accounts, which were presented to the June meeting of this Committee.

At the invitation of the Chair, Paul King (Executive Director, Ernst & Young) presented the Audit Results reports for both the Council and Pension Fund accounts.

Paul King outlined one matter to be brought to the Committee's attention; the auditors had identified an overstatement, relating to CIL, of £1m to both debtors and creditors. The overstatement has nil impact on the Council's net assets. He noted that this has no impact on the performance or position for the period, so it has been decided that no adjustment was required. The Committee noted the decision not to amend the accounts and were satisfied with this approach.

With regard to Appendix C to the external audit report, the Committee asked questions regarding the independence of the external auditors and were satisfied that they were.

At the invitation of the Chair, the Committee asked a range of detailed questions, to which officers and external auditors responded.

RESOLVED: That the Standards and General Purposes Committee:

1. Approves the audited Statement of Accounts, including the Pension Fund Accounts (Appendix 2).
2. Notes any comments made by the Pensions Fund Advisory Panel regarding the Pension Fund Accounts.
3. Notes EY's Audit Results Report (Appendix 4) for the Pension Fund accounts under the International Standard on Auditing (ISA) 260.
4. Notes EY's Audit Results Report (Appendix 3) for the Statement of Accounts under the ISA 260.

And that the Chair of the Committee:

5. Signs the Statement of Responsibilities for the Statement of Accounts (Appendix 2, page 154).
6. Signs Letters of Representation (Appendices 3 and 4) for the Statement of Accounts and Pension Fund Accounts.

#### 7 REGULATION OF INVESTIGATORY POWERS ACT (RIPA) (Agenda Item 5)

The report was introduced by the Monitoring Officer, Paul Evans. He advised that no RIPA authorisations have been made since the last meeting of this Committee, but noted that the policy must be kept up to date and fit for purpose. In response to questions, Paul Evans advised that the use of RIPA is unlikely to increase, given the increased expectation that Enforcement Officers will use overt surveillance as much as possible.

With regard to the Office of the Surveillance Commissioners (OSC) recommendations following the inspection in January, Paul Evans undertook to report back to this Committee on the outcome of the review into juvenile test purchases and in particular the conclusion on whether they should be carried out under RIPA.

With regard to the Constitutional amendment, the Monitoring Officer reassured the Committee that the delegation presents no conflict of interest.

RESOLVED: That the Standards and General Purposes Committee

1. Notes the action taken to address the recommendations of an inspection report of the council's arrangements for dealing with applications under the Regulation of Investigatory Powers Act.
2. Recommends to Council the update to Part 3-F of the Constitution, detailed within this report.
3. Approves the revised Regulation of Investigatory Powers Act policy and procedure.

4. Notes the purposes for which investigations have been authorised under the Regulation of Investigatory Powers Act (RIPA) 2000.

8 COMPLAINTS AGAINST MEMBERS - VERBAL UPDATE FROM THE MONITORING OFFICER (Agenda Item 6)

The Monitoring Officer advised that no formal code of conduct complaints against members had been received since the last meeting of this Committee.

9 WORK PROGRAMME (Agenda Item 9)

Councillor Stephen Crowe suggested that a report on risk management should be brought to a future meeting of this Committee.

RESOLVED: That the work programme is noted.

10 APPOINTMENT OF INDEPENDENT PERSON (Agenda Item 10)

The Monitoring Officer introduced this report.

RESOLVED: That the Standards and General Purposes Committee agrees that an interview panel, comprising one councillor from each political group, should be appointed to interview and recommend to Council the appointment of one Independent Person to serve for a period of three years.

## **Committee: Standards and General Purposes**

**Date: 3 November 2016**

Wards: All

### **Subject: Motion from Council regarding Honorary Freeman of the Borough Andy Murray**

Lead officer: Chris Lee, Director, Environment and Regeneration

Lead member: Councillor Nick Draper, Cabinet Member for Community and Culture

Contact officer: Paul Evans, Assistant Director Corporate Governance

---

#### **Recommendations:**

- A. Consider and discuss the options available to commemorate the recent achievements of Honorary Freeman of the Borough Andy Murray.
  - B. Ask officers to bring back a full report to a future meeting on any preferred option identified.
- 

#### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. Following the motion agreed at Council on 14 September 2016, the Committee are asked to consider the options available to commemorate the sporting achievements of Honorary Freeman of the Borough Andy Murray, and to decide which option, if any, they would like officers to investigate further.
- 1.2. This report sets out the current policy and legal and financial implications of naming a street or other facility after Andy Murray.

#### **2 DETAILS**

- 2.1. At the meeting of 14 September, Council unanimously agreed the following motion:  
*"This Council congratulates Honorary Freeman of the Borough, Mr Andy Murray, on:*
  - *winning a second Gentlemen's Singles title at the Wimbledon Championships held here in Merton during June and July 2016; and*
  - *becoming the first male tennis player to win two gold medals in singles when, at the recent Olympic Games in Rio de Janeiro, he retained the Olympic singles title he won in London in 2012.*

*This Council therefore requests that the Mayor write to Andy Murray conveying the Council's congratulations on the impressive feats he has achieved this summer.*

*This council recognises the importance of acknowledging the achievements of our Olympians and Paralympians and congratulates Merton resident Corinne Hall on successfully piloting Lora Turnham to their gold medal in the Tandem Pursuit cycling event in the Rio velodrome.*

*This Council therefore further requests that the Mayor write to Corrinne Hall conveying the Council's congratulations on her impressive achievement.*

*Furthermore, just as the borough marked local success at the London Olympic and Paralympic Games in 2012 with the introduction of the Sophie Hosking Challenge*

*Cup, this Council asks the Standards and General Purposes Committee to consider at its next meeting how best to ensure Andy Murray's recent achievements are permanently remembered by future generations e.g. through the naming of a sporting facility or street after him, and to make subsequent recommendations to Full Council where appropriate".*

### 3 ALTERNATIVE OPTIONS

3.1. There are a number of alternatives that a local authority can consider as a means of recognising and rewarding achievements by individuals and/or groups. It is important that the reward fits the achievements of those to be honoured and that any such reward can be afforded within appropriate budgets at the time of such an award being given.

#### 3.2. Table 1 – Options for Recognising and Rewarding Achievements

	Option	Pros	Cons
1	Award Honorary Title – Freeman, etc.	Relatively easy to implement once a decision is taken and providing an existing event is used to do the presentation the costs can be contained	If such awards are easily achieved or are issued to those who have not achieved some form of greatness then the award can be considered less 'valuable'
2	Name an asset in their name. Eg Street; Building; Monument;	The name stays for a long time and is etched in people's memories	Buildings / monuments may be difficult to find, as they are no longer named by their location. In years to come, they may need to be renamed if locals no longer remember the person behind the name – this is common with Leisure Centres. Naming Buildings and streets has best practice guidance (detailed later in this report) which would discourage this as a methodology of honouring people.
3	Install an asset in their honour. Eg Clock, public art; monument;	The asset is there for all to see and benefit from – be it a clock; sculpture; seat; etc.  It is likely that in the fullness of time the AELTC will install and unveil a bronze statue of Andy Murray on their grounds as they have	Similar concerns to the building and street naming. Also not all local people will be keen to spend public money on such a structure especially if they do not like it



		done this with all previous British Winners	
4	Hold a commemorative event in their name. Eg AFC Wimbledon Celebration	Is a one off occasion and can be set at a time that is appropriate for those being honoured to attend	Timing is essential and the person(s) being honoured need to be available and of a character where this would be something they would welcome
5	Establish awards, activities, events, competitions that bear their name. Eg Sophie Hoskins – BMX Awards	Can be nice to establish the first time around, although all of these awards, activities and events come at a cost both in terms of the event and costs of the organiser	Can become costly and time consuming and beyond the moment in time can fall rather flat and weaken the entries etc – previous borough Tennis and Bowls tournaments have been victims of this with lack of participants
6	Special citation – signed and sealed by locally dignitaries – presented at awards Eg long service awards for staff; community awards;	Relatively easy to implement once a decision is taken and providing an existing event is used to do the presentation the costs can be contained. Could add into other award giving occasions or do at a Full Council meeting	If such awards are easily achieved or are issued to those who have not achieved some form of greatness then the award can be considered less ‘valuable’
7	Recording their name and achievements in a key location as a remembrance of their achievements. Eg Hall of Fame	This could be by a physical asset or could be a Hall of Fame held on the website.	Maintaining this – be it engraved on a monument, wall or suchlike or electronically would require resources as would the original setting up
8	Provide a financial reward / gift for the person(s) to be honoured	Could be a specially designed Merton gift of glass, silver, etc. Once procured replica versions could be issued as needed. Nice to have and a record could be held linked to a ‘hall of fame’	Cost to produce and event to award, but could be tied in with other events

- 3.3. This list is not exhaustive rather it is a selection of options for consideration and a means by which others may establish their own alternatives that they wish to bring forward.

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. In the first instance, the consultation for this is with those elected members on the Standards and General Purposes Committee and it is expected that once ideas and options have been fully considered and rationalised, those elected members will consult with their colleagues across the elected members to gauge their views and support for any eventual proposal to be brought forward.
- 4.2. Should the Standards and General Purposes Committee decide to establish a wider policy on this subject then it would be prudent to consult the public on this matter.

#### **5 TIMETABLE**

##### **5.1. Table 2 – Implementation Plan**

<b>When</b>	<b>What</b>	<b>Who</b>	<b>Outcome</b>
16 Sept '16	Congratulation letters sent from Mayor to Andy Murray and Corinne Hall	Mayor of Merton	Letters received by honoured individuals
03 Nov '16	Report to Standards and General Purposes Committee	Assistant Director Corporate Governance	Committee identify and select preferred options for further information
Nov '16	Explore and expand on detail of options selected	Officers	Report to Standards and General Purposes Committee
9 March 2017	Report to Standards and General Purposes Committee	Assistant Director Corporate Governance	Committee to determine preference option for honouring Andy Murray
12 April 2017	Report to Council (if appropriate)		Move to implementation

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. Whatever options are taken forwarded consideration needs to be given to both the human and financial resources available to the council to implement the options.
- 6.2. Should it be decided that new assets and resources are something that the Standards and General Purposes Committee wishes to explore it would also be important that due consideration is given to location and the communities within those areas.
- 6.3. Naming property, be that buildings or streets is covered, in part, under the Legal and Statutory paragraphs of this report, however there are some examples to

consider as to whether or not this is an appropriate option for Merton to progress at this time.

- 6.3.1. When naming a leisure centre after a Gold Medal winning athlete this can cause problems both immediately after the naming and in the future. The David Hemery Leisure Centre is where? It does not exist anymore as people could not find their local leisure centre and as time passed new generations did not know who the centre was named after or why. The centre is now named after the town it is based in. This helps considerably for customers and local people visiting as well as those searching for it using technology and it is important for marketing purposes.
- 6.3.2. When naming buildings, structures and streets after people or companies there are risks that the person or company could at a later stage be identified / prosecuted for anti-social and/or criminal matters such as child protection issues and for companies they may be identified / prosecuted for investment, employment, manufacturing scandals, etc. Both of these then cause reputational risks to those organisations who have called, 'in good faith', for the original naming to be put in place. Within the Borough there has been an example where this has taken place and the Buildings affected had to have its name changed at a cost to the Council
- 6.4. When naming and numbering a street or building there is some best practice guidance provided by GeoPlace. GeoPlace is a Limited Liability Partnership jointly owned by the Local Government Association (LGA) and Ordnance Survey, which was set up as a result of a government call for a standard index of addresses to bring together existing creators and suppliers of addressing data to one central place to build a single, definitive address database known as the NLPG (National Land and Property Gazetteer). They have created a series of Data Entry Conventions (DEC) and Best Practice for Street Naming & Numbering documents to ensure there is consistency of approach and good practice is followed.
- 6.5 Merton must adhere to best practice at all times, but this this has to be contained within a Street Naming and Numbering Policy. Merton has recently produced its policy in draft format and that will now go through the council's due processes for adoption.
- 6.6 GeoPlace's most recent best practice guidance published in September 2016 advises:  
***“The use of the name of a living person. (This is not recommended).”<sup>(1)</sup>***
- 6.7 The Council has historically agreed to allow a number of buildings within the Plough Lane Development to be named after former Wimbledon Football Club players / managers, but in agreeing to this, it was limited to the surnames only e.g Bassett House named after Harry Bassett, one of the managers who is still alive. Therefore, an option might be to name a building or street using the surname only of 'Murray'.
- 6.8 Should the council choose to proceed with the re-naming/naming of a street after a person then they would need to follow a legally binding due process. This would require 66% of the residents to approve the change and would come at a cost to the council as would any potential compensation claims from residents should their street name be changed. There would also be costs involved with infrastructure changes such as new street signs, updating databases, etc. This requirement is negated if the building / street to be named is new.

- 6.9 Should the street be a new one then the developer or land owner would put forward their proposals and these would be considered against the council's policy, best Practice and the Emergency Services requirements. The Fire Brigade issue their own requirements, which includes 'no duplication of an existing name or similar name within a two-mile radius.
- 6.10 Murray Road already exists in Merton. It is situated close to the south of Wimbledon Common. There are no records readily available as to when it was named this or who or what it may have been named after. What is evident is that the street was in place as far back as 1940's and likely to be some time before that.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The Legal Acts that refer to Street Naming & Numbering are:
- Public Health Acts Amendment Act 1907 (Section 21)
  - Public Health Act 1925 (Sections 17, 18 and 19)
  - Town Improvement Clauses Act 1847 (Sections 64 and 65)
  - London Building Acts Amendment Act 1939 (Section 2)
- 7.2. Nothing is mentioned in these Acts about naming buildings and streets after living people. The Acts provide the legislative framework to ensure a due process is followed when naming, re-naming and numbering buildings and streets.
- 7.3. Local authorities are legally able to determine their own policies regarding the naming of buildings and streets after living people. Most local authorities produce policies that are based on best practice guidance. Merton has produced a draft policy for Street Naming and Numbering, which also follows this convention including the current best practice guidance from GeoPlace, which recommends that buildings and streets should not be named after living people. This policy is in a draft format and has yet to go through the council's due processes for adoption.
- 7.4. Should the council decide to proceed with the re-naming of a street it there is a legally binding due process that must be followed, the council must:
- write to all affected residents
  - display notification of their intention at the beginning and end of the street in a prominent position
  - give the residents 21 days (or 28 days depending on which Act you use) to object to the notification
  - respond in writing to all of the objections (Experience has shown that there will be a number of these)
  - wait a further 28 days before implementing the change
  - street nameplates are changed

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. Depending on the preferred option finally selected will impact differently on Human Rights, Equalities and Community Cohesion ranging from no impact to some impact should street be renamed which could impact on the residents of that street.
- 8.2. In considering which of the preferred options are to be taken forward, members are advised to also consider what Human Rights, Equalities and Community

Cohesion impacts might be forthcoming and whether those would be positive or negative for those likely to be affected.

**9 CRIME AND DISORDER IMPLICATIONS**

9.1. None.

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. Depending on the preferred option finally selected there could be financial and reputational risks both now and in the future.

10.2. There are no health and safety implications.

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

None

**12 BACKGROUND PAPERS**

None

**13 REFERENCES**

(1) GeoPlace - Data Entry Conventions (DEC) and Best Practice for Street Naming & Numbering, September 2016 – Page 27 Section 4.1.2.14 Bulletpoint 6

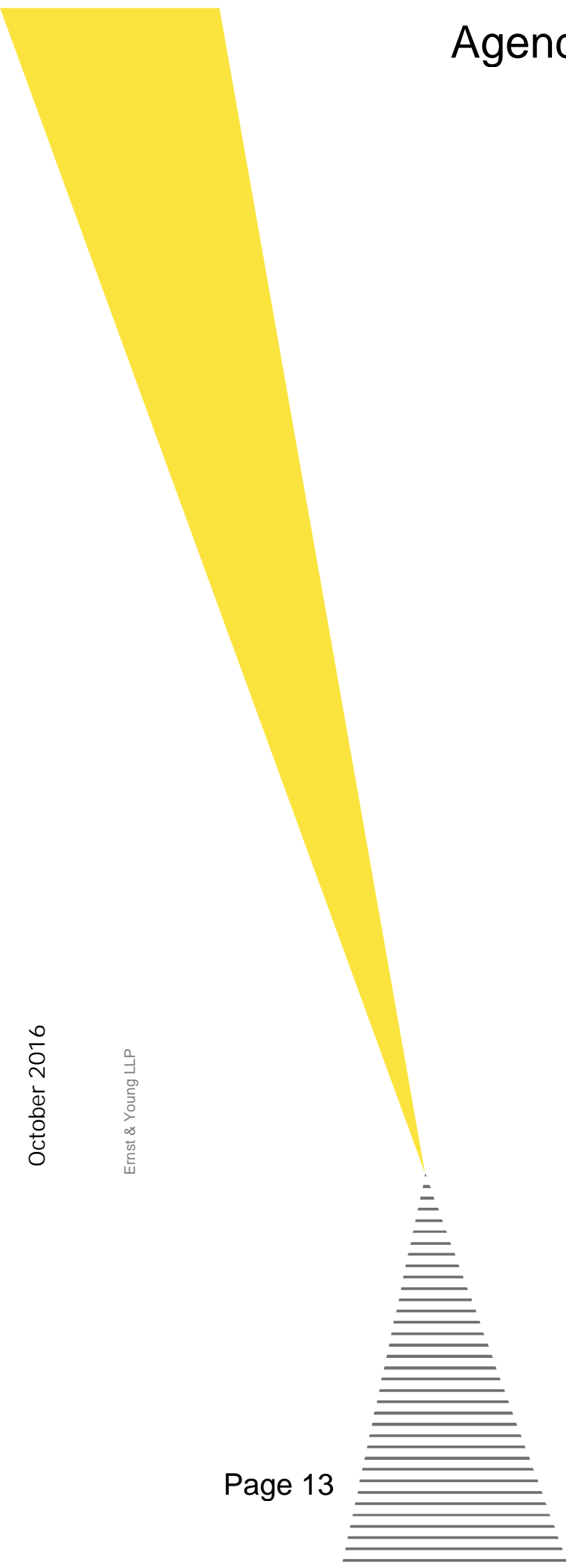
This page is intentionally left blank

# Merton Council

Annual Audit Letter for the year ended 31 March 2016

October 2016

Ernst & Young LLP



## Contents

Executive Summary .....	2
Purpose.....	5
Responsibilities.....	7
Financial Statement Audit .....	10
Value for Money .....	13
Other Reporting Issues.....	16
Focused on your future.....	19
Appendix A    Audit Fees .....	22

In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies 2015-16". It is available from the Chief Executive of each audited body and via the PSAA website ([www.psa.co.uk](http://www.psa.co.uk))

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

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

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

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



A close-up photograph of a person's hands writing on a document. The person is holding a blue and white pen in their right hand and a pen cap in their left hand. The document is white with some text and a red line. The background is blurred, showing what appears to be a desk and a window. A yellow rectangular overlay is positioned over the lower part of the image, containing the text 'Executive Summary' in a white, sans-serif font.

## Executive Summary

## Executive Summary

We are required to issue an annual audit letter to Merton Council (the Council) following completion of our audit procedures for the year ended 31 March 2016.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's and Pension Fund's: ▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council and Pension Fund as at 31 March 2016 and of its expenditure and income for the year then ended
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources
Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	We had no matters to report.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Reports were issued on 31 August 2016 and presented to the 8 September 2016 meeting of the Standards and General Purposes Committee for both the main Council and Pension Fund audits.

Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 19 September 2016.
---	--

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

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

Purpose



Work

## Purpose

### The Purpose of this Letter

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

We have already reported the detailed findings from our audit work in our 2015/16 Audit Results Report to the 8 September meeting of the Standards and General Purposes Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.



# Responsibilities



## Responsibilities

### Responsibilities of the Appointed Auditor

Our 2015/16 audit work has been undertaken in accordance with the Audit Plan that we issued on 19 February 2016 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
  - ▶ On the 2015/16 financial statements; and
  - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
  - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
  - ▶ Any significant matters that are in the public interest;
  - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
  - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

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

## Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (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 putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.





# Financial Statement Audit

## Financial Statement Audit

### Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council and Pension Fund's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued unqualified audit reports on 9 September 2016.

Our detailed findings were included in our Audit Results Reports for both the main Council and Pension Fund audits presented to the 8 September meeting of the Standards and General Purposes Committee. In those reports, which were issued on 31 August 2016, we noted that there were some areas where our work was outstanding and was to be completed. We completed work in those areas and this enabled us to issue unqualified audit reports on the Council and Pension Fund financial statements.

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

#### Significant Risk

##### Management override of controls

A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.

#### Conclusion

We completed our testing in respect of the procedures set out in our Audit Plan and found no evidence of management override or bias. Specifically:

- Our detailed testing of journal entries recorded in the general ledger has found them to be appropriate.
- We were satisfied that the MRP charged by the Council for the period was been calculated in accordance with extant requirements and supported by accounting records. We also identified no evidence of manipulation or management override in respect of bad debt provisions included in the accounts.
- We identified no significant unusual transactions in the course of our work.

We also identified two non-significant audit risks during the planning phase of our audit, one in respect of payroll processing arrangements by bodies external to the Council and the other in respect of housing benefit overpayment debtors, which we also reported to you in our Audit Plan. We concluded we had material assurance in respect of both of these risks but that there remained further work to do to fully address recommendations raised by the service auditor of the shared HR and payroll service operated by the London Borough of Sutton.

We also reported one unadjusted misstatement on the Council's main accounts. This related to an overstatement of debtors and creditors of approximately £1.1 million. Given this had no impact on either the reported financial performance or position of the Council of the year management and those charged with governance decided to make no adjustment in respect of this misstatement.





Value for Money

## Value for Money

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

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

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



We issued an unqualified value for money conclusion on 9 September 2016.

We did not identify any significant risks in relation to the Council's arrangements.

We considered a variety of information sources at the planning stage and updated our understanding of your arrangements at the conclusion stage of the audit, including our understanding of your business and entity level controls, your own risk management arrangements, current and prior year Annual Governance Statements, budgetary control information and outturn performance against budget, your medium term financial planning, the work of internal audit and other regulators and VFM profile cost comparison data made available by PSAA.

We did not identify any significant weaknesses in the Council's arrangements.





## Other Reporting Issues

## Other Reporting Issues

### Whole of Government Accounts

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

### Annual Governance Statement

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

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

### Report in the Public Interest

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

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

### Written Recommendations

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

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

### Objections Received

We did not receive any objections to the 2015/16 financial statements from members of the public.

### Other Powers and Duties

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



## Independence

We communicated our assessment of independence in our Audit Results Report to the Standards and General Purposes Committee meeting on 8 September 2016. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

## Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit. We did not identify any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

A close-up photograph of a person's hands holding binoculars. The person's face is partially visible in the background, looking through the eyepieces. The binoculars are dark-colored with a prominent lens in the foreground. The background is softly blurred, showing the person's skin and hair.

Focused on your  
future

## Focused on your future

Area	Issue	Impact
<p>Medium term financial challenges and budget pressures.</p>	<p>In common with many local authorities, the Council faces significant financial challenges over the medium term. In our 2015/16 Audit Results Report we specifically considered the Council's medium term financial strategy (MTFS) set out in its 2016/20 Business Plan. We noted that at the time the MTFS was set the Council forecast a budget gap of approximately £3.5 million by 2019/20.</p> <p>Subsequent to the issue of our audit results report an updated MTFS was presented to the 12 October meeting of the Cabinet as part of the 2017/21 Business Plan. Although the forecast budget gap by 2019/20 has now fallen to approximately £1.4 million, the Council predicts that further savings of approximately £16.6 million will be needed to balance the budget by 2020/21. The latest available revenue budget monitoring information for 2016/17 to the end of August continues to forecast a net outturn overspend for the year, now predicted to be approximately £5 million.</p>	<p>The Council will need to continue its work to identify additional efficiency and cost savings to help close the projected budget gap as part of regular updates through its business planning process.</p> <p>We will monitor the Council's response to the financial and budget pressures that it faces in the context of our value for money responsibilities.</p>
<p>EU referendum</p>	<p>Following the majority vote to end the UK's membership of the European Union (EU) in the EU Referendum held on 23 June 2016 there is a heightened level of volatility in the financial markets and increased macroeconomic uncertainty in the UK. All three major rating agencies (S&amp;P, Fitch and Moody's) took action on the UK Sovereign credit rating and, following the rating action on the UK Government. For entities in the public sector, there is likely to be an impact on investment property valuations if confidence in the wider UK property market falls; and the valuation of defined benefit pension obligations may also be affected. It is too early to estimate the quantum of any impact of these issues, but there is likely to be significant ongoing uncertainty for a number of months while the UK renegotiates its relationships with the EU and other nations.</p>	<p>Many of the issues and challenges that face the UK public sector will continue to exist, not least because continued pressure on public finances will need responding to. Additionally it may well be that the challenges are increased if the expected economic impacts of the referendum and loss of EU grants outweigh the benefits of not having to contribute to the EU and require even more innovative solutions.</p> <p>We are committed to supporting our clients through this period, and help identify the opportunities that will also arise. We will engage with you on the concerns and questions you may have, provide our insight at key points along the path, and provide any papers and analysis of the impact of the referendum on the Government and Public Sector market.</p>

Area	Issue	Impact
Highways Network Asset (HNA)	<p>The Code of Practice on Transport Infrastructure Assets (TIA Code) was first published in 2010 and updated in 2013. The key aim of this document was to improve the asset management of TIA. During 2016, this guidance has been renamed and updated, with the Highways Network Asset (HNA) Code, Guidance Notes and Accounting Guidance being published. Local Government has historically used depreciated historic cost (DHC) as the valuation approach for infrastructure assets. The introduction of the HNA Code will see this valuation basis change to depreciated replacement cost with effect from 1 April 2016. The change will be applied prospectively from that date, so Highways Authorities are not required to disclose comparative information. This is a fundamental change in approach which will require new accounting and estimation approaches as well as amendments to existing systems, or implementation of new systems.</p>	<p>The impact on the Council's Balance Sheet will be highly significant; with the recognition of a single highways network asset of approximately £5 billion. The impact on the audit will also be significant, as auditors will need to obtain sufficient assurance over the material accuracy of this asset. The Council has an established working group of highways engineers and accountants to ensure these accounting changes are appropriately implemented.</p> <p>We will work closely with the Council at both the local level, regarding system implementation, valuation procedures and accounting, and at the wider level through the continuation of our HNA Client Workshops.</p>





Appendix A

## Audit Fees

## Appendix A Audit Fees

Our fee for 2015/16 is in line with the scale fee set by the PSAA and reported in our Audit Plan and Audit Results Report.

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

Ernst & Young LLP

© Ernst & Young LLP. Published in the UK.  
All Rights Reserved.

ED None

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales  
with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

[ey.com](http://ey.com)

This page is intentionally left blank



## **Committee: Standards and General Purposes Committee**

**Date: 3 November 2016**

**Subject: Internal Audit Progress Report**

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Peter McCabe, Chair of the Standards and General Purposes Committee

Contact officer: Margaret Culleton Head of Internal Audit, 020 8545 3149,  
margaret.culleton@merton.gov.uk

---

### **Recommendation:**

1. That Members note and comment upon matters arising from the Internal Audit Progress Report.
- 

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report summarises the work carried out by Internal Audit up to October 2016 and the key areas of activity planned for the remainder of the year.
- 1.2 Internal Audit seeks to ensure that Merton's financial and other systems adhere to recognised standards and that public accountability can be demonstrated and is transparent.
- 1.3 Internal Audit is responsible for conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole Council, including Members and all levels of management. It is not an extension of, nor a substitute for, good management. The Internal Audit Service is responsible for giving assurance on all control arrangements to the General Purposes Committee and the Director of Corporate Services (also known as the Section 151 Officer); it also assists management by evaluating and reporting to them the effectiveness of the controls for which they are responsible.

## **2. Details**

- 2.1 Since the last progress report in March 2016, we have finalised 27 audit reviews and have 11 reports at draft stage.
- 2.2 In order to contribute to the Annual Governance Statement all Internal Audit reports give an audit assurance as follows:
  - a) Full Assurance
  - b) Substantial Assurance
  - c) Satisfactory Assurance
  - d) Limited Assurance
  - e) No assurance
- 2.3 In addition each recommendation is given a high, medium or low risk priority. All recommendations are followed up by Internal Audit to ensure that they have been implemented.

### 3 Progress against the Plan

3.1 Progress against the 2016/17 plan as at 31<sup>st</sup> September is as follows

	<b>Audits</b>	<b>Days</b>
Number of audits in the plan	58	
Audit Days delivered*		381
Number of audits finalised	27	
Number of audits at draft report stage	11	
Number of audits in progress	12	
Number of audits booked to start	8	

\* audit plan days is 936

3.2 At the time of this report, approximately 41% of the plan has been completed on the basis of number of days delivered. The plan is weighted to the last 2 quarters as this is when the outsourced audits are scheduled. The plan days are expected to be delivered by year end.

#### **Planned Audit Reviews**

3.3 Since the last progress report in March 2016, there have been 12 reports issued with a satisfactory assurance or above and 6 reports issued with a limited assurance. There have also been 5 control reports following fraud investigation 1 grant claim, the mayor's charity and a review of the arrangements in place for corelogic and the AGS.

3.4 A summary of the findings and agreed actions are detailed further in Appendix B for all those receiving a limited assurance report

**Table 1 – Audit Reviews with a limited assurance**

<b>Audit Title</b>	<b>Department</b>	<b>Actions implemented</b>
West Wimbledon primary school	CSF	Yes
Fuel Bunker and fuel cards	ER	Yes
Civic Regalia	CS	In progress
Market Street Traders	ER	In progress
Pension Investments	CS	In progress
APS cards	CSF	In progress

3.5 The actions recommended are all either implemented or in progress to be implemented. Follow-up of audit actions are always undertaken to seek assurance that the weaknesses in controls have been strengthened.

## **Additional audit reviews**

- 3.6 Internal audit visits Department Management Teams a number of times throughout the year to discuss progress against the plan and to review the audits which are still to be undertaken to ensure they are still relevant and timely. Additional requests for work are also received from managers and reviews are undertaken in areas where fraud has occurred to ensure that controls are sufficient.
- 3.7 Internal Audit has undertaken ten additional reviews this year; which means that some planned audits for 2016/17 will move to 2017/18. The additional work undertaken covers the following areas:-
- DOL assessments (final)
  - Apprenticeship recruitment (final)
  - Facilities procurement (final)
  - Memorandum of Understanding review (in progress)
  - Highway Assets (in progress)
  - E5 pre-implementation review (in progress)
  - Recruitment investigation (in progress)
  - Blue Badge review (in progress)
  - Parking Permit (in progress)
  - Safeguarding Adults (draft)

## **Whistleblowing**

- 3.8 Reported to GP committee in March 2016, there were 4 cases on-going, 2 cases are being prepared for prosecution, 2 are in progress.
- 3.9 There have been 5 Whistleblowing allegations received since March 2016. These have been passed to the fraud partnership and 4 are on-going and 1 has closed.
- 3.10 The fraud partnership will be providing a progress report to the March committee. This update will include the corporate fraud and external fraud work on areas such as tenancy fraud and blue badge.

## **4. Following up on the Implementation of Agreed Actions and responses to Draft Reports**

- 4.1. The agreed actions for audits completed in 2015/16 and 2016/17 have been followed up. At the time of this report 83% of audit actions had been implemented, 17% were due to be implemented.
- 4.2 Follow up reminders are sent out monthly to officers responsible for implementing the agreed actions when the due date is reached, to ascertain whether the actions have been implemented.
- 4.3 If the actions have not been implemented by the following month reminders are escalated to Heads of Service/ Assistant Director Level. Once they reach 3 months overdue a report is then sent to Directors for those actions.

4.4 As at the 13th October there were 8 audit actions overdue by more than 3 months. Responses to these actions are actively being sought.

4.5 Where there are overdue actions Internal Audit contacts the manager to seek explanations for the delays in implementing these recommendations. If an action remains outstanding, these audit areas are considered for a follow up audit review.

## **5. ALTERNATIVE OPTIONS**

5.1 None for the purposes of this report.

## **6 CONSULTATION UNDERTAKEN OR PROPOSED**

6.1 The Internal Audit Plan has been agreed with Chief Officers who have consulted with their Management Teams. Service Level Agreements are in place. The Head of Internal Audit has periodic meetings with the Directors to report upon progress against the Plan.

6.2 All audit reports are discussed with the relevant manager prior to issuing as a draft, further meetings are held if required and comments from the Manager and Head of Service/Assistant Directors are included in the final report.

## **7 TIMETABLE**

7.1. None for the purposes of this report.

## **8 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

8.1 The planned work and unplanned work is undertaken within the budget allocated.

## **9 LEGAL AND STATUTORY IMPLICATIONS**

9.1 This report sets out a framework for Internal Audit to provide a summary of internal audit work for 2016/17. The Local Government Act 1972 and subsequent legislation sets out a duty for Merton and other councils to make arrangements for the proper administration of their financial affairs. The provision of an Internal Audit service is integral to the financial management at Merton and assists in the discharge of these statutory duties.

## **10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

10.1 Effective and timely auditing and advice enables Departments, Voluntary Organisations and Schools to provide quality services to their clients. These client groups are often vulnerable members of the community, e.g. elderly people, disabled people, asylum seekers, members of staff and voluntary organisations. The audit service helps to identify weak financial management and sometimes reflects weaknesses in other operational systems such as quality and ethnic monitoring. Audit, therefore, has a crucial role in ensuring that Council resources are used to enable a fair access to quality services.

## **11 CRIME AND DISORDER IMPLICATIONS**

11.1 There are no specific crime and disorder implications arising from this report.

11.2 The report does however include brief details of potential fraud investigations in progress.

## **11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 11.1. The Audit Plan has a risk assessment formula built into the process. This takes such aspects as expenditure, income, and previous audit findings into account and calculates priorities and the frequency of the audit.
- 11.2. In addition to the audit risk assessment formula the Corporate Risk Register is consulted during the production of the Internal Audit Plan.
- 11.3. The audit brief at the beginning of the audit, and the internal audit reports at the end of the audit also identify risks. Audit Recommendations are categorised high, medium or low priority in relation to the level of risk involved.

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

- Appendix A: Audit reports issued since March 2016
- Appendix B: Audit Report summary (limited assurance)

## **13 BACKGROUND PAPERS**

- 13.1 Documents held in Internal Audit Files.

This page is intentionally left blank

Audit Title	Department	Final Report Date	Assurance
HB Subsidy claim	CS	03/03/16	Assurance
Financial Assessments	CH	31/03/16	Assurance
Corelogic	CH	21/04/16	n/a
Lonesome Primary school	CSF	19/04/16	Assurance
West Wimbledon Primary school	CSF	20/04/16	Limited
Fuel Bunker and Fuel cards	ER	27/05/16	Limited
DOL assessments	CH	09/06/16	n/a
AGS	ALL	09/06/16	n/a
Housing Benefit	CS	01/07/16	Assurance
Beecholme Primary School	CSF	14/07/16	Assurance
Appenticeships	CS	14/07/16	n/a
MSJCB	ER	15/07/16	n/a
Staff Conflict	ER	15/07/16	n/a
School Utilities	CSF	22/07/16	Assurance
Facilities Procurement	CS	22/07/16	n/a
B&B procurement card	CH	03/08/16	n/a
Civic Regalia	CS	03/08/16	Limited
Liberty Primary School	CSF	03/08/16	Assurance
Market Street Traders	ER	21/09/16	Limited
Cash and Bank	CS	30/09/16	Assurance
Mayors Charitable Trust	CS	25/09/16	n/a
Health and Safety	CS	21/09/16	Assurance
Pension Investments	CS	27/09/16	Limited
iTrent	CS	25/08/16	Assurance
APS cards	CSF	27/09/16	Limited
Chas	CS	30/09/16	Assurance
Mascot	CH	10/10/16	Assurance

This page is intentionally left blank



## Internal Audit Report Summary- Limited Assurances

Service	West Wimbledon Primary School	
Date of Final Audit Report	5 <sup>th</sup> April 2016	
Audit Actions	23	Completed Audit Actions 23
Audit Objectives	<p>The school probity audit covers: - Governance, budget management, procurement, income and expenditure controls.</p> <p>The Internal Audit review has identified areas of concerns in relation to the schools budget monitoring.. The school had predicted a deficit budget but closed on a surplus budget. The expenditure against some individual budget heads had been exceeded but no virements completed to authorise the movement of budget.</p> <p>14% of orders have been raised after receipt of an invoice and 19% of transactions had no orders raised. not raising orders and producing a commitment against budget, weakens budget monitoring and making accurate forecasting difficult.</p>	
Summary of Audit Findings	<p>Contract – the contract with xxx Limited for building work at the schools has not been awarded in compliance with the Scheme of Financing for schools and requires reviewing. No quotes have been obtained for £67k spent to date.</p> <p>Accountability and Responsibility – The 'Statement of Roles &amp; Responsibilities, Terms of Reference and Delegated Powers' document needs to be reviewed to take account of the Debit Card arrangement</p> <p>School Meals Debt – a review of outstanding debts should be undertaken</p> <p>Recruitment – all recruitment/ appointment document should be held on file Pay Policy – this document should be updated and agreed by Governors</p> <p>Although the school was found to have written procedures for IT security for the school and staff to follow, some documents were found to need adopting or updating, these related to E-Safety policy: this needs to be updated and agreed by Governors. Subject Access Request Policy: this needs to be adopted by the schools.</p> <p>The 2015/16 budget will be monitored closely in order to ensure that original budget is achievable. Virements have been made and will be authorised prior to any overspends.</p> <p>Statement of Roles &amp; Responsibility, Terms of Reference and Delegated Powers has been updated to include debit card arrangements</p> <p>Orders will be raised and commitments entered on the budget where possible.</p> <p>Annex E from the Scheme of Financing Schools will be adhered to for the remainder of the 4 year building works planned at the school</p> <p>The debit card authorisation form will be completed in full</p> <p>Annual salary statements will be produced</p> <p>Overtime reconciliation reports will be run from iTrent and authorised by the Headteacher on a monthly basis.</p> <p>The Pay Policy has been updated with the latest changes. The E-Safety Policy has been updated</p> <ul style="list-style-type: none"> <li>• They closed in 15/16 on a revenue balance of £26,597.</li> <li>• They have set a balanced budget this year</li> <li>• No concerns at the moment on current monitoring (£49738 surplus reported in June)</li> </ul> <p>All other actions have been implemented.</p>	
Summary Response from Managers		
Update		

## Internal Audit Report Summary- Limited Assurances

Service	<b>Fuel Bunker and fuel cards</b>	
Date of Final Audit Report	27 <sup>th</sup> May 2016	
Audit Actions	8	Completed Audit Actions 8
Audit Objective	<p>To review the arrangement in place for the controls of fuel usage, safety checks and the issue of fuel cards</p> <p>This audit has been given a limited assurance due to the fact that the procedures and controls relating to both risk assessments and daily safety inspections of the fuel bunker are not operating as expected.</p> <p>A full risk assessment of the dispensing station and surrounding areas is due to be carried out biennially by the Training and Operational Road Safety Manager (this includes the security of the fuel bunker, fire procedures and staff health and safety). However the last Risk Assessment document provided to Audit indicates that it was undertaken in January 2013.</p> <p>The fuel bunker has a capacity of 45,000 litres of fuel. Stock level can be checked via the fuel management system Fueltek.</p> <p>It was noted that on 12th November 2015 following a delivery Fueltek showed a closing balance of 64,216 litres. The Auditor was informed that the wrong delivery figure had been entered on the system</p> <p>The Transport Service maintains a database of BP fuel cards. Sample testing found that in the majority of cases 6 out of 8 (75%) of the sample tested, evidence to confirm that the fuel card had been signed for by the cardholder could not be located. The review noted that fuel cards assigned to some areas are also used to refill plant and equipment, therefore putting them at a higher risk of potential misuse. This risk can be mitigated by assigning cards just for plant and equipment use, thereby allowing for closer monitoring.</p>	
Summary of Audit Findings	<p>The fuel bunker "checklist" to be reinstated.</p> <p>The biennial Risk Assessment of the Fuel Bunker to be undertaken.</p> <p>Separate cards to be introduced for the Plant and Equipment.</p>	
Summary Response Managers Update	<p>All actions have been implemented. This area is included in the Phase C – SLWP – due to go out in April 2017.</p>	

## Internal Audit Report Summary- Limited Assurances

Service	<b>Civic Regalia &amp; other valuable items</b>	
Date of Final Audit Report	5 <sup>th</sup> August 2016	
Audit actions	10	Completed Audit Actions 10
Audit Objectives	<p>To ascertain the procedures for maintaining records including adding/deleting items, periodic inventory check, arrangements for issuing items out and receiving them back, and storage of items.</p> <p>Internal Audit identified significant shortfalls with regard to the documentation of records of the Civic Regalia &amp; other valuable items therefore we have concluded that the level of financial control is below the required standard. The Civic Regalia &amp; other valuable items inventory was last updated in 2014 and did not reflect the values confirmed by the independent valuation report.</p> <p>A review of all items held by the Heritage Centre should be undertaken as a matter of urgency in order to ensure that the 25 items transferred to the Heritage Centre/ Wimbledon Library in 2012 can be located.</p> <p>A lack of separation of duties was found in relation to the monitoring of assets as the same officer is updating the inventory and also undertaking stock checks.</p> <p>The manufacturer safe limits need to be established in order to ensure that limits are not exceeded in order to ensure adequate insurance coverage in the event of a loss.</p> <p>The arrangement of the safe keys should be reviewed in order for an audit trail to be evidenced.</p> <p>A process for repairing the Civic Regalia should be established with the registered jewellers, in order to ensure an audit trail.</p> <p>An agreed disposal policy should be established for items donated and gifted to the Mayor's office in order to demonstrate a consistent approach and reduce storage cost.</p> <p>The location of the paintings transferred to the Heritage Centre is being located</p> <p>The Mayor's office inventory will be updated annually</p> <p>Approved procedures of updating the inventory will be established</p> <p>The Inventory will be updated by one officer and stock checks undertaken by a separate officer</p> <p>Reconciliation will be undertaken between the independent valuation report and the Mayors inventory list.</p> <p>Insurance cover of items taken off site is being addressed with the independent jewellers and the LBM insurance department. A disposal process of items donated and gifted to the Mayor's office is being established</p> <p>A report containing proposal for a disposal policy will be brought to the Standards and General Purposes Committee on 9 March 2017. Members will be contacted to arrange a viewing of these items in advance of considering the report.</p>	
Summary of Audit Findings		
Summary Response from Managers		
Update		

## Internal Audit Report Summary- Limited Assurances

Service	<b>Market Street Traders</b>	
Date of Final Audit Report –	21 <sup>st</sup> September 2016	
Audit actions	11	Completed Audit Actions 3
Audit Objectives	<p>There is a documented procedure for the collection and banking of income. Income is collected correctly, banked promptly and posted accurately and on a timely basis to the appropriate account.</p> <p>Income due is reconciled regularly to the income posted.</p> <p>There is an effective procedure for the recovery of unpaid licence fees.</p> <p>Our review of the system and procedures for the collection and banking of income from street and market traders showed that there were some areas where the controls were weak and needed to be strengthened to make them more effective.</p> <p>A lack of separation of duties was found in the street market traders invoicing process, as the Technical Officer is receiving the licence application, visiting the sites, updating the spread sheet with any changes to fee and also calculating the amount due to be invoiced.</p> <p>The process of raising invoices for the collection of market trader’s licences was found to be ineffective and not established comprehensively. In 2014 invoices were being raised quarterly in advance. In October 2015 this changed to invoices being raised in arrears with requisition time ranging between 1 to 6 months between invoices.</p> <p>The review also identified other weakness in relation to the collection and recovery of income. A comparison between income due and income received for 2015/16 found that 51% due remained unpaid. This could potentially lead to high level of bad debt, and also give a misleading financial position of the cost centre, as income is recognised in full once the invoice has been raised.</p> <p>A lack of communication between the Corporate Debt Recovery Team and the Licencing Section has resulted in street and market traders having overdue outstanding debt, while still trading, resulting in an increase in the amount owed. As at the 07/06/2016, 86% of outstanding debt was found to be with traders that are currently still trading.</p> <p>The Licencing Manager has confirmed that a separation of duties for the administration of market traders is not possible to implement due to a lack of staff resources. Internal Audit has said that as a minimum that this should be regularly monitored.</p> <p>Comprehensive written procedures are currently being drafted.</p> <p>A review of the M3PP system users and access rights will be undertaken</p> <p>All agreements to reduce fees below the approved schedule will be authorised, documented and attached to the M3PP</p>	
Summary of Audit Findings		
Summary Response Managers	from	

**Internal Audit Report Summary- Limited Assurances**

<p>Service</p>	<p><b>Market Street Traders</b>                  system.                  The possibility of inputting market traders agreed days and fees on the M3PP system is being considered                  The regularity of invoices is currently being reviewed.                  Consideration to introducing a cashless payment system must be formally deliberated as the current collection process is inefficient and is causing high level of debt.                  The numbers and total value of invoices generated will be checked against the M3PP system per invoice period.                  An agreed working procedure between Debt Recovery and Licensing Team will be established                  All traders are now paying their market fees by direct debit or standing order.</p>
<p>Update                  October 2016                  19<sup>th</sup></p>	<p>Where traders have outstanding and unpaid fees, letters have been sent confirming the outstanding amount, and payment plans have been put in place with regular payments made by direct debit or standing order.</p>

## Internal Audit Report Summary- Limited Assurances

Service	<b>Pension Investments</b>	
Date of Final Audit Report	27 <sup>th</sup> September 2016	
Audit actions	9	Completed Audit Actions
Audit Objectives	<p>To ensure :-</p> <ul style="list-style-type: none"> <li>the pension investment strategy and polices comply with legislation and best practice.</li> <li>transactions relating to amounts received or paid are valid, accurately recorded and appropriately authorised.</li> <li>cash flow is adequately monitored.</li> <li>access and authorisation controls ensure adequate segregation of duties, to reduce the risk of fraud.</li> <li>performance monitoring arrangements are in place.</li> <li>management agreements and fees are correctly charged.</li> </ul>	
Summary of Audit Findings	<p>Three high priority recommendations, five medium priority recommendations and one low priority recommendation have arisen as part of the audit. High priority recommendations relate to the inadequate services provided by the Council's custodians resulting in a lack of transparency and monitoring.</p> <p>The Council does not receive regular information from custodians about the amount of tax reclaimed and the backlog of claims outstanding. Where the Council has no visibility of recoverable tax vs tax claims processed, or tax claims received vs outstanding claims, there is an increased risk of financial loss and compromised data integrity</p> <p>Regular valuation and transaction reports are produced by fund managers but are not independently verified. Where there is insufficient oversight of transactions and where the Council does not receive independent verification of fund valuation and reconciliation reports from the custodian, there is an increased risk of inaccurate data and/or incorrect fees being paid by the Council</p> <p>Black Rock's management fees have been incorrectly reported as a reduction in dividend income within Euraplan. Where management fees are not reported accurately this will result in compromised data integrity and ineffective monitoring.</p> <p>The Governance Compliance Statement does not fully reflect the current governance arrangements of the Pension Fund. In particular, it does not make reference to the newly introduced Local Pension Board</p> <p>We examined contractual arrangements with the Council's fund managers and custodians and noted the following:          We were not provided with evidence of the contract with one of the Council's custodians (State Street).          The copy of the contract provided to us with J.P. Morgan was not signed and some sections were missing, (e.g. Segregation of Assets, Settlement of Transactions, Income Collection and Fees).</p>	

**Internal Audit Report Summary- Limited Assurances**

Service	<p><b>Pension Investments</b></p> <p>The contract with Black Rock had only been signed by the Council.</p>
<p>Summary Response from Managers</p>	<p>The review/proposed change to the custody arrangement and reporting framework will incorporate better reconciliation and reporting of tax.</p> <p>Officers have sought further clarification from BlackRock on the fee calculation and subsequent evidencing reports Please note that all agreements have been located.</p> <p>The Governance Compliance Statement will be reviewed as part of year end reporting.</p>



**Internal Audit Report Summary- Limited Assurances**

Service	<b>APS cards</b>	
Date of Final Audit Report –	26th September 2016	
Actions	17	Completed Audit Actions
Audit Objectives	<p>To review the controls around the ordering, storage and issue of cards.          To ensure that cards are only issued to clients on a need to have basis and these are appropriately authorised.          Timeliness standards are set to ensure prompt recording, monitoring, reconciliation and review of expenses.          To ensure that APS card expenditure is appropriate.</p>	
Summary of Audit Findings	<p>A number of shortfalls were identified that needs to be addressed to strengthen the controls in place. These include the drafting and circulation of a Departmental/Divisional policy and guidance document to guide staff on the user of the Cash plus prepaid card to ensure consistent approach across the division as well as a Card Administrator to oversee the administration of the cards.          The review also found that there are no controls in place restricting a number of delegated card holders from being able to upload funds to their own cards. Coupled with the fact that there is no limit on the amount that can be uploaded on the cards it is imperative that the process of card set up, fund upload and card users are segregated.          Supporting documentation for 14 per cent of the sample tested could not be located.          Testing also noted that although there is requirement for service agreement to be authorised on Carefirst before the fund upload. Testing found that in 30 per cent of sample tested, the service agreements were being authorised on Carefirst retrospective of the fund upload.</p>	
Summary Response from Managers	<p>To introduce a procedure document to address the issues identified. This will be distributed to all staff.          To revise the administration of the process to ensure this is a more shared task.          Review of usage and the types of things being purchased using these cards to get more consistency across the board</p>	

**Committee: Standards/General Purposes Committee**

**Date: 3 November 2016**

Wards: All

**Subject: Procurement of External Auditors**

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Peter McCabe, Chair of Standards/General Purposes Committee

Contact officer: Margaret Culleton, Head of Internal Audit

margaret.culleton@merton.gov.uk

---

**Recommendation:**

1. To recommend to Full Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments Limited (PSAA) for the appointment of external auditors.
- 

**1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The Local Audit and Accountability Act 2014 abolished the Audit Commission and put in place a new local audit and accountability framework for local public bodies in England. This framework allows local bodies the freedom to appoint their own auditors from an open and competitive market and to manage their own audit arrangements, with appropriate safeguards to ensure independence.
- 1.2. This report outlines the options available and recommends utilising Public Sector Audit Appointments Limited for appointing the Council's auditors.

**2 DETAILS**

**3 BACKGROUND**

- 3.1. The Local Audit and Accountability Act 2014 abolished the Audit Commission and put in place a new local audit and accountability framework for local public bodies in England. This framework allows local bodies the freedom to appoint their own auditors from an open and competitive market and to manage their own audit arrangements, with appropriate safeguards to ensure independence.
- 3.2. As part of closing the Audit Commission, the Government novated external audit contracts to PSAA on 1 April 2015. The audit contracts had been due to expire upon conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government.
- 3.3. Under these provisions, the Council's existing contract with Ernst & Young was extended to the conclusion of the audit of the 2017/18 accounts.
- 3.4. Beyond this contract, under the 2014 Act the Council will have to appoint its own auditor at least once every five years and may need to consult the

advice of an independent auditor panel, publishing information about the appointment of an auditor within 28 days of making the appointment.

- 3.5. The scope of the audit will still be specified nationally; the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council audits must follow. Not all audit firms will be eligible to compete for the work, firms will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council.

#### **4 OPTIONS**

- 4.1. The Council's existing contract with Ernst & Young will expire at the end of 2017/18. Subsequent appointments must be made by 31 December of the preceding financial year, for a maximum period of five years. The Council must make its first appointment by 31 December 2017 for 2018/19 onwards.

- 4.2. In making the appointment the Council will have two options:

- a) Conduct its own procurement. This would require the Council to appoint an Independent Auditor Appointment Panel (The Panel). The Panel would be responsible for advising the Council on the procurement of external auditors and overseeing and advising on the maintenance an independent relationship between the Council and the external auditor. The Panel would need to comprise of a majority of independent members and have an independent chair. The definition of independence excludes any person who has been a member or officer of the Council within the last five years. This would lead to additional costs as the current constitution of the Standards/General Purposes Committee does not meet these requirements and therefore The Panel would be separate from it. The Council would have the option of not following the advice of The Panel, however, it would need to publish the reasons for not doing so and therefore expose itself to challenge. The Council would not be able to take advantage of reduced audit fees that may be available through national procurement contracts (see option b) and the assessment of bids and decision on awarding contracts would be taken by independent appointees and not solely by elected members. There is a risk that the small size of the audit contract may not be attractive to bidders.
- b) Procure through Public Sector Audit Appointments Limited (PSAA). The Local Audit (Appointing Person) Regulations enables an appointing body to procure on behalf of a number of principal authorities. The LGA set up the PSAA to be responsible for appointing auditors to local government, police and local NHS bodies, for setting audit fees and for making arrangements for the certification of housing benefit subsidy claims. If the PSAA was used for procuring the Council's external auditors, there would be no requirements to have a Panel. To obtain the best price, audit appointments are expected to be made on three year contracts, with an option to extend to five years. Using PSAA as the Appointing Person is attractive as it removes a great deal of administration and arrangements that will otherwise need to be put in place and improves the effectiveness of procuring in what is a specialised activity area.

The PSAA has a framework in place and would appoint an auditor from one of the following:

- BDO LLP
- Ernst & Young LLP
- Grant Thornton UK LLP
- KPMG LLP
- Mazars LLP

The principal benefits from such an approach are as follows:

- PSAA will ensure the appointment of a suitably qualified and registered auditor and expects to be able to manage the appointments to allow for appropriate groupings and clusters of audits where bodies work together;
- PSAA will monitor contract delivery and ensure compliance with contractual requirements, audit quality and independence requirements;
- Any auditor conflicts at individual authorities would be managed by PSAA, who would have a number of contracted firms to call upon;
- It is expected that the large scale contracts procured through PSAA will bring economies of scale and attract keener prices from the market than a smaller scale competition;
- The overall procurement costs would be expected to be lower than an individual smaller scale local procurement;
- The overhead costs for managing the contracts will be minimised through a smaller number of large contracts across the sector
- A sustainable market for audit provision in the sector will be easier to ensure for the future.

4.3. The following table summarises the advantages and disadvantages of either option:

Option	Requires an Audit Panel of independent members?	Advantages	Disadvantages
a) Council conducts its own procurement	Yes	I) Full local input to the appointment.	I) Time and resources needed for procurement process; II) More expensive; III) Burden of managing contract; IV) Must establish a panel of independent members with associated costs of recruitment and running the panel; V) Risk of receiving no or a low number of tender bids, due to the smaller size of audit contract; VI) Risk of receiving no or lower quality tender bids; VII) The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.
a) Council opts-in to the sector lead procurement, run by Public Sector Audit Appointments, of the external audit service.	No	I) Assured appointment of a qualified, registered, independent auditor; II) The cheaper option, through economies of scale; III) Time and resources saved on procurement; IV) Convenient; V) No requirement to establish an auditor panel of independent members to manage audit contract.	I) Less local input to the appointment, though still some input (as Councils will be consulted by PSAA).

## 5 CONCLUSIONS

Members are recommended to pursue Option b, as this offers the potential for economies of scale and importantly the highest probability of securing auditors with the necessary experience to effectively audit this local authority. If Members approve this option, during the compulsory appointing period, which is not yet specified, Officers will give notice to PSAA of the decision to become an opted-in authority.

## **6 CONSULTATION UNDERTAKEN OR PROPOSED**

Early indications are that neighbouring local authorities either have or are looking to opt in to the PSAA framework.

## **7 TIMETABLE**

7.1. This report will be presented to Standards/General Purposes Committee on 3 November and to full Council on 23 November 2016.

7.2. The formal invitation to join PSAA's sector led scheme is expected to be received by December 2016. The Authority expects to have eight weeks to respond to the invitation.

## **8 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

8.1. None for the purposes of this report.

## **9 LEGAL AND STATUTORY IMPLICATIONS**

9.1. In July 2016, the Secretary of State for Communities and Local Government specified PSAA as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015.

9.2. For audits of the accounts from 2018/19, PSAA will be able to appoint an auditor to relevant principal authorities that choose to opt into its national collective scheme. Appointments for 2018/19 must be made by 31 December 2017.

## **10 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

10.1. None for the purposes of this report.

## **11 CRIME AND DISORDER IMPLICATIONS**

11.1. None for the purposes of this report.

## **12 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

12.1. None for the purposes of this report.

## **13 BACKGROUND PAPERS**

- Local Audit (Appointing Person) Regulations 2015
- Local Audit and Accountability Act 2014
- Internal Audit files and papers
- PSAA National Audit Scheme Prospectus.

This page is intentionally left blank



## **Committee: Standards and General Purposes**

**Date: 3 November 2016**

Wards: All

### **Subject: Receipt of Gifts and Hospitality by Members**

Lead officer: Paul Evans, Monitoring Officer

Lead member: Chair of Standards and General Purposes Committee, Councillor Peter McCabe

Contact officer: Paul Evans

---

#### **Recommendations:**

A. That the committee considers the extract from the register

---

#### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1. To report entries made to the Register of Gifts and Hospitality for members since the last consideration of the register on 21 October 2015.

#### **2 DETAILS**

2.1. Entries made to the register since the last reports are attached at appendix 1.

#### **3 ALTERNATIVE OPTIONS**

3.1. None – it is for the Standards and General Purposes Committee to comment as it sees fit on the contents of the register

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. None

#### **5 TIMETABLE**

5.1. The register is updated whenever a declaration is made.

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

6.1. None

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. Members are required by the Code of Conduct to report offers of gifts, and hospitality. Failure to report may be a breach of the Code of Conduct.

#### **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. There are no specific human rights or equalities issues arising from this report. The requirement to ensure that the Council in conducting its activities has proper regard to issues relating to human rights and qualities and fair treatment of all people is a significant component of ethical governance.

#### **9 CRIME AND DISORDER IMPLICATIONS**

9.1. None

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. None

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

- Appendix 1

**12 BACKGROUND PAPERS**

12.1. None

<b>Name</b>	<b>Details</b>	<b>Date</b>	<b>Value</b>
Agatha Mary Akyigyina	None		
	Attended Merton Best Business Awards 2016 at the AELTCC offered by Future Merton (LBM) ; Value £80	22.09.16	£80.00
	Two tickets to Centre Court at the Wimbledon Tennis Championships, value unknown in excess of £25 offered by AELTCC	09.07.16	£25.00 +
Stephen Alambritis	Guest at Wimbledon Tennis Championships in Royal Box. Value unknown, in excess of £25 offered by AELTCC	30.06.16	£25.00 +
	Ticket to England v Sri Lanka Test Cricket match at Lords offered by Pankaj Patel and Andrew Taylor of Patel Taylor Architects; Value unknown, in excess of £25	10.06.16	£25.00 +
	Ticket to AFC Wimbledon vs Plymouth offered by AFC Wimbledon; in excess of £25	30.05.16	£25.00 +
	Two tickets to the Mayor of Merton's charity performance of "Peter Pan", value unknown in excess of £25 offered by New Wimbledon Theatre	15.12.15	£25.00 +
	Guest of Venus Wines, Arsenal v Everton. Value unknown, in excess of £25.00 offered by Venus Wines	24.10.15	£25.00+
	Guest of Paul Strank Roofing, AFC Wimbledon vs Barnet, value unknown, but in excess of £25.00 offered by Paul Strank Roofing	03.10.15	£25.00 +
Mark Allison	None		
Stan Anderson	None		
Laxmi Attawar	None		
Hamish Badenoch	None		
John Bowcott	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon tennis championship tickets offered by The All England Lawn	04.07.16	£208.00

Name	Details	Date	Value
	Tennis and Croquet Club. Through the ballot I received 2 tickets for 4 July 2016 for which I paid £208.		
Michael Bull	None		
Adam Bush	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon tennis championship tickets offered by The All England Lawn Tennis and Croquet Club. Through the ballot I received 2 tickets for 28 June 2016 for which I paid £106.	12.07.16	£106.00
Tobin Byers	None		
Charlie Chirico	2 tickets including hospitality for the AFC Wimbledon vs Plymouth Argyle League 2 play-off final at Wembley offered by AFC Wimbledon ; Value £130	30.05.16	£130.00
David Chung	None		
Caroline Cooper-Marbiah	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon Tennis Championship tickets. Through the ballot I received 2 tickets for 8 July 2016 for which I paid £290	13.06.16	£290.00
Pauline Cowper	None		
Stephen Crowe	None		
Mary Curtin	None		
David Dean	None		
John Dehaney	None		

Name	Details	Date	Value
Nick Draper	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon Tennis Championship tickets. Through the ballot I received 2 tickets for 5 July 2016 for which I paid £208	13.06.16	£208.00
Edward Foley	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon tennis championship tickets offered by The All England Lawn Tennis and Croquet Club. Through the ballot I received 2 tickets for 29 June 2016 for which I paid £138.	16.06.16	£138.00
Brenda Fraser	None		
Fidelis Gadzama	None		
Ross Garrod	None		
Suzanne Grocott	None		
Jeff Hanna	None		
Joan Henry	None		
Daniel Holden	None		
James Holmes	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon tennis championship tickets offered by The All England Lawn Tennis and Croquet Club. Through the ballot I received 2 tickets for 9 July 2016 for which I paid £290	13.07.16	£290.00
Janice Howard	1 ticket including hospitality for the AFC Wimbledon vs Plymouth Argyle League 2	30.08.16	£60.00

Name	Details	Date	Value
	play-off final at Wembley offered by AFC Wimbledon ; Value £60		
	Entry for 3 people to the Fireworks Display held in Wimbledon Park on Bonfire Night accepted in capacity as local ward councillor and offered by the London Borough of Merton ; Value £30	05.11.15	£30.00
Mary-Jane Jeans	None		
Abigale Jones	None		
Philip Jones	None		
Andrew Judge	None		
Sally Kenny	None		
Linda Kirby	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon Tennis Championships offered by All England Lawn Tennis and Croquet Club	28.06.16	£252.00
Abdul Latif	None		
Najeeb Latrif	Attendance at Merton Best Business Awards Ceremony and Dinner held at the All England Lawn Tennis Club as a guest of Merton Council. Value £78 plus VAT	22.09.16	£78.00 +
	Entry for 3 people to the Fireworks Display held in Morden Park on the Saturday after Bonfire Night offered by the London Borough of Merton ; Value £30	07.11.15	£30.00
Brian Lewis-Lavender	None		
Gilli Lewis –Lavender	None		

<b>Name</b>	<b>Details</b>	<b>Date</b>	<b>Value</b>
Edith Macauley MBE	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon Tennis Championships offered by All England Lawn Tennis and Croquet Club	01.07.16	Not listed
	Complimentary ticket to the Mayor's Charity Performance of Peter Pan offered by New Wimbledon Theatre ; Value £36	15.12.15	£36.00
Russell Makin	None		
Peter McCabe	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon Tennis Championships offered by All England Lawn Tennis and Croquet Club – paid £ 252 for the tickets	14.06.16	£252
Oonagh Moulton	Attendance at Merton Best Business Awards Ceremony and Dinner held at the All England Lawn Tennis Club as a guest of Merton Council. Value £78 plus VAT	22.09.16	£78.00 +
	1 ticket for a performance of 'Grace: A Youth Musical' at the New Wimbledon Theatre offered by the Wimbledon Civic Theatre Trust (WCCTT) and the Merton Music Foundation (MMF). Value unknown but possibly over £25	14.07.16	£25.00+?
	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon tennis championship tickets offered by The All England Lawn Tennis and Croquet Club. Through the ballot I received 2 tickets for 27 June 2016 for which I paid £106.	22.06.16	£106.00
	2 tickets to the Royal Box including hospitality for the AFC Wimbledon vs Plymouth Argyle League 2 play-off final at Wembley offered by the Directors of AFC Wimbledon. Value unknown but over £25	30.05.16	£25.00 +
	2 tickets for the Mayor of Merton's Charity Performance of 'Peter Pan' at the New Wimbledon Theatre offered by the Ambassadors Theatre Group (New Wimbledon Theatre) ; Value £72	15.12.15	£72.00
Ian Munn BSC, MRTPI (Rtd)	None		



Name	Details	Date	Value
Katy Neep	The opportunity to participate in a ballot, which is not open to the general public, for Wimbledon Tennis Championships offered by All England Lawn Tennis and Croquet Club. Through the ballot I received 2 tickets for 2 July 2016 for which I paid £178.	02.07.16	£178
	Pair of Complimentary Tickets for Mayor's Performance of "Peter Pan" value unknown but in excess of £25.00 offered by New Wimbledon Theatre	15.12.16	£25.00 +
Jerome Neill	None		
Dennis Pearce	None		
John Sargeant	None		
Judy Saunders	None		
David Simpson CBE	None		
Marsie Skeete	None		
Peter Southgate	2 tickets for the Mayor of Merton's Charity Performance of 'Peter Pan' at the New Wimbledon Theatre offered by the Ambassadors Theatre Group (New Wimbledon Theatre) ; Value £72	15.12.15	£72.00
Geraldine Stanford	None		
Linda Taylor OBE	1 ticket including hospitality for the AFC Wimbledon vs Plymouth Argyle League 2 play-off final at Wembley offered by AFC Wimbledon. Value unknown but over £25	30.05.16	£25.00 +
	2 tickets to the Fireworks Display held in Wimbledon Park on Bonfire Night accepted in capacity as local ward councillor and offered by the London Borough	05.11.15	£20.00

Name	Details	Date	Value
	of Merton ; Value £20		
Imran Uddin	None		
Gregory Patrick Udeh			
Jill West			
Martin Whelton	Ticket to Jacksonville Jaguars v Indianapolis Colts at Wembley. Value unknown but over £25. Offered by Terrapin Communications	02.10.16	£25.00 +
	Merton Business Awards offered by Future Merton as LBM is a co-sponsor of the event. offered by FutureMerton, LBM ; Value £80	22.09.16	£80.00
	The FSB London Business Awards; offered by FM, LBM, as sponsor to attend event offered by LBM ; Value £85	28.07.16	£85.00
	Pre and post match hospitality at AFC Wimbledon play-off final v Plymouth at Wembley. Ticket to the match purchased in full. offered by AFC Wimbledon; Value unknown, in excess of £25	30.05.16	£25.00 +
David Williams	None		

This page is intentionally left blank

## **Committee: Standards and General Purposes**

**Date: 3 November 2016**

Wards: All

### **Subject: Receipt of Gifts and Hospitality by Officers**

Lead officer: Paul Evans, Monitoring Officer

Lead member: Chair of Standards and General Purposes Committee, Councillor Peter McCabe

Contact officer: Paul Evans

---

#### **Recommendations:**

A. That the committee notes the report

---

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1. Section 4 of the Council's Officers Code of Conduct for Employees deals with the acceptance of gifts and hospitality by members of staff. Officers are required to ensure that the receipt of gifts approved by their managers and hospitality which they may receive are recorded in their departmental hospitality registers.

1.2. This report provides information on gifts and hospitality recorded in the hospitality registers for the period 1 October 2015 to 30 September 2016.

At the last report it was noted "Senior Officers should be named, and that there should be greater consistency in the way that gifts, especially with a value of over £25, be recorded.

## **2 DETAILS**

2.1. The Code of Conduct for Employees requires that:

All offers of gifts must be reported to managers

Significant gifts (over £25) must be registered on the departmental register

Acceptance of gifts should only occur in very limited circumstances and approved in advance by the manager

All offers of hospitality must be reported to managers

The hospitality (no minimum value) must be registered on the departmental register

There are limited circumstances where acceptance of hospitality may be acceptable.

Hospitality received in the course of business meetings and at free training does not need to be registered, but managerial approval is required.

2.2. The inspection by the Monitoring Officer of the various registers shows that:

The departmental registers continue to be maintained electronically in the adopted corporate manner in all departments.

Notifications and registrations have taken place in the departments as follows

(Excluding tickets for non-senior officers for the tennis championships)

**Registrations:**

<b>Department</b>	<b>Registrations</b>
Chief Executives	2 (1 accepted)
Children Schools and Families	11 (9 accepted)
Community and Housing	8 (8 accepted)
Corporate Services	1 (1 accepted)
Environment and Regeneration	1 (1 accepted)

Excluding entries for non-senior officers relating to the tennis championships the register for the period 1 October 2015 to the 30 September 2016 contained 23 entries, 20 of which were accepted.

The nature of the gifts and hospitality accepted can be classified as falling within a number of categories

- Project and partnership working hospitality
- Gifts from businesses
- Gifts from individuals

The register does not disclose significant inappropriate acceptances of gifts or hospitality.

**3 ALTERNATIVE OPTIONS**

- 3.1. The Committee could decide not have this information reported to it but has previously recognised that this would not be compatible with its role as the best practice promoter and monitor of ethical standards.

**4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. A review of the registers was reported to Corporate Management team on 27 September 2016

**5 TIMETABLE**

- 5.1. This is an annual report

**6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. None

**7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. Section 117 Local Government Act 1972 makes it an offence for an officer under the cover of office or employment to accept any fee or reward other than proper pay and benefits.
- 7.2. The receipt or gift of any reward or advantage for an act or omission that suggests favour to any person in their official capacity may constitute a criminal offence under the Bribery Act 2010.

**8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. None

**9 CRIME AND DISORDER IMPLICATIONS**

9.1. None

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. Failure by officers to address their responsibilities under the Code of Conduct could result in disciplinary action by the Council. Failure of the Council to monitor and promote the observance of the Code could result in an unnoticed lack of compliance and managers which may result in complaints, damage to the reputation of the Council, possible adverse impacts upon the quality of the Councils decision making processes and legal challenges to council actions.

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

- Appendix 1

**12 BACKGROUND PAPERS**

12.1. None

This page is intentionally left blank



London Borough of Merton

Gifts and Hospitality Register – Officers

(01.10.15– 30.09.16)

Entries 127

Chief Executives 2

Date	Name and Post	Donor and Details	Accept Yes/ No	If Yes, Reason
27.06.16	Ged Curran, Chief Executive	Polka Theatre, VIP performance and after party: Beauty and the Beast	No	
05.11.15	Ged Curran, Chief Executive	AELTC Wimbledon, two tickets for Centre Courts	Yes	

Children Schools and Families 71

Date	Name and Post	Donor and Details	Accept Yes/ No	If Yes, Reason
21.07.16	Yvette Stanley, Director of Children, Schools and Families	Gatenby Sanderson, invitation to dinner at National Children and Adult Conference	No	
04.05.16	Officer	Primary school, bunch of flowers	Yes	Thank you for support for the inspection process of the school
04.05.16	Officer	Primary school, bunch of flowers	Yes	Thank you for support for the inspection process
04.05.16	Officer	Primary school, bunch of flowers	Yes	A gift of thanks for work carried out and support given to the school

<b>Date</b>	<b>Name and Post</b>	<b>Donor and Details</b>	<b>Accept Yes/ No</b>	<b>If Yes, Reason</b>
26.04.16	Officer	Foster carer, Bouquet of lilies.	Yes	Foster carer is aware of professional boundaries. Refusal would cause distress
25.04.16	Yvette Stanley, Director of Children, Schools and Families	Saxton Bamnpylde, Invitation to summer drinks on 14.06.16	Yes	Invited to networking event
15.01.16	Yvette Stanley, Director of Children, Schools and Families	Odgers Berndtson, invitation to Adults social care and health integration dinner	No	
22.12.15	Officer	Netpex, 2 bottles of wine and a box of chocolates	Yes	The chocolates will be shared with the team and the bottles of wine given to the Mayors Charity
11.12.15	Yvette Stanley, Director of Children, Schools and Families	The Artemis Team Tin of Quality Street	Yes	The chocolates are a gift to the team. This is a small Christmas gift in recognition of the work that been done with this provider over the year. The gift is less than £25 and will be shared with the team
30.11.15	Officer	South London Tamil Welfare Group, Card, flowers and box of chocolates	Yes	Donating the chocolates to the Mayors charity – they will put in the raffle. Flowers visible in the office for all 'share'.
18.11.15	Officer	The Atremis Team, Tin of Quality Street	Yes	The chocolates are a gift to the team. This is a small Christmas gift in recognition of the work that been done with this provider over the year. The gift is less than £25 and

Date	Name and Post	Donor and Details	Accept Yes/ No	If Yes, Reason
60 entries	Officer	AELTC tickets	Yes	Entered into the draw

**Community and Housing 21**

Date	Name and Post	Donor and Details	Accept Yes/ No	If Yes, Reason
19.01.16	Officer	Customer, Promotional portable chargers x 10	Yes	Gift for staff. Would have caused offence
27.10.15	Officer	Volunteer, Dates, Holy Water and Rosary beads	Yes	Good wish gift
27.10.15	Officer	Volunteer, Imitation Jewellery	Yes	Good wish gift
27.10.15	Officer	Volunteer, Chocolate cake	Yes	Gift for staff
27.10.15	Officer	Customer, homemade cake	Yes	Gift for staff
22.10.15	Officer	Customer, Bottle of Champagne	Yes	Donated to Mayors Charity
20.10.15	Officer	Volunteer, Two boxes of dairy milk chocolate	Yes	Gift for staff
02.10.15	Officer	Customer, box of Roses	Yes	Thank you gift for staff
13 entries	Officer	AELTC tickets	Yes	Entered into the draw

**Corporate Services 22**

Date	Name and Post	Donor and Details	Accept Yes/ No	If Yes, Reason
01.02.16	Caroline Holland, Director of Corporate Services	Andrew Grice, 2016 calendar	Yes	Gift received through the post
21 entries	Officer	AELTC tickets	Yes	Entered into the draw

**Environment and Regeneration 11**

<b>Date</b>	<b>Name and Post</b>	<b>Donor and Details</b>	<b>Accept Yes/ No</b>	<b>If Yes, Reason</b>
15.12.15	Chris Lee, Director of Environment and Regeneration	Wimbledon Theatre Tickets x 2	Yes	Equivalent in money donated to Mayors Charity
10 entries	Officer	AELT tickets	Yes	Entered into the draw

## **Committee: Standards and General Purposes**

**Date: 3 November 2016**

### **Subject: Annual Complaints and Member Enquiry Report 2015-16**

Lead officer: Graham Owen, Interim Head of Information Governance

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

Contact officer: Monica Coleman, Complaints Team Manager

---

#### **Recommendations:**

1. To note the contents of the report.
- 

## **1. Report and executive summary**

- 1.1 This report gives CMT an overview of the performance of the council during 2015/16 in responding to complaints and members enquiries.
- 1.2 Complaints are recognised as a valuable tool in helping officers to understand the concerns of residents in the delivery of services and have an important role in supporting the improvement of those services.
- 1.3 The number of complaints and members enquiries received by the council has increased in the last three years which can be seen as a positive indication of how accessible our complaints process is.

## **2. Details**

- 2.1 Complaints, including Local Government Ombudsman (LGO) complaints and member enquiries are monitored by the Complaints team. The data collected is used to provide the performance information in this report broken down by department. Performance for the number of complaints dealt with in time, the number of complaints escalated to Stage 2 and LGO complaints answered in time are corporate performance indicator.
- 2.2 The council's formal complaints procedure, which does not cover complaints subject to a statutory procedure, has two stages with the following response timescales:
  - Stage 1 within 20 working days; and
  - Stage 2 within 25 working days.
- 2.3 Social services are subject to a statutory complaints procedure. In Children's Social Care, the deadlines are
  - Stage 1 within 10 (up to 20) working days
  - Stage 2 within 25 (up to 65) working days

- Stage 3 within 30 working days.

Adult Social Care complaints have a one stage process with a deadline of 25 working days, which can be extended by 40 working days to a maximum of 65 working days.

- 2.4 There is a single point of contact for all telephone and email complaints provided by the Complaints team.

### 3. Complaints

- 3.1 The council received a total of 1159 Stage 1 and Stage 2 complaints in 2015/16, compared to 966 in 2014/15.

- 3.2 A total of 1078 Stage 1 complaints were received in 2015/16, a 17% increase over the 917 Stage 1 complaints received the previous year.

Stage 1	2015/16	2014/15	% change
Corporate Services	192	221	-13%
Children, Schools & Families	66	66	0%
Environment & Regeneration	722	557	+29%
Community & Housing	98	73	+34.2%
<b>Total</b>	<b>1078</b>	<b>917</b>	<b>+17%</b>

- 3.3 A total of 81 complaints were logged at Stage 2 across all departments, a 65% increase on 2014/15 when 49 Stage 2 complaints were received. The previous year there had been a 34.7% decrease.

Stage 2	2015/16	2014/15	% change
Corporate Services	19	12	+58%
Children, Schools & Families	5	6	-17%
Environment & Regeneration	53	29	+83%
Community & Housing	4	2	+100%
<b>Total</b>	<b>81</b>	<b>49</b>	<b>+65%</b>

- 3.4 No Stage 3 Children's Social Care complaints were received in 2015/16.

- 3.5 The council responded to 78.4% of Stage 1 complaints on time. This represents a significant decrease in performance from the 86.5% on time in 2014/15. There was also a decrease of 7% from 2015/16 in responding to Stage 2 complaints on time.

	% responses on time					
	2015/16		2014/15		% change	
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
CS	91.6%	68%	98.6%	100%	-7%	-32%
CS&F	75.7%	80%	69.7%	66%	+6%	+14%
E&R	77.9%	90%	85%	86.2%	-7.1%	+3.8%
C&H	61.9%	50%	76.7%	50%	-14.8%	0%
<b>Total</b>	<b>78.4%</b>	<b>82.7%</b>	<b>86.5%</b>	<b>89.3%</b>	<b>-8.1%</b>	<b>-6.6%</b>

- 3.6 The council upheld or partially upheld 713 complaints: representing 61% of all complaints received during 2015/16. This is a similar figure to 2014/15 when 60% of complaints were upheld or partially upheld.

	2015/16		2014/15		% change	
	Upheld	Part Upheld	Upheld	Part upheld	Upheld	Part upheld
CS	35	46	49	53	-29%	-13%
CS&F	8	8	18	19	-55%	-58%
E&R	430	142	281	135	+53%	+5%
C&H	25	19	13	13	+92%	+46%
<b>Total</b>	<b>498</b>	<b>215</b>	<b>361</b>	<b>220</b>	<b>+37%</b>	<b>-2.2%</b>

- 3.7 179 compliments about departmental service delivery were received during the year. This is a 3.3% increase over the 173 received in 2014/15.

Compliments	2015/16	2014/15	Change
Corporate Services	53	58	-8.6%
Children's Schools & Families	36	17	+53.7%
Environment & Regeneration	51	45	+11.7%
Community & Housing	39	53	-35.8%
<b>Total</b>	<b>179</b>	<b>173</b>	<b>+3.3%</b>

- 3.5 The continued monitoring of complaint responses at Stage 1 has identified issues over the quality of some responses. Poorly prepared or inadequate responses can lead to complaints escalating. To help managers check that their replies address the issues and meet good practice standards, a data quality checklist is sent with the complaint to each officer responsible for drafting the response. Whilst few of these forms are returned to the



Complaints Team, they provide a useful tool in identifying if the Stage 1 response adequately addressed the complaint. The Complaints Team feedback to officers where it is felt that the Stage 1 response led to the complaint escalating to try to prevent this happening in future.

- 3.6 The Complaints Team have worked closely with service areas to identify trends or areas that need to be addressed. A Complaints Officer now attends monthly meetings of Children’s Social Care and Youth Inclusion’s senior management team to discuss any specific issues with dealing with complaints and member enquiries. This has resulted in improved performance in the service.
- 3.7 Compensation can be offered to complainants at Stages 1 or 2 as a remedy for injustice or as a payment for time and trouble to the complainant. During the year £880 was offered to complainants at this level - £280 more than the previous year of £600.

#### 4. Informal and Policy Complaints

- 4.1 A complaint is logged as informal when it is deemed that a quick resolution of the problem is the main concern of the complainant rather than an investigation and written explanation. Informal complaints are particularly applicable in the resolution of complaints about Environment and Regeneration services such as waste collection and street cleaning. This is reflected in the significantly higher number of informal complaints logged against this department compared with others. Informal complaints decreased by 30% between 2014/15 and 2015/16.

Informal Complaints	2015/16	2014/15	Change
Corporate Services	7	18	-61.1%
Children, Schools and Families	0	39	-100%
Environment and Regeneration	337	440	-23.4%
Community and Housing	2	2	0%
<b>Total</b>	<b>346</b>	<b>499</b>	<b>-30.6%</b>

- 4.2 The table below gives a breakdown of informal complaints by service area.

	No.	Service
Corporate Services	7	1 CT invoice, 1 CT summons, 1 IT systems, 1 HB & 3 CT liability
Children, Schools & Families	0	N/A
Environment & Regeneration	337	303 Waste, 4 Planning, 3 Greenspaces, 2 Parking & 1 for all other services
Community & Housing	2	2 Housing

- 4.3 Policy complaints are defined as ‘expressions of dissatisfaction with the council’s policy in a specific service area’, as opposed to dissatisfaction with or failure of a service to meet standards. Policy complaints are dealt with under Stage 1 of the complaints process with issues fed back to team managers so that they are made aware of the impact of their decisions. Policy complaints cannot be escalated without an appeal
- 4.4 The Complaints team have worked to ensure that when a complaint is classed a policy complaint, that the service user is signposted to the relevant policy.
- 4.5 28 policy complaints were received in 2015/16, the same number as was received in 2014/15.

<b>Policy Complaints</b>	<b>2015/16</b>	<b>2014/15</b>	<b>% change</b>
Corporate Services	2	3	-50%
Children, Schools and Families	0	0	0%
Environment and Regeneration	26	23	+13%
Community and Housing	0	2	-100%+
<b>Total</b>	<b>28</b>	<b>28</b>	<b>0%</b>

- 4.6 Of the 26 policy complaints received in Environment and Regeneration, seven related to Parking Services, four to Garden Waste, three to Greenspaces whilst other complaints concerned all other services.

## **5. The services customers complain about**

- 5.1 The areas that customers complained about the most at Stage 1 are shown in the table below.

<b>Service</b>	<b>Number</b>	<b>% of total received</b>
Waste (Refuse)	167	15.4%
Waste (Garden)	129	11.9%
Waste (Food)	86	7.9%
Revenues	78	7.2%
Waste (Recycling)	67	6.2%
Waste (Street Cleaning)	65	6%

## **6. Local Government Ombudsman (LGO) Enquiries**

- 5.1 The Annual Review letter from the LGO is attached as **Appendix A**. The LGO received 79 complaints and enquiries about the council’s services during

2015/16. This is 19 less than in 2014/15. Please note that the LGO statistics do not match the Council's data due to the way in which data is interpreted by the LGO. For example, the LGO statistics include enquiries from people they signpost back to the authority, but who may never contact the Council.

- 5.2 In 2015/16 10 complaint investigations took place (17 in 2014/15) and 25 complaints were closed after initial enquiries (30 in 2014/15).
- 5.3 Of the 10 cases that the LGO investigated, 6 (60%) were upheld. This is an increase on the 2014/15 figure when 41% of cases were upheld (7 out of 17).
- 5.4 A breakdown of investigations made by the LGO during the year is attached as **Appendix B**.
- 5.5 The Complaints team monitors the response deadlines set by the Ombudsman in their communications with the council. The council met 85% of the deadlines on time.
- 5.6 Compensation payments in this financial year are detailed below, please note that these investigations may have commenced in the previous year.

Service Area	Compensation
Planning	<b>£2839</b>
Planning	<b>£800</b>
Adult Social Care	<b>£875</b>
Adult Social Care	<b>£550</b>
Housing	<b>£1200</b>

- 6.7 In total, £6,264 was paid following decisions made by the LGO. The majority of payments were to compensate complainants for the financial impact of the complaint, council failings and distress.

## **7. Benchmarking**

- 7.1 The Complaints team attends London wide complaints forums considering best practice issues and it contributes to the London Complaints Managers Group, which works with the LGO and other agencies.
- 7.2 Attempts have been made over the past year to develop meaningful benchmarking data but it is difficult to draw conclusions because the recording of complaints continues to vary between councils due to the different complaints procedures and different ways of managing dissatisfaction.

## 8. Members and MP Enquiries

8.1 During the year 2,586 Member and MP enquiries were received, via the members' enquiry inbox. This represents a 6% decrease on 2014/15 when 2,775 enquiries were received. MP enquiries make up around 60% of all enquiries. The figure is not a reflection of all member activity, as it does not include enquiries made by members directly to officers, which are dealt with as business as usual.

8.2

<b>Department/Service Area - Majority of Enquiries</b>	<b>2015/16</b>	<b>2014/15</b>	<b>% change</b>
Corporate Services (218 Revenues & Benefits)	271	370	-26.7%
Children Schools and Families (42 Schools admissions & 64 social work)	154	145	+5.8%
Environment and Regeneration (405 Traffic & Highways, 399 Waste Services)	1,375	1,395	+1.4%
Community and Housing (Housing Needs 633)	786	869	+9.55%
<b>Total</b>	<b>2,586</b>	<b>2,775</b>	<b>+6.8%</b>

## 9. Service improvements and learning from complaints

9.1 Complaints are a valuable source of customer insight and are being used by services to help them identify areas for improvement. The Complaints team seeks feedback from complainants by sending a feedback form with the complaint acknowledgement. The return rate for these is poor but of those returned, it is clear that the main issues are poorly written letters, the responses not answering all the points raised and complainants not being informed of how to escalate their complaint.

9.2 There has been a continuing focus by the Complaints team on working with service managers to use complaints as a useful feedback on customer concerns which help them to identify and prioritise service improvements.

9.3 As well as helping identify improvements for services, the Complaints team has been focussing on improving how managers handle complaints. Work continues with business partners to try and improve services' responses at Stage one.

- 9.4 Where complaints investigations have identified issues around professional practice, procedure or individual performance, these have been taken up with the relevant service managers.
- 9.5 In Revenues and Benefits, if a complaint is received about staff attitude on the phone, a member of the Complaints team will listen to the call to ensure the Stage 1 response is fair and unbiased and that if the complaint escalates to Stage 2, it will not be because the issue has not been investigated thoroughly.
- 9.6 Following an Adult Social Care complaint the service is now implementing a new way of communicating with service users to include advice to contact hosting borough of care home once capital is below threshold
- 9.7 Complaints are a central component of the new Ofsted inspection framework and we are required to evidence organisational learning from complaints and customer feedback. Detailed information on complaints about the Children, Schools and Families department during 2015/16 is held on file and is available should it be required in the event of an inspection.
- 9.8 The Head of Information Governance attends the DMTs every two months to maintain the profile of complaint handling by service managers and to discuss areas where performance needs to be addressed.

## **10. Next Steps**

- 10.1 The Complaints team will be reviewing the corporate complaints procedure to be completed by 1 April 2017.
- 10.3 The Complaints team will be reviewing the feedback sent to the departmental management teams, to ensure it meets their needs.
- 10.4 As part of the Customer Contact Programme a new management system (CRM) is due to be going live at the end of 2016. As part of this project, informal complaints will be removed in their entirety and managed as a request for services by the individual services.
- 10.5 The Complaints Manager will prepare a detailed annual complaint report for each department in order to promote learning from complaint and to establish on what services complaints are made most about and how to reduce these.

## **11. Alternative options**

- 11.1 Not applicable.

## **12. Consultation undertaken or proposed**

- 12.1 The Complaints Officers were consulted on this report.

### **13. Timetable**

13.1 The LGO annual letter was received at the end of July 2016.

### **14. Financial, resource and property implications**

14.1 During the year a total of £7144 was offered to complainants either as a local settlement or following decisions by the LGO, mainly for time and trouble payments.

14.2 Stage 2 complaints that are subject to the Children Act regulations require an independent investigator and an independent person to be appointed. In 2015/16, one Stage 2 complaint was made, at a cost of £1674. Close monitoring of Stage 2 and 3 social care complaints is in place to ensure costs represent value for money.

### **15. Legal and statutory implications**

15.1 The council has a number of legal and statutory obligations in relation to Adults and Children's social care complaints.

15.2 There is no statutory requirement to publish this report.

### **16. Human rights, equalities and community cohesion implications**

16.1 It is important all those involved in dealing with complaints are mindful of ensuring a consistent approach with all complainants in line with Equalities principles.

16.2 All complaints where there has been an allegation of discrimination are reviewed the Equalities and Community Cohesion Officer.

### **17. Risk management and health and safety implications**

17.1 Poor complaint handling could be a reputational and financial risk to the council, especially with the increase in people using social media to raise awareness of issues.

### **18. Appendices – the following documents are to be published with this report and form part of the report**

18.1 Appendix A: Annual Review Letter of the LGO  
Appendix B: Breakdown of LGO complaints received

### **19. Background Papers**

19.1 None

This page is intentionally left blank

21 July 2016

*By email*

Ged Curran  
Chief Executive  
London Borough of Merton

Dear Ged Curran,

### **Annual Review Letter 2016**

I write to you with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2016.

The enclosed tables present the number of complaints and enquiries received and the decisions we made about your authority during the period. I hope that this information will prove helpful in assessing your authority's performance in handling complaints.

Last year we provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year we are providing additional information to focus the statistics more on the outcome from complaints rather than just the amounts received.

We provide a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us. In addition, we provide a compliance rate for implementing our recommendations to remedy a fault.

I want to emphasise that these statistics comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

### **Effective accountability for devolved authorities**

Local government is going through perhaps some of the biggest changes since the LGO was set up more than 40 years ago. The creation of combined authorities and an increase in the number of elected mayors will hugely affect the way local services are held to account. We have already started working with the early combined authorities to help develop principles for effective and accessible complaints systems.

We have also reviewed how we structure our casework teams to provide insight across the emerging combined authority structures. Responding to council feedback, this included reconfirming the Assistant Ombudsman responsible for relationship management with each authority, which we recently communicated to Link Officers through distribution of our manual for working with the LGO.



## **Supporting local scrutiny**

Our corporate strategy is based upon the twin pillars of remedying injustice and improving local public services. The numbers in our annual report demonstrate that we continue to improve the quality of our service in achieving swift redress.

To measure our progress against the objective to improve local services, in March we issued a survey to all councils. I was encouraged to find that 98% of respondents believed that our investigations have had an impact on improving local public services. I am confident that the continued publication of our decisions (alongside an improved facility to browse for them on our website), focus reports on key themes and the data in these annual review letters is helping the sector to learn from its mistakes and support better services for citizens.

The survey also demonstrated a significant proportion of councils are sharing the information we provide with elected members and scrutiny committees. I welcome this approach, and want to take this opportunity to encourage others to do so.

## **Complaint handling training**

We recently refreshed our Effective Complaint Handling courses for local authorities and introduced a new course for independent care providers. We trained over 700 people last year and feedback shows a 96% increase in the number of participants who felt confident in dealing with complaints following the course. To find out more, visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

## **Ombudsman reform**

You will no doubt be aware that the government has announced the intention to produce draft legislation for the creation of a single ombudsman for public services in England. This is something we support, as it will provide the public with a clearer route to redress in an increasingly complex environment of public service delivery.

We will continue to support government in the realisation of the public service ombudsman, and are advising on the importance of maintaining our 40 years plus experience of working with local government and our understanding its unique accountability structures.

This will also be the last time I write with your annual review. My seven-year term of office as Local Government Ombudsman comes to an end in January 2017. The LGO has gone through extensive change since I took up post in 2010, becoming a much leaner and more focused organisation, and I am confident that it is well prepared for the challenges ahead.

Yours sincerely



Dr Jane Martin  
Local Government Ombudsman  
Chair, Commission for Local Administration in England

**Local Authority Report:** Merton London Borough Council  
**For the Period Ending:** 31/03/2016

For further information on how to interpret our statistics, please visit our website:  
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
7	11	3	11	3	20	10	5	0	70

## Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
2	2	28	25	11	11	50%	79

### Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

The compliance rate is the proportion of remedied complaints where our recommendations are believed to have been implemented.

### Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement	Compliance Rate
7	3	100%

This page is intentionally left blank

	<b>Reference</b>	<b>Authority</b>
1	15000059	Merton LB
2	15000827	Merton LB
3	15000913	Merton LB
4	15001716	Merton LB
5	15002118	Merton LB
6	15002500	Merton LB
7	15002864	Merton LB
8	14019473	Merton LB
9	15003205	Merton LB
10	15003357	Merton LB
11	15003644	Merton LB
12	14019297	Merton LB
13	15003959	Merton LB
14	15004163	Merton LB
15	15004674	Merton LB
16	15004681	Merton LB
17	15004507	Merton LB
18	15006002	Merton LB
19	15006351	Merton LB
20	15006452	Merton LB
21	15006556	Merton LB
22	15006724	Merton LB
23	15008728	Merton LB
24	15009025	Merton LB
25	15009402	Merton LB
26	15009542	Merton LB
27	15009650	Merton LB
28	15000471	Merton LB
29	15009602	Merton LB
30	15008907	Merton LB
31	15010782	Merton LB
32	15010786	Merton LB
33	15011260	Merton LB
34	15012278	Merton LB
35	15012609	Merton LB
36	15013208	Merton LB
37	15013810	Merton LB
38	15013947	Merton LB
39	15013962	Merton LB
40	15010067	Merton LB
41	15014170	Merton LB
42	15014331	Merton LB
43	15014500	Merton LB
44	15014745	Merton LB
45	15014728	Merton LB
46	15015164	Merton LB
47	15010625	Merton LB
48	15015431	Merton LB
49	15015436	Merton LB
50	15015564	Merton LB
51	15015795	Merton LB
52	15016127	Merton LB

53	14018044	Merton LB
54	15016360	Merton LB
55	15016786	Merton LB
56	15017684	Merton LB
57	15017914	Merton LB
58	15018108	Merton LB
59	15018486	Merton LB
60	15015391	Merton LB
61	15015392	Merton LB
62	15018717	Merton LB
63	15019221	Merton LB
64	15016824	Merton LB
65	15019528	Merton LB
66	15017601	Merton LB
67	15019654	Merton LB
68	15020632	Merton LB
69	15020634	Merton LB
70	15020687	Merton LB

<b>Category</b>	<b>Received</b>
Benefits & Tax	01/04/15
Benefits & Tax	16/04/15
Highways & Transport	17/04/15
Highways & Transport	30/04/15
Highways & Transport	07/05/15
Corporate & Other Services	14/05/15
Highways & Transport	20/05/15
Housing	26/05/15
Housing	27/05/15
Housing	29/05/15
Benefits & Tax	03/06/15
Housing	08/06/15
Education & Childrens Services	08/06/15
Environmental Services & Public Protection & Regulation	11/06/15
Housing	18/06/15
Highways & Transport	18/06/15
Highways & Transport	22/06/15
Benefits & Tax	09/07/15
Corporate & Other Services	15/07/15
Planning & Development	16/07/15
Education & Childrens Services	17/07/15
Planning & Development	21/07/15
Benefits & Tax	24/08/15
Highways & Transport	01/09/15
Highways & Transport	07/09/15
Education & Childrens Services	09/09/15
Education & Childrens Services	11/09/15
Environmental Services & Public Protection & Regulation	15/09/15
Benefits & Tax	17/09/15
Adult Care Services	18/09/15
Highways & Transport	01/10/15
Highways & Transport	01/10/15
Environmental Services & Public Protection & Regulation	09/10/15
Education & Childrens Services	27/10/15
Highways & Transport	03/11/15
Highways & Transport	13/11/15
Highways & Transport	25/11/15
Education & Childrens Services	26/11/15
Highways & Transport	26/11/15
Adult Care Services	27/11/15
Planning & Development	30/11/15
Housing	03/12/15
Adult Care Services	07/12/15
Adult Care Services	10/12/15
Housing	15/12/15
Education & Childrens Services	18/12/15
Adult Care Services	22/12/15
Adult Care Services	04/01/16
Highways & Transport	04/01/16
Benefits & Tax	05/01/16
Adult Care Services	07/01/16
Highways & Transport	13/01/16

Benefits & Tax	14/01/16
Benefits & Tax	18/01/16
Planning & Development	25/01/16
Benefits & Tax	08/02/16
Highways & Transport	10/02/16
Corporate & Other Services	12/02/16
Housing	19/02/16
Education & Childrens Services	23/02/16
Education & Childrens Services	23/02/16
Planning & Development	24/02/16
Education & Childrens Services	03/03/16
Education & Childrens Services	04/03/16
Housing	08/03/16
Highways & Transport	10/03/16
Benefits & Tax	10/03/16
Highways & Transport	30/03/16
Highways & Transport	30/03/16
Housing	31/03/16

## **Committee: Standards and General Purposes Committee**

**Date: 3 November 2016**

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 Standards and 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 revised by the Business Planning Team in early January, taking account of the recommendations within the 2015 Internal Audit report. The strategy was then approved by Cabinet on 18 January 2016 and approved by Council on 2 March 2016 as part of the 2016-20 Business Plan.
- 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 the Standards 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 embodied all the essential elements of a model risk management system, and that there was a robust system of reviewing risks at service, departmental and corporate level. The internal audit further identified the Council's risk scoring system as consistent with good practice.
- 2.3. However, the internal audit found that, although all key controls were in place, there was evidence of some minor controls not operating such as controls in place to ensure adherence to the risk reporting cycle, training for departmental risk champions, and reviewing the risk management pages on the intranet.
- 2.4. All the internal audit recommendations have now been implemented in accordance with the Internal Audit Action Plan timetable; and the revision of the Risk Management Strategy in early 2016 incorporated all recommended improvements. This is attached at Appendix I.
- 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 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 during September 2016. This was scrutinised at CRMG on 5 October 2016, and a report on the status of the KSRR was subsequently presented to CMT on 25 October 2016.
- 2.9. There are currently 19 Key Strategic Risks and Issues on the KSRR.
  - A Risk is defined as an event which may happen in the future
  - An Issue is something that is happening now.

There are thirteen Key Strategic risks, of which four are scored as red risks:

- KSR21/RE03: Failure to adhere to Public Contract Regulations
- KSR61/RE16: Failure to deliver the multi-year Savings Programme
- KSR49/RE02: Developing corporate Business Plan & setting a balanced budget for 17/21 & beyond
- KSR77/ASC21: Deprivation of Liberty Safeguards (DOLS)

There are six Key Strategic Issues on the KSRR of which two are scored as red issues:

- KSR55/CSF04: Changing Borough Demographics
- KSR56/CSF6: CS&F funding changes, budget savings and resource management

- 2.10. The latest KSRR, containing full details of all strategic risks and issues together with their associated action plans and management commentary, can be found at Appendix II.
- 2.11. Corporate Risk Management Group also reviews the level of insurance claims against the council on a quarterly basis. At its meeting on 5 October 2016, CRMG noted its expectation of a decrease in motor claims due to implementation of the Phase C contract.
- 2.12. The next quarterly review of the departmental risk registers will be undertaken during December 2016, and the results will be scrutinised by CRMG in early January 2017 and included in the 2017/21 Business Plan.
- 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. The Standards and 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.
- 2.15. 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.

### **3 ALTERNATIVE OPTIONS**

- 3.1. Not applicable.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The Corporate Risk Management Group significantly contributed to consultations for the Internal Audit of the Risk Management Strategy during 2015, and the subsequent revision of this Strategy which is attached at Appendix I. CRMG will be consulted on the annual revision of the Risk Management Strategy to be undertaken in January 2017.

### **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. There is currently 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 – Risk Management Strategy (January 2016)
- Appendix II - Key Strategic Risk Register

## **12 BACKGROUND PAPERS**

12.1. Relevant papers held within the Resources Division



# London Borough of Merton

## Risk Management Strategy

Revised January 2016

## Policy Statement

Merton's policy is to manage our risks by identifying, assessing and controlling them, with the aim of eliminating or reducing them to acceptable levels whilst being mindful that some risks will always exist and will never be eliminated.

The council recognises its responsibility to risk management by supporting a structured, systematic and focussed approach to risk management through the approval of our risk management strategy.

The effective management of risk is at the core of our approach to delivering cost effective and efficient services as well as sound corporate governance and is a continuous and evolving process, running through our strategies and service delivery arrangements. As risk is very much concerned with our objectives, the management of it will be closely linked to the creation of our strategic, service, project and partnership objectives and plans.

Our risk management process will be continuous and will support internal and external change. The risk management process will be fully integrated with the normal business management processes across the authority.

Merton's aims and objectives in relation to risk management are to:

- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Minimise the council's exposure to unacceptable levels of risk, minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Integrate risk management into the day to day activities of staff and the culture of the organisation, raising awareness of the importance and need for risk management.
- Assign clear roles and responsibilities for councillors and officers responsible for risk management
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Effectively manage the total cost of risk.

We will achieve this by:

- Having a clear and concise risk management strategy which underpins our approach and responsibilities to risk
- Incorporating risk management into business planning, project management and service delivery
- Monitoring risk on a regular basis through the Corporate Risk Management Group (CRMG)
- Reporting on risk on a regular basis to the Corporate Management Team (CMT), Cabinet and General Purposes Committee

### **Risk Management Strategy**

The process of identifying and evaluating risks is known as risk assessment. By understanding the risks we face, we are better able to actively recognise where uncertainty surrounding events or outcomes exists, and identify measures which can be taken to protect the council, its staff, residents, customers and assets from these risks.

This strategy provides a structured approach to identifying emerging risks as well as assessing and managing current risks. It also incorporates a process for regularly reviewing and updating identified risks.

This strategy will be reviewed on an annual basis, and updated where required.

### **What is risk?**

Risk is the threat that an event or action may adversely affect an organisation's ability to achieve its objectives and successfully execute its strategies. A risk can be a threat, obstacle, barrier, concern, problem or event that may prevent us fulfilling our objectives.

Our risk management processes also include the assessment of Issues. Issues are current problems, questions, outstanding items, tasks or a request that exists in the immediate present. There is a strong element of fact surrounding it. An issue becomes a risk when the issue cannot be addressed and could continue or get worse.

### **Definition of Risk Management**

Organisations exist to achieve their ambitions, aims and objectives. Risk Management is the process by which organisations methodically address and identify the risks that may prevent them from achieving these ambitions, aims and objectives. The intention is to achieve sustained benefit within each of their activities, and across the portfolio of all their activities.

Ultimately, risk management is about creating a better understanding of the most important problems facing organisations.

Risk is also implicit in the decisions all organisations take; how those decisions are taken will affect how successful they are in achieving their objectives. Decision making is, in turn, an integral part of the day to day existence and is particularly significant in times of change. Risk management therefore is a key component in the management of change and helps to support effective decision making.

We endeavour to identify all risks facing the council and to monitor, manage and mitigate (where possible) all those risks which are deemed to be high (scored Amber or Red). Risks are monitored via Departmental Risk Registers, and key crosscutting risks to the council are also placed on the Key Strategic Risk Register (KSRR).

### **The benefits of risk management**

In addition to the business and service benefits of our approach, we are required to undertake risk management because it forms part of the Annual Governance Statement. We must, therefore, demonstrate that we have a systematic strategy, framework and process for managing risk.

However, the council recognises that the benefits of risk management far outweigh the requirement to undertake the activity and such benefits include:

- Stronger ability to achieve our ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- Ability to take advantage of opportunities because we understand the risks attached to them.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, loss, damage and injury caused by risk
- Improvement in our ability to adapt to change
- Improvement in our corporate governance
- Compliance with statutory and regulatory requirements

### **Organisational awareness of risk and risk management**

Ensuring that there is a strong organisational awareness of risk management will be achieved through training sessions, reviews, departmental meetings, briefings and staff bulletins which will take place on a regular basis. Each department has an assigned Risk Champion who will offer guidance to staff where required. The [risk management intranet page](#) will be regularly reviewed and staff will be signposted to the information they need to pro-actively identify and manage risk ie the Risk Management Toolkit and other guidance.

### **Risk Appetite**

The council recognises that its risk appetite to achieve the corporate priorities identified within its business plan could be described in general as an “informed and cautious” approach. Where significant risk arises, we will take effective control action to reduce these risks to an acceptable level.

It is also recognised that a higher level of risk may need to be accepted, for example to support innovation in service delivery. To offset this there are areas where the council will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the council, supporting the overall “informed and cautious” position on risk.

### **How does risk management integrate with other policies?**

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance; by ensuring close links we can enhance our resilience. Generally, a single issue or risk will fall into only one of these categories; however some may fall into two or more. As Business Continuity is a way of mitigating risk, its link with risk management is key to ensuring the continuous delivery of services which are important to the community.



### **Risk management in projects**

Risk management is a key part of the ongoing management of projects and partnerships and is clearly defined in [Merton's Approach to Projects \(MAP\)](#).

### **Risk management in partnerships**

The council is involved in a wide range of partnerships to achieve our ambitions, aims and objectives. It is vital we assess the risks to achievement within our key partnerships, and ensure that they are monitored regularly.

Our methodology for assessing and monitoring risks has been adopted by our key partnerships in order to ensure consistent scoring, and effective integration into our risk management system.

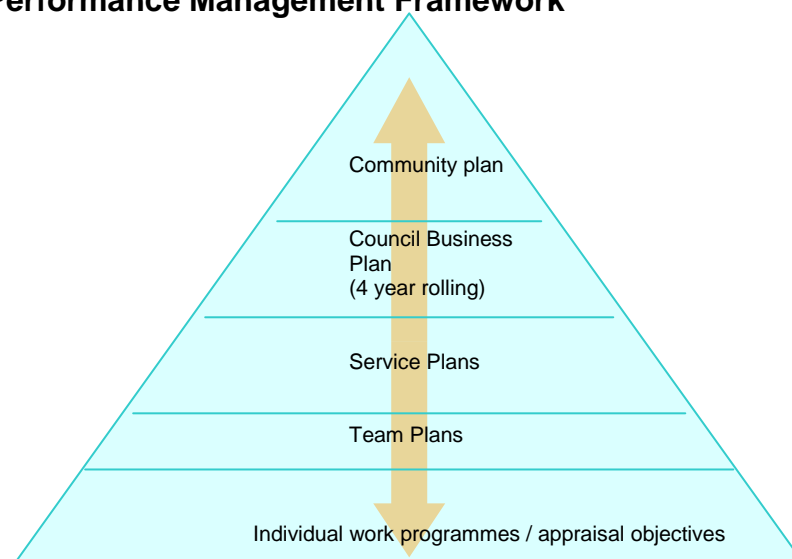
### **Risk management and financial planning**

Risk management is an important part of financial planning. As part of the budget setting process a robust risk assessment is completed, and then reviewed on a regular basis.

### **Corporate approach to risk management**

In order to formalise and structure risk management, it is recognised there is an obvious and clear link with the business planning process and therefore risk management sits within the Business Planning team. The overall council Business Plan, incorporating the individual service plans, sets out what a team, division, department, or the council as a whole, want to achieve within a specific time frame, as shown below.

### **Merton Performance Management Framework**



- CMT is ultimately accountable for delivering the council's Business Plan therefore they are responsible for monitoring and reviewing the KSRR.
- DMTs are responsible for their own services' risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed at an operational level can be escalated to a departmental or corporate level. However, because a risk may have a great impact on a team it does not necessarily follow that it may have the same impact on the department, or the organisation as a whole.



Ultimately, it is the respective management team which decides if a risk is an appropriate inclusion on its risk register.

### Scoring Risk

In conjunction with this strategy, more detailed guidance will be issued to assist officers in identifying risks and issues, and the scoring, managing and reporting of those risks identified.

When determining a score for service level risks, definitions of likelihood and impact of risk (Service Level) should be used in conjunction with the matrix below. Therefore, if the likelihood of a risk is 4, significant, (occurs or likely to occur more than 25%, and up to 50% of the time) and the impact is 3, critical, (service provision - service suspended short term) – then the risk rating will be 12 (4x3) which is amber.

### Defining the Likelihood of Risk

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

### Defining the Impact of Risk (Service Level)

Categories	1 Marginal	2 Significant	3 Critical	4 Catastrophic
<b>Financial Impact - FI</b>	Up to 15% 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
<b>Service Provision - SP</b>	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
<b>Health and Safety - HS</b>	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
<b>Objectives - O</b>	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
<b>Reputation - R</b>	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

## Risk Matrix

	<b>Likelihood</b>		<b>Impact</b>																																			
6 = Very High 5 = High 4 = Significant 3 = Possible 2 = Low 1 = Almost Impossible	Likelihood	<table border="1" style="border-collapse: collapse; width: 100%; height: 100%;"> <tr><td style="text-align: center;">6</td><td style="text-align: center;">6</td><td style="text-align: center;">12</td><td style="text-align: center;">18</td><td style="text-align: center;">24</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">5</td><td style="text-align: center;">10</td><td style="text-align: center;">15</td><td style="text-align: center;">20</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">4</td><td style="text-align: center;">8</td><td style="text-align: center;">12</td><td style="text-align: center;">16</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">3</td><td style="text-align: center;">6</td><td style="text-align: center;">9</td><td style="text-align: center;">12</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">2</td><td style="text-align: center;">4</td><td style="text-align: center;">6</td><td style="text-align: center;">8</td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">1</td><td style="text-align: center;">2</td><td style="text-align: center;">3</td><td style="text-align: center;">4</td></tr> <tr><td></td><td style="text-align: center;">1</td><td style="text-align: center;">2</td><td style="text-align: center;">3</td><td style="text-align: center;">4</td></tr> </table>	6	6	12	18	24	5	5	10	15	20	4	4	8	12	16	3	3	6	9	12	2	2	4	6	8	1	1	2	3	4		1	2	3	4	4 = Catastrophic 3 = Critical 2 = Significant 1 = Marginal
6	6	12	18	24																																		
5	5	10	15	20																																		
4	4	8	12	16																																		
3	3	6	9	12																																		
2	2	4	6	8																																		
1	1	2	3	4																																		
	1	2	3	4																																		
		Impact																																				

### Reporting and escalating risks

All risks on individual service risk registers are reviewed at Departmental Managers Team (DMT) meetings with particular attention given to red or increasing amber risks.

Risks are also checked for any cross cutting implications. If the risk is high scoring and/or could have an impact across the organisation, then it must be rescored using the Defining the Impact of Risk (corporate level) criteria below, prior to inclusion on the Key Strategic Risk Register.

### Defining the Impact of Risk (Corporate Level)

Categories	1 Marginal	2 Significant	3 Critical	4 Catastrophic
<b>Financial Impact - FI</b>	Up to £2.5m per annum or up to £10m one off	£2.5m up to £5m per annum or up to £20m one off	£5m up to £7.5m per annum or up to £30m one off	£7.5m up to £10m per annum or above £30m one off
<b>Service Provision - SP</b>	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
<b>Health and Safety - HS</b>	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
<b>Objectives - O</b>	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
<b>Reputation - R</b>	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

## Monitoring and Managing

During the year, new risks will arise that have not previously been considered and there may be changes to existing risks. Therefore the risk registers need to be regularly managed, with risk owners re-assessing their risks, re-scoring them if appropriate, and providing sufficient narrative in respect of the Control Measures they have in place (ie the actions which they are taking to mitigate against the risk). The reviews of risk registers should be managed by exception. The reporting cycle as detailed below, takes place during April, July, October and January.

1 <sup>st</sup> week	2 <sup>nd</sup> week	4 <sup>th</sup> week
DMT – review operational service risks and propose KSRs as per the definitions of likelihood and impact for crosscutting risks	Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs	CMT – identify and review KSRs

All risks are reviewed according to the quarterly cycle shown above, with a particular focus upon red risks, and also upon amber risks which have increased their risk score since the previous quarterly review.

There are no rigid guidelines for dropping risks from the registers because clear parameters are not always possible. Removal of any risks from the registers must be approved by DMTs and then CRMG. A decision is sometimes taken to keep a low-scoring risk in view on the basis that its status might change over a short period, or so that those with an assurance role can be confident that mitigation against a risk can be sustained.

A flowchart showing how service, departmental, corporate and partnership risks are escalated and reported is shown on the final page of this Strategy.

## Roles, Responsibilities and Governance

### Councillors

Elected councillors are responsible for governing the delivery of services to the local community. Councillors have a responsibility to understand the key risks the council faces and will be made aware of how these risks are being managed through the annual business planning process. All Councillors will have a responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the plans and reports submitted to them.

### Chief Executive and CMT

The Chief Executive and CMT are ultimately accountable in ensuring that risk management is fully embedded in the council's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the council's Risk Management Strategy and Framework. CMT will take a leading role in the risk management process, ensuring that risk management is communicated, understood and implemented by Councillors, managers and staff. CMT will also play an important role in establishing a supportive culture.

CMT will submit an annual report on risk to the General Purposes Committee and Cabinet.

### **Directors**

Each Director is accountable for proper monitoring of their departmental risk register, action plans and the embedding of risk management into the business planning process of their directorate. They will need to be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department. Directors are also accountable and responsible for leading the delivery of the council's Risk Management Framework in their respective Directorate.

### **Section 151 Officer / Internal Audit**

The Section 151 officer and Internal Audit will be responsible for carrying out independent reviews of the risk management strategy and processes. They will provide assurance and give an independent and objective opinion to the council on the adequacy of its risk management strategy, control procedures and governance.

An annual Audit Plan, based on a reasonable evaluation of risk, will be carried out and an annual assurance statement will be provided to the council based upon work undertaken in the previous year. The section 151 officer will chair the CRMG group.

### **Risk Champions**

Risk champions will work with their Director, Heads of Service, Managers and Team Leaders to ensure the RM Strategy and Framework is embedded in the Directorate and departmental planning, performance, project and partnership management, offering support and challenge. They will also represent their directorate at CRMG meetings.

Risk Champions will ensure that risks are identified, assessed and scored correctly by the Risk Owners, offering advice and guidance where appropriate. They will also challenge risk scores where they do not appear to be reasonable, or where they contradict the Control Measures narrative or the corporate Risk Scoring Guidance.

All Risk Champions will receive appropriate training to ensure that they can perform their role effectively. Training needs will be regularly evaluated.

### **Service Managers**

Managers have a responsibility not only for the risks for which they are the risk owner, but are also accountable for those risks, within their service, which are owned / managed by others.

They are required to maintain an awareness of risk and ensure that any risks they identify are captured by the risk management process, understanding and responding to the key risks which could significantly impact on the achievement of their service and/or team objectives. Managers should encourage staff to be open about risk so that appropriate mitigation actions and control measures can be agreed.

### **Risk Owners**

Risk owners are responsible for identifying and implementing appropriate actions which will mitigate against risks they own and reduce these risks to an level acceptable to the organisation. They are required to regularly review the effectiveness of their control measures and provide a formal update to DMTs and CRMG on a quarterly basis as part of the risk review cycle.

### **Individual Employees**

Individual employees need to have an understanding of risks and consider risk management as part of their everyday activities, identifying risks deriving from their everyday work, processes and environment. Risks which could impact on service delivery, the achievement of objectives, or their own or others' wellbeing must be identified and actively managed, with mitigating actions in place where appropriate.

### **Business Planning team**

The business planning team is responsible for ensuring that risk management is embedded throughout the council, as well facilitating and supporting the risk management process and supporting risk owners.

The team will ensure risk management documentation and intranet pages remain up to date and relevant, as well as updating the KSRR with emerging risks, new risks and updating existing risks.

In addition the Business Planning team will ensure risk is part of the annual service planning process, facilitate the CRMG meetings, and submit strategic updates and reports on risk management to CMT, Cabinet, Audit and Assurance Committee etc. as required.

### **Corporate Risk Management Group**

The Corporate Risk Management Group will provide strategic direction and leadership to ensure our risk strategy is maintained and updated and that risks are appropriately identified and managed within the organisation. It will provide a forum for the detailed discussion and monitoring of organisational risks for the benefit of the council, its staff and the wider community.

CRMG will strive to ensure that the risk management framework is embedded within the council's overall strategic and operational policies, practices and processes in a consistent and standardised manner.

In addition it will provide assurance that all risk systems and processes are operating effectively to minimise the Council's overall exposure to risk. The headline departmental risks and planned mitigation activity reported by each department will be discussed by CRMG on a quarterly basis. CRMG will then report its conclusions and recommendations for discussion at CMT.

### **Cabinet**

Cabinet will receive reports on the risk management strategy to determine whether corporate risks are being actively managed. They are responsible for agreeing the strategy on an annual basis, or when significant changes are made, and to report to full Council on the adequacy of the risk management framework.

**General Purposes Committee**

To provide an independent oversight of the adequacy of the risk management framework and the associated control environment. The committee will receive an annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it. Reports will also be provided regarding the KSRR in order that the committee can determine whether strategic risks are being actively managed.

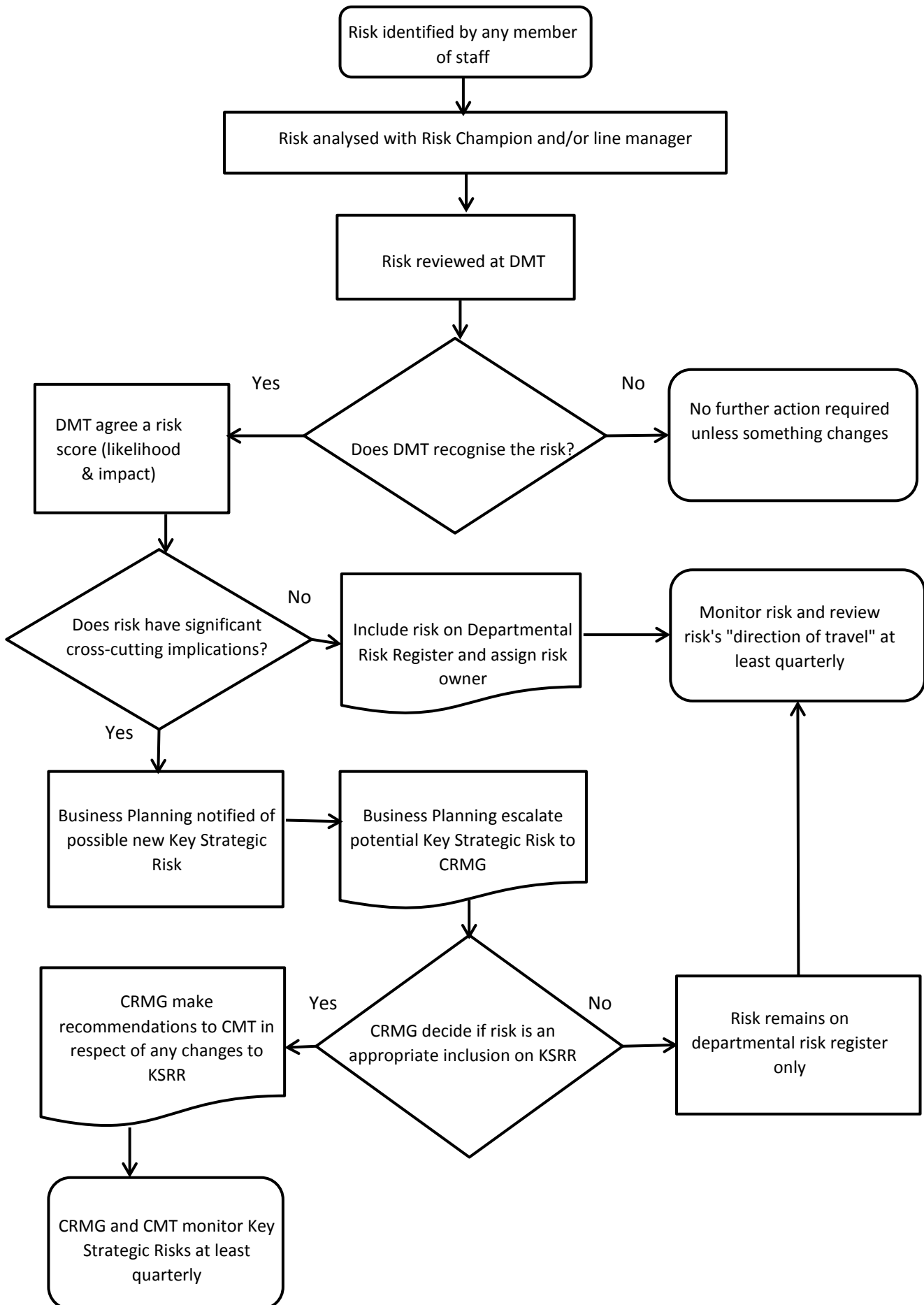
On an annual basis, the committee will review and recommend the adoption of the risk management strategy to cabinet, or if significant changes are identified, to request a revision.

**Risk management in committee reports**

When a report is submitted to a committee the author is required to complete a section on Risk Management and Health and Safety Implications. The committee should be informed of any significant risks involved in taking a recommended course of action, or if it decides not to follow the recommended course of action. The risk assessment should follow the corporate risk management procedures and be scored using the risk matrix. The report should also give details of any control measures (either proposed or existing) to manage any significant risks identified. Where appropriate, reference should be made to any existing risk(s).

Report authors are advised to consult with the Business Planning team or their departmental Risk Champion, for further advice and to propose any risks to be considered for inclusion in the departmental or KSRR.

## London Borough of Merton Risk Management Process

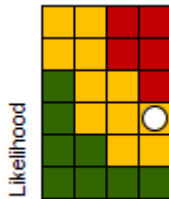




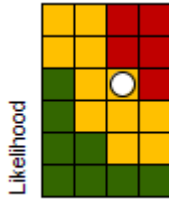




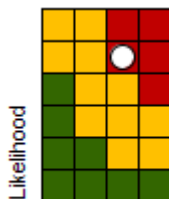




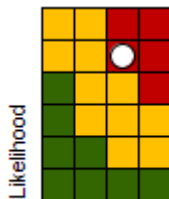











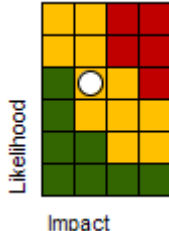


# Key Strategic Risk Register – Risks

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Portfolio Owners	Control Measures in place
Melba Gomes	ASC21 / KSR77 Deprivation of Liberty Safeguards (DOLS)	Key Strategic Risk	A recent court ruling widens the criteria for people that can be defined as being subject to a DoL,	Government have not made any additional resources available for this new burden, so there is a cost pressure in relation to the cost of health assessments. Current levels of trained staff to conduct assessments and reassessments are not adequate to cope with the additional workload, resulting in the potential of challenge if clients have been detained unlawfully. This affects all authorities with social care responsibilities and Merton is not out of kilter with other authorities' positions.		20  12-Oct-2016	FI / SP	Cllr Tobin Byers	There have been a total of 367 applications between April to September 2016. Applications are expected to be 738 for 2016/17 financial year. A budget overspend is forecast. The budget is being contained by only using internal BIA's. ADASS has issued guidance to try to bridge the gap between the judgement, Government's stated intent, and resources whilst we await legislation to rectify the position. Under this guidance only high priority cases are being actioned which has created a current backlog of 96 cases. Merton is following this guidance and dealing with the high priority cases.
						20  27-Sep-2016			
						20  29-Jun-2016			
						20  01-Apr-2016			
Sophie Ellis	BI18 / KSR68 Inability to deliver TOM's across the organisation	Key Strategic Risk	Inadequate delivery planning for TOM's across the organisation. Unanticipated changes in delivery context, including additional financial reductions.	Ambition set out in TOM is not achieved.		6  15-Sep-2016	O	Cllr Mark Allison	NO CHANGE - September MIB to review delivering/ management arrangements for DMTs.
						6  10-Jun-2016			
						4  11-Mar-2016			
						4  14-Dec-2015			
Kris Witherington	BI39 / KSR74 Failure to consult in general (formerly CS17/KSR74)	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.		6  05-Sep-2016	R, FI	Cllr Edith Macauley	The standards expected for consultation are described in the Community Engagement Strategy ("Get Involved") which was agreed by the Merton Partnership in 2010 and refreshed in 2014. All Council consultations should be listed on the Council's online consultation database, having been approved by the Consultation and Community Engagement Team. Support for services is available including training around the need for consultation, design, and legal obligations.
						6  06-Jun-2016			
						6  16-Mar-2016			
						6  21-Jan-2016			



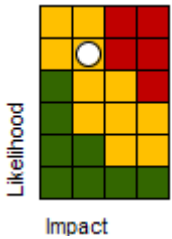




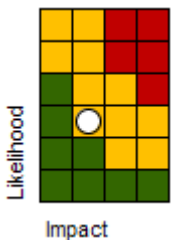




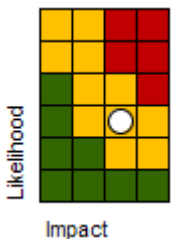




Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Portfolio Owners	Control Measures in place
Yvette Stanley	CSF01 / KSR35 Safeguarding children	Key Strategic Risk	Potential for less effective inter-agency working. Changing expectations & updated 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  25-Oct-2016	R	Cllr Katy Neep	LSCB Business Plan & refreshed CYPP. Reconstituted CYP partnership board. Strengthened MSCB governance. Launched refresh of the Merton Health and Well-Being Model to be implemented by April 2017. Task and finish group to be set up Oct 2016. Ongoing rigour in conversations with partner agencies and third sector to improve understanding and responsibility of safeguarding.
						16  04-Jul-2016			
						16  30-Mar-2016			
						12  21-Dec-2015			
Page 114 Charles Baker; Cormac Stokes	ER112 / KSR73 KSR - 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  26-Sep-2016	FI/R/O	Cllr Ross Garrod	Indexation for 2016/17 has been agreed and communicated. Fuel indices have gone down for a second year. Landfill costs are capped in line with interim arrangements. This will be increased in line with Phase B contractual agreements in 2017. Waste flows continued to be monitored monthly and forecast amended accordingly
						12  30-Jun-2016			
						12  21-Mar-2016			
						12  11-Jan-2016			
Paul McGarry; James McGinlay	ER118 / KSR75 Impact of Crossrail 2	Key Strategic Risk	Impact on councils income, commercial activity in Wimbledon Town centre and Weir Road	1. Financial impact on council and services 2. Economic impact on Wimbledon Town Centre and the borough (potential loss of businesses and jobs) 3. Council reputation		12  26-Sep-2016	FI	Cllr Martin Whelton	3 alternative options for Wimbledon station have been received from Crossrail. The different options are currently being assessed and a report is being written which will then be presented to full council in November.
						12  15-Jun-2016			
						12  21-Mar-2016			
						12  08-Jan-2016			
Kim Brown	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		4  19-Sep-2016	R	Cllr Mark Allison	Single status issues are nearly all resolved with negotiations having taken place with the TUs. In view of the reduction of outstanding issues the risk has decreased but three cases remain to be resolved/completed.
						6  16-Jun-2016			
						6  22-Mar-2016			
						6  15-Dec-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Portfolio Owners	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.	 Likelihood Impact	12  19-Sep-2016	SP	Cllr Mark Allison	Current IT Disaster Recovery network architecture now provides limited functionality, but following recent equipment failure a further review is now being undertaken in order to improve resilience of systems. This will be completed by March 2017.
						8  09-Jun-2016			
						8  09-Mar-2016			
						8  08-Dec-2015			
Caroline Holland	MPF11 / KSR72 Failure to procure investment managers in good time and so not improving Fund performance	Key Strategic Risk	Failure to review investment strategy and investment management arrangement within appropriate timescales resulting in failure to improve performance of investments.	Investment mandates incompatible with incumbent fund managers to the detriment of investment performance, fund may fail to meet its investment and funding objectives in the short and medium term.	 Likelihood Impact	12  19-Sep-2016	FI, R	Cllr Mark Allison	Review of Pension Fund investment strategy in progress. Ideas for new/revised mandates and investment management arrangement to be presented to PFAC on 1 December 2016. New/revised suite of managers anticipated in early/mid 2017/18 giving regard to the London CIV. Engage manager with complementing strategies. Appropriate balance between passive and active investment styles. Review IMAs and ensure fund managers adhere to the mandate. Comprehensive ongoing monitoring of investment guidelines, benchmarks and performance. Monitor developments at London CIV.
						12  04-Jul-2016			
						12  11-Dec-2015			
						12  02-Oct-2015			
Paul Dale; Caroline Holland	RE02 / KSR49 Developing corporate Business Plan & setting a balanced budget for 17/21 & beyond	Key Strategic Risk	Reduced budgets may impact negatively on service delivery levels	Impact on service provision, reputation, staff morale & internal & external customers satisfaction	 Likelihood Impact	15  22-Sep-2016	FI	Cllr Mark Allison	Risk has been updated to reflect the fact that extending the period to 2021 is likely to increase anticipated shortfalls, especially given receipt of any revenue support grant will cease and the details of retained Business Rates are unclear. Risk score increased as a result of discussion at DMT on 21-09-16.
						12  12-Sep-2016			
						12  17-Jun-2016			
						9  04-Apr-2016			
Caroline Holland	RE03 / KSR21 Failure to adhere to Public Contract Regulations 2015 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.	 Likelihood Impact	15  12-Sep-2016	R	Cllr Mark Allison	New EU Procurement Regulations came into force in Feb 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 been provided. Comprehensive departmental procurement plans are in place and reviewed regularly by Operational Procurement Groups.
						15  20-Jun-2016			
						15  04-Apr-2016			
						15  14-Dec-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Portfolio Owners	Control Measures in place
Caroline Holland	RE16 / KSR61 Failure to deliver the multi-year Savings Programme	Key Strategic Risk	Savings of £30m have been agreed for the period 2016/17 to 2019/20, the period of budget decisions required by this council. There is a budget gap of £3.5m 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 and could require reserves to be reinstated.		18  03-Oct-2016	F	Cllr Mark Allison	The monthly monitoring report for the financial year 2016/17 will continue to monitor the delivery of 16/17 savings and projections of out-turn spending. Progress on 14/15 and 15/16 savings unachieved will be reported to Cabinet. A series of remedial measures have been put in place with departments to compensate for non-delivery of savings. Central measures will also be taken.
						18  17-Jun-2016			
						18  04-Apr-2016			
						15  14-Dec-2015			
Corporate Management Team	RE20 / KSR76 Inability to respond effectively to post-Brexit changes	Key Strategic Risk	Inefficient response to the inevitable changes brought about by Brexit ie inability to demonstrate flexibility, organisational resilience, or ability to capitalise on potential opportunities.	Inadequate budget management and planning in a period of rapid change, negative impact upon service delivery across all areas of the council's work, failure to identify and respond to positive opportunities arising from Brexit.		8  16-Sep-2016	FI, R, P, SD	Cllr Mark Allison	Members of the Finance and Pensions team continue to meet every Monday morning to discuss the latest events and their implications and to identify key actions.
						8  14-Jul-2016			

## Key Strategic Risk Register - Issues

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Portfolio Owners	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.	 Likelihood Impact	15  30-Sep-2016	O	Cllr Katy Neep	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 to strengthen the service delivery.
						15  04-Jul-2016			
						15  30-Mar-2016			
						12  21-Dec-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 age 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.	 Likelihood Impact	9  30-Sep-2016	R	Cllr Caroline Cooper-Marbiah	CSP Service Plan and recent council paper outlines recommendations to address this. Secondary and special school places strategy in place - working with EFA.
						9  04-Jul-2016			
						9  30-Mar-2016			
						9  21-Dec-2015			
Children, Schools & Families	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. Move to national funding formula for DSG expected from 2017/18 onwards, & the impact of maintained schools becoming academies through to 2022. Insufficient funding for new burdens: C&F Act; NRTPF; Leaving Care. Requirement to make significant savings over the next 3-4 years.	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 management of ongoing operational work.	 Likelihood Impact	20  30-Sep-2016	FI	Cllr Katy Neep, Cllr Caroline Cooper-Marbiah	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. NRTPF demand management plan in place. TOMS and MTFS savings all progressing.
						20  04-Jul-2016			
						20  30-Mar-2016			
						15  21-Dec-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Portfolio Owners	Control Measures in place
			Need to balance competing & increasing demands at a time of contracting resources & extensive change.						
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.		10  30-Sep-2016	R	Cllr Katy Neep	CSP Service Plan highlights area of high risk and continuation of commissioned services.
						10  04-Jul-2016			
						10  30-Mar-2016			
						10  21-Dec-2015			
Kim Brown	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.		6  19-Sep-2016	SP	Cllr Mark Allison	T & C's to be reviewed as part of the new workforce strategy and options to be considered in line with the TOM refresh. Support for staff and services going through change is available as part of the ongoing learning and development offer. The work currently being undertaken to support Merton becoming London's Best Council is vital to staff engagement so will have a positive impact on staff morale. Significant progress made against the above since June so the risk score has decreased.
						8  16-Jun-2016			
						8  22-Mar-2016			
						8  15-Dec-2015			
John Dimmer; Yvette Stanley	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.		9  15-Sep-2016	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. The Equality Strategy is being refreshed and the new version will be introduced in the new financial year.
						9  06-Jun-2016			
						9  18-Mar-2016			
						9  14-Dec-2015			

## **Committee: Standards and General Purposes**

**Date: 3 November 2016**

Wards: All

**Subject: Merton Council's proposed response to the 2018 Boundary Review of Parliamentary constituencies consultation**

Lead officer: Paul Evans, Assistant Director Corporate Governance

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

Contact officer: John Dimmer, Head of Policy, Strategy and Partnerships / Andrew Robertson, Head of Electoral Services

---

**Recommendations:** That the Standards and General Purposes Committee

- A. Note the details of the initial proposals for new Parliamentary constituency boundaries in London that are out for consultation and consider the implications for the London Borough of Merton.
  - B. Approve the London Borough of Merton's response to the consultation.
- 

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. On the basis of the rules set by Parliament in 2011, the Boundary Commission are tasked with periodically reviewing the boundaries of all Parliamentary constituencies. This report provides the Standards and General Purposes Committee with details of the Boundary Commission's initial proposals that that are out for consultation. These would take effect in September 2018.
- 1.2. This report also sets out for the Committee the London Borough of Merton's proposed response to the consultation. This response will be to strongly urge the Boundary Commission to reassess their initial proposals, which we believe will have a negative impact on the residents of Merton in terms of representation and partnership working and on the local communities that make up the borough. The response to the consultation will outline the view that in Merton's case, the boundary commission has failed to meet its own criteria in developing the proposals that affect the borough and that the borough is disproportionately affected when compared to London and in particular its neighbouring boroughs in South West London. It is proposed that the Council responds to the Boundary Commission setting out its objections to the current proposals.

## **2 DETAILS**

### **Background**

- 2.1. The Boundary Commission is currently making recommendations on new Parliamentary constituency boundaries for September 2018. This will involve a reduction in the number of constituencies in England from 533 to

501 with the requirement that they must have an electorate no smaller than 71,031 and no larger than 78,507 using the tolerance level of plus or minus 5%.

- 2.2. Under the legislation for the 2018 Review, the Boundary Commission is required to base its proposals on the number of electors whose names appear on the register of parliamentary electors as at 1 December 2015.
- 2.3. Initial proposals will be consulted on for a 12 week period during which all stakeholders and interested parties are free to make representations. The deadline is the 5 December. Revised proposals will then be published sometime in 2017, followed by a four week period of discussion before the Boundary Commission produce their final proposals to go to Parliament for approval by September 2018.

### **Proposed changes for London**

- 2.4. The London region has been allocated 68 constituencies – a reduction of five from the current number. Proposals leave four of the 73 existing constituencies unchanged.
- 2.5. Constituencies have been grouped into sub-regions; north of the Thames and south of the Thames. The number allocated to each sub-region has been determined by the electorate of the combined boroughs. To comply with the electoral quota it is proposed that 38 constituencies cross London borough boundaries. Of these, 36 contain part of two London boroughs, and two contain parts of three or more London boroughs.
- 2.6. As well as the primary rule around constituency numbers, legislation also states that, when deciding on boundaries, the Commission may also take into account:
  - special geographical considerations, including in particular the size, shape and accessibility of a constituency;
  - local government boundaries as they existed on 7 May 2015;
  - boundaries of existing constituencies; and
  - any local ties that would be broken by changes in constituencies.

### **Proposed changes for Merton**

- 2.7. Merton currently has two constituencies, (Mitcham and Morden, Wimbledon), which are wholly within the borough of Merton. Merton is the sole borough administering elections for both constituencies.
- 2.8. Under the new proposals Merton's wards are to be divided between five different constituencies. Merton would only retain lead borough status for one constituency. Please see the table below.

Name of new constituency	Merton wards within new constituency	Wards from other boroughs	Electorate	Lead Borough
Merton and Wimbledon Central	Abbey, Cannon Hill, Colliers Wood, Cricket Green, Dundonald, Hillside, Lavender Fields, Merton Park, Ravensbury, Raynes Park, Trinity, West Barnes	None	77,100	Merton
Streatham and Mitcham	Figge's Marsh, Longthornton, Pollards Hill	5 wards from Lambeth and 1 from Croydon	73,925	Lambeth
Sutton and Cheam	Lower Morden, St Helier	All other wards are from Sutton	73,858	Sutton
Tooting	Graveney	All other wards are from Wandsworth	77,288	Wandsworth
Wimbledon Common and Putney	Village, Wimbledon Park	All other wards are from Wandsworth	72,489	Wandsworth

### **Representation from Merton Council to the Boundary Commission**

- 2.9. The previous review of constituency boundaries that took place in 2011 proposed that Merton be divided across four constituencies. Following a period of consultation this was revised to Merton being divided across three. The new proposals in 2016 would see the borough split across five constituencies compared to the current two. Under the new proposals the average London borough is to be divided across three constituencies. Only three other boroughs in London would be represented by five or more constituencies and these are all larger than Merton – see **Appendix 1** for details.
- 2.10. The Boundary Commission has five criteria to follow when deciding on boundaries, with the criteria regarding minimum and maximum electorate size being binding. Our view is that the Boundary Commission's proposals for Merton have failed to meet four out of the five criteria. The criteria around 'special geographic considerations' would not apply. We also have concern that the review and potential redrawing of constituency boundaries every five years could be disruptive to partnership working and local communities.
- 2.11. For these reasons it is proposed that the Council responds to the Boundary Commission setting out its objections to the current proposals. A proposed response is set out at **Appendix 2**.



### **3 ALTERNATIVE OPTIONS**

- 3.1. The borough can choose not to make a response to the consultation, or to agree with the proposals put forward by the Boundary Commission, however as outlined in this report and in the proposed response, we believe that the current proposals as they are will have a negative and disproportionate effect on the borough and its local communities.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. None for the purpose of this report

### **5 TIMETABLE**

- 5.1. Consultation on the initial proposals is open for a 12-week period, from 13 September to 5 December 2016. Revised proposals will be published in 2017, followed by a four week period of discussion before the Boundary Commission produce their final proposals to go to Parliament for approval by September 2018.

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. None for the purpose of this report

### **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. See points 2.1 and 2.2

### **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. None for the purpose of this report

### **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. None for the purpose of this report

### **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. None for the purpose of this report

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

- Appendix 1: Number of constituencies each London borough will cover
- Appendix 2: Merton Council's proposed response to the 2018 Boundary Review of Parliamentary constituencies consultation

### **12 BACKGROUND PAPERS**

- 12.1. None for the purpose of this report.

### Appendix 1: Number of constituencies each London borough will cover

Borough	Total No. of constituencies the borough is divided across	No. of constituencies with an 'orphan ward'
Lambeth	6	2
Croydon	5	2
Enfield	5	1
Merton	5	1
Barnet	4	
Brent	4	
Bromley	4	
Ealing	4	
Redbridge	4	
Southwark	4	
Barking & Dagenham	3	1
Bexley	3	
Camden	3	
Greenwich	3	
Hackney	3	
Hammersmith & Fulham	3	1
Harrow	3	
Havering	3	
Hillingdon	3	
Hounslow	3	
Islington	3	
Lewisham	3	
Newham	3	
Tower Hamlets	3	
Waltham Forest	3	
Wandsworth	3	
Haringey	2	
Kingston upon Thames	2	
Richmond upon Thames	2	
Sutton	2	
Westminster	2	
City of London	1	
Kensington & Chelsea	1	

This page is intentionally left blank

## **Appendix 2: Merton Council’s proposed response to the 2018 Boundary Review of Parliamentary constituencies consultation**

Set out below is the proposed response of the London Borough of Merton to the proposals for new constituency boundaries under the 2018 Review of Parliamentary Constituencies. We would strongly urge the Boundary Commission to reassess their initial proposals which we believe will have a negative impact on the residents of Merton in terms of representation and partnership working and on the local communities that make up the borough. Of the five criteria set for the review, one of which is not relevant to Merton, it is in our view that the current proposal fails to meet all four of the other criteria. Our detailed reasons are set out below according to the criteria.

### **Each new constituency must have an electorate no smaller than 71,031 and no larger than 78,507**

It is noted that the BC were required to use electorate figures as at 1 December 2015 when making their calculations, however the number of parliamentary electors for the proposed constituency of Merton and Wimbledon Central currently stands at 81,272 as at 1 September 2016 (the most recent update to the register of electors). This is 2,705 electors over the Boundary Commission’s maximum electorate quota of 78,507 for any new constituency.

Comparison of the constituency electorate figures for the two existing constituencies between the figure on 1 December 2015 and 1 September 2016 means that the Boundary Commission proposals are based on an electorate figure that excludes a large number of voters that registered to vote ahead of the EU referendum in June.

	Mitcham and Morden	Wimbledon
1 December 2015	65,682	62,979
1 September 2016	69,129	67,122

With a growing population and a projected minimum number of housing completions of 2,640 net residential units in the planning pipeline to be built between 2016-2021, we believe that it is a reasonable assumption that by 2020 the size of the Merton and Wimbledon Central constituency will be considerably higher than the upper limit set for the Boundary Commission’s review. Merton’s planned regeneration activities already exceed the housing targets well into the mid 2020s.

We would also note that with projected population growth based on the supply of new residential accommodation in the development pipeline it is highly likely that both of Merton’s existing constituencies will pass the minimum threshold by 2020.

## **Local government boundaries as they existed on 7 May 2015 and Boundaries of existing constituencies**

The Boundary Commission states that while it proposes to identify constituencies by reference to local authority external boundaries, it has often been necessary to cross these in order to form constituencies that comply with the statutory electoral range. The Boundary Commission has said it is seeking to avoid splitting wards. The Boundary Commission states that they have not treated any existing constituency as more immune to change than any other, but have considered the effects of retaining any existing constituencies in the application of all the statutory factors across the 68 constituencies.

Merton is one of only four other boroughs in London that have been divided across five or more constituencies, the average being three. Of the others split across five or more - Lambeth, Croydon and Enfield - all are significantly larger in area and population than Merton. As noted, Merton is currently divided across two constituencies. Of the three other boroughs to be divided across five or more constituencies, Croydon and Enfield are currently divided across three, while Lambeth includes two coterminous constituencies and one across a boundary with Southwark. This makes Merton the worst affected borough in the whole of London by these changes. Surely it is the role of the Boundary Commission to avoid such disproportionate impacts and ensure that proposals are fairly and evenly balanced.

In South West London, Merton is also disproportionately affected; for comparison Kingston, Richmond and Sutton will be divided across two constituencies, while Wandsworth will be divided across three.

Merton is undergoing a period of significant change. Major regeneration initiatives are planned to the west of the borough, in particular linked to Crossrail 2. Wimbledon will become the main transport hub for the southwest of London. Allied to this is a programme of significant growth in retail, leisure, office and residential developments. To the east of the borough there are major regeneration initiatives underway in Mitcham and Morden, and a programme of redeveloping the majority of the social housing stock.

The table below sets out the planned major developments in Merton; highlighting the housing numbers and projected population increase, assuming an average across the board of 3 people per home.

<b>Proposed Constituency</b>	<b>Former Constituency</b>	<b>Major Development</b>	<b>Housing Capacity</b>	<b>Potential Population increase</b>
Wimbledon Common & Putney	Wimbledon	Plough Lane	600	1800
		Vantage	100	300
		Volante	100	300
			800	2400
Merton & Wimbledon Central	Wimbledon	High Path	1200	3600
		Raynes Park	400	
	Mitcham & Morden	Colliers Wood	350	1200
		Morden Centre	1100	3300
			120	660
			180	540
			3350	10,050
Streatham & Mitcham	Mitcham & Morden	Eastfields	800	2400
		Pollards Hill	100	300
			900	2700
Sutton & Cheam	Mitcham & Morden	Haig Village	120	360
			120	360
Projected Totals c2020			5170	15,510

Within Merton's planned growth (and part of the London Plan SHLAA) the proposed Merton and Wimbledon Central constituency could have an addition 10,000 people living there by the mid 2020s.

The level of growth enabled by Crossrail 2 may not be delivered until 2025-2035 and does not form part of Merton's Local Plan or the London Plan yet. However the additional development capacity is thought to be around 5000 new homes (15,000 people) which would be located mainly in the new Wimbledon Common & Putney and Wimbledon Central constituencies.

It is clear that the proposed boundaries and constituency sizes are not based on a robust assessment of the future populations post 2020. A similar assessment would be beneficial for neighbouring boroughs who would share a proposed constituency with Merton.

Under the current arrangements the residents of Merton are well served by having two MPs focusing on the issues that will have a major impact on the borough. The new proposals dilute and potentially weaken representation for Merton residents by having five MPs who cannot focus fully on these issues. It will be extremely difficult for the Council, along with its statutory and voluntary sector partners to engage with five MPs on the major social and economic issues facing the borough.

The large number of cross-borough constituencies will also have a significant impact on administering elections, with Merton wards being split across a total of four

boroughs and five constituencies:

- The Returning Officer and lead borough for a constituency will be from the borough with the highest electorate in that constituency; under the proposals, Merton will be the lead borough for only one constituency rather than the two that it is currently.
- Merton's Returning Officer will still have responsibility for the administration of the poll for all Merton wards across five constituencies, (including all the associated risks) but will be subject to powers of direction in four constituencies from other Returning Officers, and will have no responsibility for those counts.
- During the election period Merton will have to exchange data regarding poll cards and postal votes with three other boroughs, thereby increasing the complexity of polling arrangements.
- At the close of poll Merton polling staff in cross boundary constituencies will be required to travel to count centres in Lambeth, Sutton and Wandsworth respectively. Late postal votes handed in at Merton polling stations in these cross boundary constituencies will have to be brought back to Merton Civic Centre to be processed, and then transported to count centres in the neighbouring boroughs, which will certainly delay the count process in those areas. It should also be noted that a consequence of the timing of the next Parliamentary election on 7 May 2020 is that this will coincide with the GLA elections, thereby exacerbating the complexity of arrangements.
- Apart from administrative issues, there is also a risk that consistency of voter experience in cross borough constituencies could be compromised, with voters in different parts of the borough being treated slightly differently depending on what constituency they are in – e.g. delivery date of their postal vote or poll card, and staffing allocation ratios in the polling stations.

### **Any local ties that would be broken by changes in constituencies**

As part of their proposals, the Boundary Commission has said that as far as possible, it has sought to create constituencies from wards that are adjacent to each other and that do not contain 'detached parts', i.e. where the only physical connection between one part of the constituency and the remainder would require travel through a different constituency. We believe that the proposed new constituencies will cut across and split a number of the boroughs natural neighbourhoods and communities.

**Streatham and Mitcham** - Mitcham is the main town centre and seen as the key retail destination of Merton for residents in the east of the borough. The proposed constituency of Streatham and Mitcham will include Figge's Marsh, Longthornton, and Pollards Hill wards, splitting them from Mitcham Town Centre which is on the border of Cricket Green and Figge's Marsh wards. Mitcham Eastfields station will be in the Streatham and Mitcham constituency. Under revisions to the 2011 proposals it was agreed by the Boundary Commission that Mitcham wards should be kept together.

**Sutton and Cheam** - Regeneration work on Morden town centre, including the creation of several hundred homes will be on the border of St Helier and Merton Park wards – meaning a split across two different constituencies (Merton and Wimbledon Central/Sutton and Cheam).

**Wimbledon Common and Putney** - Wimbledon Park ward, where the new Wimbledon Stadium is being developed will be part of a constituency which along with Village will include six wards from Wandsworth. Residents in Wandsworth and Wandsworth Council were in opposition to the planning and building of the new stadium.

We are also aware of the response by the London Borough of Wandsworth putting forward the recommendation that the proposed Wimbledon Common and Putney constituency, should it be agreed, be renamed to 'Putney and Wimbledon Common'. We strongly oppose this on the grounds of the international reputation that Wimbledon has, the presence of the All England Club and Wimbledon being the retail and transport hub for the South West London area.

**Merton and Wimbledon Central** - Wimbledon Village, Wimbledon Park and the common will be split from Wimbledon town centre, the main transport and retail hub for that area. Wimbledon town centre also contains half of Merton's jobs.

**Tooting** – under the proposals Graveney ward is to become an orphan ward as part of a constituency with wards from Wandsworth. Under revisions to the 2011 proposals the Boundary Commission saw this area and the Wandsworth ward of Furzedown that borders it as having strong ties to Streatham and Tooting, however the recommendation was for the area comprising these two wards to form part of a Merton-based constituency in order to enable the striking of 'a better balance between the statutory factors across South London'.



This page is intentionally left blank

## **Committee: Standards and General Purposes Committee**

**Date: 3 November 2016**

Wards: All

Subject: Report on Member Development

Lead officer: Kim Brown, HR Lead

Lead member: Cllr Mark Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Kim Brown, HR Lead, 020 8545 3152

---

### **Recommendations:**

#### **That the Standards and General Purposes Committee:**

1. Agrees the draft learning and development plan for 2016/18
  2. Agrees the priority development activities for members as outlined in 2.10 of this report
  3. Agrees that there will be elements of mandatory training for members
  4. Agrees that sessions are offered to prospective councillors in September/October 2017 and March 2018
  5. Considers ways to encourage increased member take-up for development activities.
- 

## **1 Purpose of report and executive summary**

- 1.1 The purpose of this report is to update the Committee on the Member Development programme offer to members and explore ways to improve attendance at development events. The Council has committed itself to ensuring that all Members have access to learning and development that supports them and allows them to develop the necessary skills to fulfil their varied roles.
- 1.2 The provision of member development is managed within the HR division through close collaboration with Democracy Services.

## **2. Details**

- 2.1 Member development is based on the following principles:
  - The development will be based upon the identified and agreed needs of the individual Elected Member and they will contribute fully to that identification
  - Development will be delivered through a variety of methods and at times that ensure equality of access for Elected Members diverse personal circumstances, backgrounds and learning styles
  - The Council has a learning culture that views continuous development for all its staff and elected Members as vital to its success.
  - The Council acknowledges that Elected Members may have transferable skills from their work place and/or life experiences that can be used to help them perform their Council role.

2.2 The proposal for managing and delivering member development consists of three main components outlined below:

- (1) Ongoing personal/generic development
- (2) Sessions for potential candidates
- (3) Induction post-election.

2.3 **Ongoing personal/generic development**

Most councillors have very busy lives and many work during the day. The development activities for members are arranged in the evening and sometimes at the weekend (induction). The appropriate training is provided to councillors to enable them to fulfill their statutory obligation. There are some committees where members have to be trained before they are able to sit on these committees such as planning and licensing.

2.4 Generic development is identified by the roles members need to fulfil and legislation. A list of generic activities delivered since May 2014 shows:

Event Title	No of attendees
Budget Scrutiny	27
Chairing Skills	12
Dementia	21
Health Champions	14
Induction- Overview and Scrutiny	24
Induction- The role of a Councillor Part 1	20
Induction- The role of a Councillor Part 2	24
Induction- Keeping our people safe (Corporate Parenting, Safeguarding)	35
Induction- Community Leadership	24
Licensing for committee members	17
Licensing for ward members	14
Mind Mapping and Speed reading	4
Planning for committee members	16
Planning for Ward Members	20
Public Speaking	15
Tools and Techniques to cope with paperwork	5
Understanding Budgets	10
Universal Credit and Housing	20
<b>Total</b>	<b>322</b>

2.5 It is recognised that in addition to generic needs, members will have differing and specific needs, which need to be addressed through specific, and individual

learning interventions. To ascertain development needs members are invited to meet with a council officer to discuss them or are asked to complete a personal development form – Appendix D. Since 2014, 27 completed forms have been received. In the past, it has proved difficult to get members to complete personal development plans.

- 2.6 Members have the opportunity to attend development offered by the Local Government Association, London Councils. Examples of the courses available from the LGA are outlined in Appendix A. These opportunities are circulated to members and approval must be obtained by the group offices prior to being booked by HR.
- 2.7 Groups or members may require specific training based on the roles that they hold or are required to be fulfil such as Cabinet or Opposition. Development may also be provided and arranged within parties, such as mentoring and coaching by more experienced elected members.
- 2.8 In order to provide focus to the development offer it is proposed that elements of the member development programme should be mandatory and be undertaken by each councillor at least once during the 4-year municipal period:
  - safeguarding (adults and children)
  - equalities
  - information security.

And additionally:

- Planning (for Planning Committee members)
- Licensing (for Licensing Committee members)

## 2.9 **Potential candidates**

The Council in the past has run at least three sessions for candidates who would wish to be Elected members. The sessions are usually advertised in the local press. The session covered the following areas:

- The London Borough of Merton
- The Committee System
- Benefits of being a councillor
- Skills needed to be a Councillor
- Talk to Merton Councillors about 'Being a Councillor'
- Member allowances and support available

It is recommended that sessions are offered to prospective councillors in October 2017 and March 2018. Potential dates are suggested in appendix B.

## 2.10 **Proposed learning and development plan for 2016/18**

A draft development programme with dates and titles through to January 2018 has been prepared for the Committee's comments – appendix B. It is proposed that the priority activities for 2016/17 should include:

- information security

- safeguarding (including how to make child protection and mental health referrals)
- equalities
- keeping you and your constituents' safe
- using the council's interactive new website – to learn how to set up and use a personal account and to encourage constituents to do so too.

Other generic learning activities:

- Chairing skills
- Public speaking
- How to participate effectively in Committee meetings
- Managing in political environment
- Communication skills
- Effective questioning skills
- Corporate Parenting
- ICT skills and the use of technology
- Understanding projects
- Community leadership
- Social media
- Resilience

These programmes will be commissioned and advertised (six weeks) in advance of the event taking place to provide Councillors with adequate time to book themselves on sessions. The sessions are booked using dates from the Corporate calendar – avoiding meetings and committees.

### **2.11 Induction – post election**

All newly elected members are required to attend induction. In 2014, the induction process was reviewed and in response to member's feedback was condensed from a two-week induction to six sessions over a number of weeks. In addition to the Council offer London Councils produce Councillors handbooks and members briefing and updates via email. Appendix C outlines the 2014 induction programme.

It is recommended that the Committee receive a report early in 2018 on proposed induction programme for new councillors post the May 2018 election.

- 2.12 As part of this report, Committee's views are being sought on best way to encourage take-up of member development activities. The process currently is to email members with upcoming events and through the group officers. Encouraging members to attend development session is not unique to Merton, as this has been raised on several occasions at the London Member Development Network.

### **3. Consultation undertaken or proposed**

- 3.1 It is proposed that updates are supplied to this committee and CMT.

**4. Timetable**

4.1 To be agreed by the committee

**5. Financial, resource and property implications**

5.1 Delivery of the development plan will be done using existing resources.

**6. Legal and statutory implications**

6.1 There are no specific legal implications arising from the report

**7. Human rights, equalities and community cohesion implications**

7.1 Member development enables members to make decisions which can impact the communities they serve.

**8. Crime and Disorder implications**

8.1 None

**9. Risk management and health and safety implications**

9.1 None

**10. Appendices – the following documents are to be published with this report and form part of the report**

- Appendix A- LGA Leadership Academy outline of the programme and dates
- Appendix B- Member's Training Plan
- Appendix C- Example Induction Programme (provided as a separate document)
- Appendix D- Personal Development Form (provided as a separate document)

**11. Background papers**

11.1 None

This page is intentionally left blank

## Appendix A

### LGA Highlighting Political Leadership Update – October 2016

#### Leadership Academy

The Leadership Academy is the LGA's flagship development programme for councillors in leadership positions. Refreshed and updated for the current challenges faced across local government, the Leadership Academy delivers for local leaders a step change in leadership behaviours, strategies, skills and mind-set.

Leading councillors from across the country and political spectrum have found the Leadership Academy helps to ensure they can effectively address modern challenges and make the most of new opportunities. The programme is now recognised by ILM (Institute of Leadership & Management), the UK's leading awarding body for leadership and management, and Leadership Academy graduates will now receive an accredited ILM certificate. The Leadership Academy is a leadership development programme for leading councillors based on three two-day residential modules over a three-month period.

**Module 1** focuses on **leading through relationships**. This module explores how councillors can develop, maintain and use relationships (both internal and external) to provide effective leadership at the political, organisational and wider community levels.

**Module 2** looks at **leading innovation and change**. This module will develop councillors' ability to lead and manage complex change to improve effectiveness and efficiency and to achieve better outcomes for the community

**Module 3** explores **leading communities and place**. The focus is on helping councillors to communicate with and provide leadership to their communities and within partnerships to achieve growth and prosperity.

#### **Who is it for?**

Councillors in leadership positions, including leaders of councils, deputy leaders, leaders of political groups, portfolio holders, shadow portfolios, scrutiny chairs and committee chairs.

**Fees:** The cost of the first place booked for each authority is now just £1,000, and the cost for each subsequent place will be £1,250. The fee covers accommodation, meals, refreshments, material and tuition for the three residential modules

#### **Midweek Programme 164: Warwick Conference Centre, Coventry**

**Module 1:** Tuesday 25<sup>th</sup> October – Wednesday 26<sup>th</sup> October 2016

**Module 2:** Monday, 28<sup>th</sup> November – Tuesday, 29<sup>th</sup> November 2016

**Module 3:** Tuesday 10<sup>th</sup> January – Wednesday 11<sup>th</sup> January 2016

#### **Weekend Programme 165: Warwick Conference Centre, Coventry**

**Module 1:** Saturday 12<sup>th</sup> November – Sunday 13<sup>th</sup> November 2016

**Module 2:** Saturday 10<sup>th</sup> December – Sunday 11<sup>th</sup> December 2016

**Module 3:** Saturday 21<sup>st</sup> January – Sunday 22<sup>nd</sup> January 2017

#### **Midweek Programme 166: Warwick Conference Centre, Coventry**

**Module 1:** Thursday 12<sup>th</sup> January – Friday 13<sup>th</sup> January 2017

**Module 2:** Tuesday 7<sup>th</sup> February – Wednesday 8<sup>th</sup> February 2017

**Module 3:** Tuesday 7<sup>th</sup> March – Wednesday 8<sup>th</sup> March 2017



## Political Leadership Masterclasses

These one-day political master classes are for councillors who hold leadership positions on their councils including cabinet members, committee chairs and opposition group leaders. The cost of places at these events is fully subsidised. There are a very limited number of places available and they will be allocated on a strictly first come, first served basis.

---

### Working with the Media Political Leadership Masterclass

**9.30 - 4.30pm**

**Warwick Conferences, Coventry, CV4 7SH**

Working with the Media Masterclass 4 - Thursday, 1<sup>st</sup> December 2016

Working with the Media Masterclass 5 - Thursday, 26<sup>th</sup> January 2017

For councillors in leadership positions, including leaders of councils, deputy leaders, leaders of political groups, portfolio holders

As a leading councillor, you play a pivotal role in raising awareness of your local area and organisation through the media. We're running an intense one-day masterclass to develop and enhance your interview skills.

The session will be run by experienced journalists who will provide guidance and advice on:

- understanding journalists, your local media and what makes news
- how to prepare for an interview, present yourself and avoid the pitfalls
- how to develop meaningful messages and narrative
- how to convey your message and control an interview

You'll undertake three interviews (both print and broadcast) during the course of the day with one-on-one guidance and detailed feedback. USB sticks containing all your interviews, along with media training notes, will be given to you at the end of the day to review in your own time.

The event is fully subsidised for all delegates. However, please note once you commit to joining the 'Working with the Media' masterclass if you are then unable to make it, a £500 fee will be charged to your council.

## **Risk Management Political Leadership Masterclass**

**9.30 - 4.30pm, Wednesday, 12<sup>th</sup> October 2016**

**Warwick Conferences, Coventry, CV4 7SH**

Sometimes the biggest risk you can take is to take no risks at all!

But what do we mean by risk and how can we make sure that we take it into account when making decisions?

This seminar will consider the types of risk that Councillors are likely to meet as they seek to influence the decision making process at their Council. After establishing what is meant by risk, how risk is identified, evaluated and managed, the seminar will provide an opportunity for participants to discuss in a supportive environment how best to understand and deal with the political, financial and practical risks they face.

---

## **Consultation and Engagement Political Leadership Masterclass**

**9.30 – 4.30, Friday, 18 November 2016**

**Roffey Park, Horsham, West Sussex**

*Learn how to consult and engage like a guru!*

This one-day political masterclass, aimed at cabinet members, committee chairs and opposition group leaders, will challenge you to raise your game and master the art of consultation and engagement without busting your budget.

On hand with tips and techniques to take away, will be a small army of hand-picked experts who will be sharing their considerable knowledge for you to immediately put into place in your council.

At the end of the session, you would have been exposed to the latest cutting edge thinking and best practice around consultation and engagement, real life experiences of colleagues from around the country and across the political spectrum, and tactics from other sectors that can be adapted for use in your authority.

---

## **Leading Culture Change Political Leadership Masterclass**

**9.30 - 4.30, Thursday, 24<sup>th</sup> November 2016 – FULL**

**Warwick Conferences, Coventry, CV4 7SH**

*How do you change age-old practices and the embedded culture of your council?*

The first step is to attend this one-day development programme for councillors in leadership positions in their councils.

This is no ordinary workshop featuring lists of 'dos and don'ts', death by PowerPoint and some dry handouts that you'll promptly discard on your way home.

This highly interactive session covers the very latest thinking and practice in leading culture change. It also offers a unique opportunity to work through challenges with participants from across the political spectrum, by providing insights, knowledge and effective tools that will help you to take a lead on and overcome barriers to change.

An expert panel will illustrate how culture change is achieved on time, on budget and with huge benefits for local communities, and, of course councils.

## **Leadership Essentials**

The Leadership Essentials programme is a series of themed leadership events and workshops. They are aimed at leading members offering a stand-alone opportunity to concentrate on particular themes and share experiences amongst colleagues dealing with similar challenges. These programmes are run at Warwick Conference Centre, Coventry

## **Leadership Essentials Finance**

This two-day residential programme will help leaders and finance portfolio holders get to grips with the financial challenges facing their authority. The course discusses setting longer-term strategies for sustainability as well as balancing the budget on an annual basis, and how to work with officers to ensure that the Council is making the most of its opportunities.

Designed for Leaders and finance portfolio holders, this programme is an opportunity to focus on financial management and governance ahead of the final stages of the 2017/18 budget process, but also to look longer term at what the strategic options may be for the Council and its local area. Participants will hear from a variety of speakers with experience of financial leadership in difficult times and experts on the financial impact of change.

Topic covered will include;

- The role of leaders and portfolio holders in a changing financial environment
- Working with others to make sense of the opportunities
- Understanding the council's finances

- Navigating the budget process
- The financial aspects of the new delivery models
- Recognising a good business case for change

**Programme 6:** Wednesday, 23<sup>rd</sup> November – Thursday, 24<sup>th</sup> November 2016

The cost of attending this programme is fully subsidised, but places are limited and will be offered on a strict first come first served basis.

### **Leadership Essentials: Commissioning Academy for Elected Members**

Councillors have a key role to play in the governance of the commissioning activity of councils so there is a vital need for a development offer for elected members on this important subject. This programme is for cabinet members, leaders, deputy leaders and councillors with involvement in their council's commissioning of services. It draws upon the themes of the highly successful LGA and Cabinet Office Commissioning Academy aimed at council officers.

The objectives of the sessions are to:

- Help councillors improve and develop the commissioning activity of their council
- Explore the importance of political leadership to improving commissioning
- Provide an opportunity for networking and sharing areas of good commissioning practice for the sector
- Opportunities for you to discuss and find solutions to your own commissioning issues

Programme 7: Thursday, 16th February 2017 - Friday 17th February 2017

### **Leadership Essentials Health & Well-being for HWB Chairs & Vice-Chairs**

Health and Well-Being Boards are entering a critical phase of their development. The role of the Chair is pivotal in maintaining relationships with partners through difficult conversations, promoting shared ownership of and collective leadership for the Board and ensuring accountability to the community. This two-day residential session gives Chairs

---

and Vice-Chairs an opportunity to come together to have space to think and reflect, share experiences and actively learn from each other through the LGA's tried and tested approach to leadership development.

The session will be led by peers with input from national partners. We are offering a choice of four programme dates:

**Programme 11:** Tuesday 22<sup>nd</sup> November – Wednesday, 23<sup>rd</sup> November 2016

**Programme 12:** Tuesday 24<sup>th</sup> January – Wednesday 25<sup>th</sup> January 2017

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

---

### **Leadership Essentials Children's Services**

Lead Members for Children's Services are responsible for providing leadership to Children's Services in their area and hold a statutory role. This development event is funded as part of the sector led improvement programme and aims to support Lead Members with the key challenges they face in the changing policy landscape and to develop leadership capacity, share learning and provide a valuable networking opportunity. This programme is also for Chairs of Children's Services scrutiny committee.

The programme runs over two days and is delivered by member peers and LGA staff supported by guest speakers from local government and partner agencies. We are offering a choice of three programme dates:

**Programme 15:** Wednesday 16<sup>th</sup> November – Thursday 17<sup>th</sup> November 2016 - **Full**

**Programme 16:** Wednesday 18<sup>th</sup> January – Thursday 19<sup>th</sup> January 2017

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

---

### **Leadership Essentials Adult Social Care**

This development event supports Lead Members with the key challenges they face in adult social care in the changing policy landscape. It offers the opportunity to explore leadership capacity, to share learning and to make valuable contacts. The course is residential, runs over two days and is delivered by LGA staff supported by high profile guest speakers from local government and partner agencies. The event is member led, interactive, and maximises the opportunity for discussion, sharing of practice and innovative solutions in a confidential environment.

It will focus on leadership in the current challenging policy and practice context, including implementing the Care Act, sector led improvement and integration. The event is supported

by the LGA and the Towards Excellence in Adult Social Care programme of sector led improvement in adult social care.

**Programme 3:** Tuesday 22<sup>nd</sup> November – Wednesday 23<sup>rd</sup> November 2016

---

### **Leadership Essentials Fire & Rescue**

This programme is aimed at elected members with leading roles on fire and rescue authorities.

Benefits of attending will include opportunities to:

- Develop your understanding of the nature of political leadership in fire and rescue authorities.
- Improve your knowledge of the key strategic issues facing the sector.
- Build your appreciation of how leadership style, capacity and skills can assist in managing complex organisational change.
- Explore tools and techniques for improving communication and stakeholder engagement, when working with communities, partners, fire staff and the media.
- Share ideas and network with leading members from a variety of FRAs.

**Programme 7:** Tuesday 25<sup>th</sup> October – Wednesday 26<sup>th</sup> October 2016

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

---

### **Leadership Essentials Counter Extremism**

Local authorities have a key part to play in protecting their communities from extremism and hate crime. This new two-day programme will help elected members to understand their role in countering extremism (including through Scrutiny); explore common values; consider how to build cohesive local communities; discuss effective community engagement and communication; and share good practice with members in similar roles.

**Programme 1:** Tuesday 28<sup>th</sup> February – Wednesday, 1<sup>st</sup> March 2017

The cost of attending this programme is fully subsidised. This includes accommodation, meals, course materials and tuition.

---

## Leadership Essentials: Getting Your Message Across

This event will provide councillors with new ideas, strategies and techniques for achieving more effective communication with both internal and external audiences.

Participants will learn how to:

- Influence others towards achieving mutually beneficial objectives
- Adapt their communication style to convey messages more persuasively to people who have a different communication style
- Be more effective when delivering and managing bad news
- Develop a more authoritative communication style
- Build and promote their own personal brand
- Target the right message at the right audience and establish trust and credibility and build relationships
- Overcome barriers to effective communication
- Select the best tools and methods for delivering messages.

**Programme 3:** Saturday, 28<sup>th</sup> January – Sunday, 29<sup>th</sup> January 2017

**Fee:** The fee for attending the 2-day residential event is £250 per place, which includes accommodation, meals and all learning materials.

---

## Leadership Essentials: Effective Scrutiny

The Leadership Essentials: Effective Scrutiny 2 day programme is for new or aspiring scrutiny chairs or task-and-finish group review lead members covering:

- Leading and managing a scrutiny review
- Chairing scrutiny meetings in all their forms
- Increasing participation by members and the public
- Ensuring impact of scrutiny recommendations

Drawing on experts in their field, the programme will also offer the opportunity to focus in depth on the hot topics that are currently most relevant to your work, whether that is children's safeguarding, welfare reform, changes in health services or pressure on budgets driving major changes in how services are delivered or commissioned.

**Programme 6:** Saturday 14<sup>th</sup> January – Sunday 15<sup>th</sup> January 2016 – **Limited Spaces**

**Fee:** The fee for attending the 2-day residential event is £250 per place, which includes accommodation, meals and all learning materials.

---

## Leadership Essentials Sport and Physical Activity

Following fifteen successful Leadership Essentials Sport programmes in the last 4 years, the LGA and Sport England are pleased to offer further programmes to assist Cabinet members/portfolio holders with the responsibility for sport to lead transformational change in their service. This will be the first programme following the launch of Sport England's new strategy Towards an Active Nation providing a great opportunity to hear about the strategy and the opportunities it brings for councils and local partners. It is also a very beneficial experience for new portfolio holders.

The event will help participants to:

- Understand the role that sport and physical activity can play in helping address health improvement and health inequality within communities
- Explore the role sport and physical activity can play in public health, health and social care commissioning and personalisation
- Understand and lead the transformation required in the provision, management and development of sport and physical activity services within councils in order to improve efficiency and value for money and increase participation
- Understand more about how Sport England and the LGA can help and support councils through change programmes and hear about Sport England's new strategy Towards an Active Nation.
- Become better leaders.

Read about the impact attending a Leadership Essential Sports and Physical Activity programme (formerly called Leadership Academy) had on seven councillors from across the country in our brochure: [http://www.local.gov.uk/web/guest/publications/-/journal\\_content/56/10180/4059081/PUBLICATION](http://www.local.gov.uk/web/guest/publications/-/journal_content/56/10180/4059081/PUBLICATION)

**Programme 16:** Thursday, 17<sup>th</sup> November – Friday 18<sup>th</sup> November 2016 - **FULL**

**Programme 17:** Wednesday, 1<sup>st</sup> March – Thursday, 2<sup>nd</sup> March 2017

Both programmes at Warwick Conference Centre, Coventry

**Offer:** Places are limited to one member per council. Accommodation, meals, course materials & delegate fees are funded. Accommodation is available for the pre-night.

---

## Leadership Essentials Cultural Services

After six very successful programmes, we are delighted to be working in partnership with Arts Council England to deliver further Leadership Essentials Cultural Services programmes



for leading members with responsibility for Cultural Services. At this critical time for cultural services, the programme will support leading councillors to develop an integrated cultural offer against a backdrop of reducing budgets.

The programme aims to help participants:

- develop a better understanding of the role integrated cultural services can play in communities
- understand the extent of transformation that is now required in the planning, delivery and development of cultural services.
- consider how councils can use cultural services to improve outcomes for their communities
- learn from good practice across the country
- understand more about how Arts Council England and LGA can support participants to carry out their leadership roles more effectively.

**Programme 7:** Tuesday, 8<sup>th</sup> November – Wednesday, 9<sup>th</sup> November 2016

**Programme 8:** Wednesday, 7<sup>th</sup> December – Thursday, 8<sup>th</sup> December 2016

**Offer:** Places are limited to one member per council. Accommodation, meals, course materials and delegate fees are funded. Accommodation is available for the pre-night.

---

## **Leadership Essentials Planning Programmes for 2016/17**

Leadership Essentials Planning programmes is not just for councillors with specific responsibility for planning, these programmes will be relevant to any councillor interested in places delivering housing and other developments, and improvement and transformation. They will help delegates to develop knowledge and skills, to keep up to date with planning issues and reforms, and find out how other LPAs are developing their planning service

---

## **Leadership Essentials Planning – Planning Changes – will they help? The Government and Planning Reform**

This course will look at the planning reforms in the Housing and Planning Act, priorities for the new ministerial team, what will change and what it means to councils. It is relevant to all councillors, including those with a planning remit within their portfolio or as a committee member. Councillors involved in delivering other objectives – for example, housing or regeneration – via the planning system would also benefit. The sessions will include updates from DCLG and the development industry. You will go away with up to date knowledge and new thoughts about how planning can deliver what you want for your communities.

**Programme 2:** Saturday 28<sup>th</sup> January and Sunday 29<sup>th</sup> January 2017.

---

**Fees:** Delegate cost will be £250. All meals accommodation and course materials will be provided as part of the delegate package. If you wish to arrive the night before, there will be an additional cost of £85.

### **Focus on Leadership Programmes**

Two-day development programmes for councillors with potential or aspirations to move into leadership positions on their council.

### **Effective Opposition**

This new programme, aimed at opposition leaders and deputy leaders, is designed to help participants to get a better understanding of how they can enhance the effectiveness of their role in leading an opposition group on their council. It will focus on a range of relevant topics, skills and techniques, including building good working relationships with key officers, engaging with external stakeholders, working with the local media and getting the most out of social media.

The programme will provide a unique, cross-party opportunity for participants to explore the nature of effective opposition and gain some insights into their personal leadership and influencing styles.

**Programme 4:** Tuesday, 18<sup>th</sup> October – Wednesday, 19<sup>th</sup> October 2016 – **Limited Spaces**

**Programme 5:** Thursday, 12<sup>th</sup> January – Friday 13<sup>th</sup> January 2017 – **FULL**

**Fee:** The cost for attending this two-day residential event is only £150, which covers the cost of accommodation, meals, tuition and materials.

---

### **Young Councillors' Weekender**

The Young Councillor Weekender event is designed to give councillors aged 40 and under an opportunity to benefit from some focused leadership skills development aimed at helping them to make progress in their political career. The event also provides a chance for them to meet with and build up their network of other young councillors from different political parties and parts of the country.

Over the seven years since the programme was first run approximately 40 participants have attended each year and several have gone on to take up cabinet positions on their councils or roles on LGA boards.

**Date:** Saturday, 19<sup>th</sup> November – Sunday, 20<sup>th</sup> November 2016

**Fee:** The cost for attending is £150 for the 2-day residential event, which includes accommodation, meals and all learning materials, plus an additional £50 for those of you who wish to join us for dinner and stay overnight at the venue on Friday, 18<sup>th</sup> November

---

## **Black, Asian and Minority Ethnic (BAME) Councillors Weekender**

This event provides a unique learning and networking opportunity for elected members from BAME backgrounds and those who are interested in exploring ideas for enhancing the recruitment and retention of BAME councillors.

The programme will include a variety of leadership, skills and personal development workshops, an opportunity to identify new learning and support needs, and a chance to work with others in finding possible solutions for some of the specific challenges faced by councillors from BAME backgrounds.

**Date:** Saturday, 11<sup>th</sup> February – Sunday, 12<sup>th</sup> February 2017

**Fee:** The cost for attending this two-day residential event is only £150, which covers the cost of accommodation, meals, tuition and materials, plus an additional £50 for those of you who wish to join us for dinner and stay overnight at the venue on Friday 10<sup>th</sup> February.

**To book or for more information on the Highlighting Political Leadership development programmes /events mentioned**

Please email [grace.collins@local.gov.uk](mailto:grace.collins@local.gov.uk) or Tel: 0207 664 3054 or visit our website <http://www.local.gov.uk/councillor-development>

## **Community Leadership**

The Community Leadership Programme provides a number of resources to support councillors in their role as community leaders, facilitators and brokers.

---

## **Councillors' guide**

The new Councillors' Guide for 2016/17 is now online. This online resource is designed as a quick reference guide to provide you with the essential information that you need to know as a councillor. <http://www.local.gov.uk/councillors-guide-2016/17>

---

## **Member Modules**

We can deliver modules in-house and tailor accordingly to your authority's needs using a member peer and a trained facilitator on topics such as chairing skills, influencing skills and partnerships, and social media.

---

## **E-Learning Modules**

There are currently 8 councillor e-learning modules available to download from the LGA E-Learning platform for councillors. They are on:

- Effective Ward Councillor
- Facilitation and Conflict Resolution
- Handling Complaints for Service Improvement
- Induction
- Scrutiny
- Police and Crime Panels
- Regulation & Licensing
- Community Leadership and Engagement

These can be accessed via the LGA website through the following URL: <http://lms.learningnexus.co.uk/LGA/> further modules will follow shortly. In order to access the modules, councillors need to register to use the system, and receive a user name and password. They can do this by emailing [elarning@local.gov.uk](mailto:elarning@local.gov.uk).

---

### **Councillor workbooks**

The workbooks are aimed at all councillors and will be particularly useful to new councillors. They are available to download on the LGA website <http://www.local.gov.uk/councillor-workbooks>. Topics include:

- Business planning
  - Councillors guide to the health system
  - Chairing skills
  - Climate change
  - Community leadership
  - Community safety
  - Creating a 'fit for the future organisation'
  - Effective member-officer relations
  - Engaging young people
  - Facilitation and conflict resolution
  - Handling casework
  - Health and safety in the council
  - Influencing skills
- 
- Introduction to planning- councillors guide
  - Joining the chain gang- preparing for the role of civic mayor
  - Media and communications
  - Neighbourhood & community engagement
  - Neighbourhood planning- ward councillors
  - Performance management
  - Scrutiny of finance
  - Stress management & resilience
  - Supporting constituents with complex issues
  - The effective ward councillor
  - Working with town and parish councils

For more information on our community leadership offer please contact Alison Edwards  
[alison.edwards@local.gov.uk](mailto:alison.edwards@local.gov.uk) Tel: 020 7665 3857

## Appendix B

### Member's Training Plan

Title	Date	Time
Information Security	online	online
Safeguarding	Thursday 1 <sup>st</sup> December	7pm-9pm
Budget Scrutiny	Thursday 5 <sup>th</sup> January	7pm-9pm
Equalities	Wednesday 18 <sup>th</sup> January	7pm-9pm
ICT skills and the use of technology	Monday 23 <sup>rd</sup> January	7pm-9pm
Keeping you and your constituents safe	Wednesday 15 <sup>th</sup> February	7pm-9pm
Using the Councils new website	Wednesday 5 <sup>th</sup> April	7pm-9pm
Chairing Skills	Wednesday 19 <sup>th</sup> April	7pm-9pm
Public Speaking	Thursday 11 <sup>th</sup> May	7pm-9pm
How to participate effectively in Committee meetings	Wednesday 24 <sup>th</sup> May	7pm-9pm
Licensing for Committee Members	Thursday 11 <sup>th</sup> June	7pm-9pm
Managing in a political environment	Wednesday 14 <sup>th</sup> June	7pm-9pm
Communication skills	Wednesday 27 <sup>th</sup> June	7pm-9pm
Effective questioning skills	Tuesday 4 <sup>th</sup> July	7pm-9pm
Planning for Committee Members	Wednesday 6 <sup>th</sup> September	7pm-9pm
Corporate Parenting	Thursday 21 <sup>st</sup> September	7pm-9pm
Understanding projects	Wednesday 4 <sup>th</sup> October	7pm-9pm
Community leadership	Wednesday 18 <sup>th</sup> October	7pm-9pm
Social media	Wednesday 1 <sup>st</sup> November	7pm-9pm
Resilience	Tuesday 14 <sup>th</sup> November	7pm-9pm

## Potential Councillor Training

Date	Time
Saturday 7 <sup>th</sup> October	10am- 1pm
Wednesday 14 <sup>th</sup> March	6pm-9pm

### Appendix C – Example Induction Programme

Provided as a separate document

### Appendix D – Member development form

Provided as a separate document

You are invited to attend a series of six induction workshops at the civic centre.



*Ged Curran, Chief Executive*

## Workshop 1. Welcome reception

**Saturday 24 May 2014**

**Time:** 10.00 am – noon

**Venue:** Council Chamber, 1st Floor Civic Centre

Presentation from council officers.  
10.00 am – 11.00 am

Overview of council

*Ged Curran, Chief Executive.*

Meet the council's senior managers

Standards and ethics

*Paul Evans, Joint Head of Legal Services.*

Question and answer session

**From 11.00 am:**

Sign the Declaration of Acceptance of Office

Receive an information pack about Merton and members' handbook

Understand IT support

*Richard Warren, Head of IT Service Delivery.*

Get your official councillor photo taken

*Photographer.*

Process access pass for Merton Civic Centre Facilities.

## Workshop 2. The role of a councillor (Part 1)

**Thursday 29 May 2014**

**Time:** 7.15 pm – 9.00 pm

**Venue:** Committee Rooms B and C

Introduction to the different aspects of the councillor's role

*Paul Evans, Joint Head of Legal Services.*

An outline of the support available

*Julia Regan, Head of Democracy Services*

*Paul Evans, Joint Head of Legal Services.*

Information security and managing casework

*Karin Lane, Head of Information Governance.*

Introduction to Personal Development Planning (PDP)

*Kim Brown, Joint Head of HR Policy Development.*

## Workshop 3. The role of a councillor (Part 2)

**Tuesday 3 June 2014**

**Time:** 7.15 pm – 9.00 pm

**Venue:** Committee Rooms B, C, D and E

Introduction to Overview and Scrutiny

*Julia Regan, Head of Democracy Services.*

## Workshop 4. Introduction to finance and business planning

**Tuesday 10 June 2014**

**Time:** 7.15 pm – 9.00 pm

**Venue:** Committee Rooms B, C, D and E

Revenue and capital, expenditure and income, balances and reserves, financial challenges and medium term financial strategy

*Caroline Holland, Director of Corporate Services.*

## Workshop 5. Keeping our people safe

**Tuesday 17 June 2014**

**Time:** 7.15 pm – 9.00 pm

**Venue:** Committee Room B

Corporate parenting

*Yvette Stanley, Director of Children Schools and Families.*

Safeguarding Children

*Paul Angeli, AD Children's Social Care & Youth Inclusion.*

Safeguarding vulnerable adults

*Simon Williams, Director of Community and Housing.*

*Julie Phillips, Safeguarding Adults Manager.*

## Workshop 6. Community leadership

**Tuesday 1 July 2014**

**Time:** 7.15 pm – 9.00 pm

**Venue:** Committee Rooms D and E

Understanding the community: a snapshot of changing demographics and what our residents think

Partnership working in Merton: introduction to the Merton Partnership, the Community Plan and an outline of services delivered in partnership

*Chris Lee, Director of Environment and Regeneration.*



(continued)

## Workshop 6. Community leadership

**Tuesday 1 July 2014**

**Time: 7.15 pm – 9.00 pm**

**Venue:** Committee Rooms D and E

A round table discussion with key partners:  
Police performance, partnership working and  
community engagement

*Stuart Mcleod, Police Borough Commander.*

Fire service performance, partnership working  
and community engagement

*Rick Ogden, Fire Borough Commander.*

A snapshot of the Voluntary and Community  
Sector in Merton

*Ian Beever, MVSC Interim Chief Executive.*

The view from business in Merton

*Diana Sterck, Merton Chamber of Commerce Chief Executive.*

---

### Further training\*

Licensing training Thursday 5 June 2014

Planning training Wednesday 18 June 2014

Additional development activities

Public speaking

Understanding equalities

Using social media

IT skills

Speed reading

Chairing meetings

Influencing skills

Personal organisation

Personal safety

\*Councillors by law are required to be trained before sitting on planning  
and licensing committees.

---

Any questions, please contact:

### Kim Brown

Head of HR Policy and Development  
Training and Development

020 8545 3152

corplearndevel@merton.gov.uk

<http://intranet/membersinduction> Page 154



# Member Induction Workshops



## Member Personal Development Questionnaire

Member Name: \_\_\_\_\_

Date: \_\_\_\_\_

I would / would not be happy to discuss this further with Officer Representative.  
(Please delete as appropriate)

Achievements – What do you feel you have been able to achieve in your role as councillor in the last 12 months as a result of your attendance at any learning and development event (at any level – ward, Community, Council, etc)?

List in order of preference:

Areas of Special Interest - Please list those areas of Council work in which you would wish to develop further (i.e., culture, planning, traffic, equalities, HR, etc).

List in order of preference:

Areas of Expertise / Training – that you consider would be helpful to the Council in a particular area, including skills, experience qualifications training - This would be in support/advisory role to officers/Members.

--

### Member Development Needs

Please identify those areas in which you would like further development.

Ward Councillor role	Development Requested
<b>Knowledge/Information of “How the Council Works”</b>	
Knowledge of organisational structure and key contact officers	
Political decision-making structures (standing orders/how Council meetings work)	
Understanding of ethics and standards (Code of Conduct)	
Local and national policies and their impact on the Council	
Overview and Scrutiny process	
Policies to which Members must adhere (e.g. Dignity at Work, Smoking Policy, etc)	
Understanding local government finance/scrutinising budgets	
Strategic priorities and key policies of Council (and their development)	
Complaints procedure/s	
Equality and diversity	
Freedom of Information/Data Protection Act	
<b>Compulsory training for Members on quasi-judicial panels:</b>	<b>Development Requested</b>
Planning	
Licensing	
Appeals	
<b>Skills for effective meetings</b>	<b>Development Requested</b>
Effective contribution to meetings	
Chairing skills and ability to facilitate discussions	
Confidence in speaking in public and answering questions	
Active listening	
Interviewing/Questioning skills	
Managing conflict/mediation	
Negotiation	
Influencing and persuading	



This page is intentionally left blank

## **Committee: Standards and General Purposes**

**Date: 3 November 2016**

Wards: All

Subject: Report on the use of temporary workers and consultants

Lead officer: Kim Brown, HR Lead

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

Contact officer: Kim Brown, HR Lead, 020 8545 3152

---

### **Recommendations:**

1. That the Committee note progress made to monitor and control the use of temporary workers and consultants
- 

### **1 Purpose of report and executive summary**

- 1.1. Following the Committee's adoption of recommendations from the Ernst and Young report presented on 12<sup>th</sup> March 2014, a number of progress reports have been provided to committee, the last being in September 2016. This latest report provides Members with an update and the monitoring data of all current interim appointments (attached as Appendix 1).

### **2. Details**

- 2.1 Appendix 1 attached to this report sets out the latest central monitoring database for all types of interim/temporary placement at a rate of £30 per hour or more across the Council, shown by department.
- 2.2 The database is updated on a monthly basis and double-checked with departments for accuracy.
- 2.3 The data about interim and consultancy placements is broken down by department and sent to each Department Management Team (DMT) on a monthly basis to review. HR attends monthly meetings of each DMT to review all the placements and to challenge on-going placements, especially where they are longer term. Each and every placement is reviewed with the respective DMT senior managers.
- 2.4 Arrangements are in place for HR to be involved in all interim appointments and the single database provides a means of HR taking an overview of such appointments, together with the capability to ensure managerial compliance. In order to extend a placement, Comensura require written confirmation along with the signed Recruitment Authorisation form from either the HR Contracts Manager, or the Comensura Relationship Adviser. This measure ensures further control and compliance of hiring managers' activities. In recent months HR have actively challenged the completion of the ways the forms have been completed and have requested additional information.

- 2.5 The previously reported situation continues with by far the largest group of temporary workers being “on contract” agency and temporary staff appointed through the Council’s corporate contract with Comensura for the supply of agency staff. These are all engaged with the involvement and oversight of the HR function with a database that supplies monthly spend and usage reports to Council managers.
- 2.6 As at the end of September 2016, the Council employed 157 interim/temporary workers at £30 per hour (or more) compared to 146 for July 2016. **Appendix 1** refers to the detail and composition of the interim workforce. Where possible, corporate contracts are used as they provide better value for the Council.
- 2.7 Running concurrently with the work to monitor and control interim placements has been a Council-wide staffing establishment exercise completed within iTrent to provide a comprehensive view of a fully budgeted workforce. This provides a clear picture of the workforce, including vacancies and reconciliation with temporary worker appointments. We will be reporting the most recent quarterly position to the Financial Monitoring Task Group on 10<sup>th</sup> November 2016.
- 2.8 HR has prepared a draft “temp to perm” guidance whereby longer-term agency workers can be converted into “perm” direct employees subject to safeguards to ensure a competitive recruitment process was followed when the worker(s) were first commissioned and establishment control procedures are followed. The aim is to finalise the guidance and implement by the new year.
- 2.9 Where difficulty in recruiting has been cited as a reason of long-term cover, HR will continue to work with client managers to identify what recruitment and retention measures are necessary, if any, to improve the recruitment offer. This will include review of recruitment efforts, pay market data and turnover statistics as well as a supporting business case.
- 2.10 Directors have been invited to provide short overall summary comments on agency/consultant usage and action being taken in their area and these are:

### **Children, Schools and Families**

In all but a few exceptions the CSF agency workers and consultants are covering social work posts including frontline social workers and other regulatory posts such as Independent Reviewing Officers (IROs), Adoption Manager and the Local Authority Designated Officer for Child Protection. The others are for specialist posts such as speech and language therapy which are also statutorily required as part of children’s Education, Health and Care Plans. 17% of our agency SW are covering maternity leave or other long-term absence. Social workers have to have professionally manageable caseloads and the authority is funding 10 additional frontline posts currently to be able to deliver a caseload of c15 children per social worker. This is in line with the London average. When necessary we use further additional staff to manage peaks in volume and to protect caseloads.

Recruitment has continued strongly with 13 new starters during January to March 2016. Our vacancy rates and turnover rates are reducing with vacancies at 20% compared to 38% in October 2014 when they were at a peak. We now have a good flow of newly qualified social workers but have to carefully manage

the balance of experienced and inexperienced workers given the nature of our work.

### **Community and Housing**

Within Community and Housing, use of agency staff is predominantly within adult social care and in specialist, hard to recruit to posts. For adult social care, in anticipation of a restructure involving the loss of many posts, the service ceased recruiting substantively in order to minimise redundancies. With the restructure now complete and with few redundancies, active recruitment is underway to appoint to vacant posts and therefore reduce our usage of agency staff.

### **Corporate Services**

For Corporate Services, the nature of some key corporate projects is such that specific skills are required for a fixed period of time, often where the skills are not available in the existing workforce. Engagement on an agency or consultancy basis reflects the nature of the market for these specialised skill sets as there are instances where we have gone out to recruit three times, once on a permanent basis to attract candidates when the role was still fixed term. This approach also protects the Council from termination costs at the end of the project(s). The resources are also reviewed alongside the projects' progress to ensure optimum utilisation. Other usage is to cover hard to recruit vacancies, particularly within the four borough South London Legal Partnership and shorter-term cover to meet work demand.

### **Environment and Regeneration**

Usage is relatively low in E&R. A number of workers are covering positions, which are subject to a service review, and others are providing specialist skills or are covering externally funded roles. There are a number of professional areas where there is an extremely competitive market in which all London boroughs are struggling to recruit and retain permanent staff. This includes Traffic engineers, Planning officers and Building control surveyors where the emergence of a strong interim market has changed employment patterns.

Work on a shared Planning and Building control service together with the finalisation of the Phase C externalisation will assist in reducing the need for interim appointments.

E&R DMT reviews this matter on a monthly basis in order to manage risk including the financial impact.

## **3. Consultation undertaken or proposed**

3.1 CMT receives monthly updates on agency usage and activity. Detailed below is a synopsis of the current themes on which CMT have requested assurance:

- The need for hiring manager compliance to complete agency placement extension arrangements and to seek proper authorisation. HR has put in place measures to improve such compliance with tighter authorisation controls.
- The trend for overall decreased usage of agency staff but rising costs due to the type of worker that we need to source e.g. specialist technical or niche professional skills such as children's social workers, project managers, IT



specialists and business analysts. The marketplace for such posts is competitive and supply and demand dictate increased charge rates.

- An increasing trend of agency workers working for longer periods of time - in particular covering essential services. This reflects service demands and the need to cover statutory functions, and remains under regular review.

#### **4. Timetable**

- 4.1 Regular monthly reports of all interim/temporary placements are sent to departments and suitable “challenge” meetings are held with DMTs, also on a monthly basis. Agency spend and number of agency staff forming part of the workforce are reported to CMT on a monthly basis as part of the HR Metrics.

#### **5. Financial, resource and property implications**

- 5.1 The aim is to challenge hiring managers’ interim/temporary placements and reduce overall costs associated with interim workers where possible, noting that in many cases the Council has to cover statutory functions.

#### **6. Legal and statutory implications**

- 6.1 There are no specific legal implications arising from the report

#### **7. Human rights, equalities and community cohesion implications**

- 7.1 The amendments that have been made to the Council’s HR policies and processes will improve confidence in the Council’s HR recruitment procedure and the maintenance of the interim position database to provide the means to ensure compliance with Members’ requirements.

#### **8. Crime and Disorder implications**

- 8.1 None.

#### **9. Risk management and health and safety implications**

- 9.1 These are detailed in the Ernst and Young report of 12 March 2014.

#### **10. Appendices – the following documents are to be published with this report and form part of the report**

- 10.1 Appendix 1 - Summary data of the Council’s current interim positions.

#### **11. Background papers**

- 11.1 Reports to previous meetings of this Committee.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

## **Terms of Reference**

### **Standards and General Purposes Committee**

#### **a) Membership**

12 councillors, excluding the Mayor or Leader.

Independent Persons are invited to attend in an advisory or non-voting capacity.

#### **b) Role and functions**

### **Promotion and maintenance of high standards of conduct and probity within the Council:**

- To promote and maintain high standards of conduct and probity by councillors and co-opted members
- To receive reports from the Monitoring Officer on dispensations granted to councillors and co-opted members.
- To hear appeals from councillors and co-opted members where a dispensation has been refused by the Monitoring Officer.

### **Assistance to councillors and co-opted members**

- To receive reports upon, monitor, manage and advise the Council on the implementation of the Council's Member Development Strategy and Member Development Programme, including training on the Member Code of Conduct.

### **Enforcement of the Code of Conduct**

- To oversee the arrangements for the enforcement of the Council's Member Code of Conduct, including amendments to the procedure and assessment criteria.
- To oversee the maintenance of the Register of Members' interests, including approval of the form of declaration and guidance to members.
- To establish sub-committees to deal with pre-hearing issues.
- To hear complaints made against Members and to decide what action, if any, to take, in consultation with the Independent Person.

### **Financial Governance and Audit Matters**

- To approve the Council's statement of accounts, and to consider any reports produced by the Chief Finance Officer, in accordance with the duty to make arrangements for the proper administration of the Council's financial affairs,
- To consider reports and receive recommendations from External Audit.
- To consider reports and receive recommendations from Internal Audit. To monitor the effectiveness, development and operation of risk management and governance.

- To formally agree the Annual Governance Statement and review the improvement plans.

### **Other functions**

- To monitor and review the operation of the Council's Constitution as required by Article 15.1 of the Constitution, including the Financial Regulations, and to make appropriate recommendations to the Council in relation thereto.
- To monitor and receive regular reports on the operation of the Regulation of Investigatory Powers Act 1998 (RIPA).
- To maintain an overview of complaints handling and Local Government Ombudsman investigations, including receiving reports of payments exceeding £1000 to persons adversely affected by any maladministration on the part of the Council, as identified in a report by the Local Government Ombudsman.
- To determine (under Section 3A of the Local Government and Housing Act 1989) applications by Council employees for exemption from political restriction.
- To monitor amendments to and the operation of the Staff Code of Conduct.
- To assist in the appointment of independent persons.
- To discharge the Council's functions in relation to elections.
- To consider any issues, which in the professional opinion of the Chief Executive or Chief Officers, should be referred to the Committee, and to report back decisions and recommendations.
- Except for matters reserved by statute for consideration by Full Council, to determine any matter which has been specifically referred to the Committee for consideration.
- To determine all other matters which are non-executive functions and which are not otherwise reserved to Council are not within the terms of reference of any other committee and which are not delegated to an officer.
- To exercise the function, powers and duties of the Council as trustee of trusts for which the Council is Corporate Trustee except insofar as those functions that have been delegated to Chief Officers of the Council.

## **Standards and General Purposes Committee Forward work plan 16/17**

### 9 March 2017

- External Audit Certification of Claims report
- External Audit progress report
- External Audit Plans for Council and Pension Fund accounts
- Internal Audit Plan
- Internal Audit progress report
- Review of Contract Standing Orders
- Civic Regalia
- Update on RIPA authorisations (March and September)
- Complaints against Members
- Temporary and Contract Staff update
- Work programme

### June 2017

- Annual Governance Statement 16/17
- Internal Audit Annual Report
- Expansion of the Shared Audit Partnership
- External Audit – Fee Letters for the Council and Pension Fund Accounts
- Draft Accounts
- Complaints against Members
- Temporary and Contract Staff update
- Work Programme

### September 2017

- External Audit of the Council and Pension Fund Accounts
- Internal Audit progress report on annual audit plan
- Final Accounts
- Update on RIPA Authorisations (March and September)
- Review of Contract Standing Orders
- Complaints against Members
- Temporary and Contract Staff update
- Work programme

## November 2017

- External Audit Annual Letter
- Internal Audit progress report on annual audit plan
- Annual Gifts and Hospitality report (members)
- Annual Gifts and Hospitality report (officers)
- Annual Complaints report
- Risk management
- Complaints against Members
- Temporary and Contract Staff update
- Work programme

### **Add as required:**

- *Polling Places*
- *Constitutional amendments*
- *Review of members' interests*
- *Independent / co-opted members*
- *Reports on dispensations issued by Monitoring Officer*
- *Report on payment exceeding £1000 as a result of maladministration as directed by the LGO.*