



Audit and Risk Management Committee

Date:	Tuesday, 27 January 2015
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members are asked to consider whether they have any disclosable pecuniary interests and / or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

2. MINUTES (Pages 1 - 8)

To approve the accuracy of the minutes of the meeting held on 25 November, 2014.

3. INTERNAL AUDIT UPDATE (Pages 9 - 22)

4. AUDIT COMMITTEE UPDATE (Pages 23 - 36)

5. INSURANCE FUND BUDGET 2015/16 (Pages 37 - 46)

6. MANAGEMENT OF INSURANCE AND CORPORATE RISK (Pages 47 - 50)

7. CORPORATE RISK REGISTER (Pages 51 - 76)

8. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) (Pages 77 - 80)

9. SUPPORTING PEOPLE CONTRACT EXTENSIONS - EFFICIENCY SAVING FROM SUPPORTING PEOPLE BUDGET 2014/15 (Pages 81 - 86)

10. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)

11. EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

The public may be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information.

RECOMMENDATION – That in accordance with section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 and any other relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test has been applied and favours exclusion.

12. EXEMPT APPENDIX - SUPPORTING PEOPLE CONTRACT EXTENSIONS SCHEDULE (Pages 87 - 90)

Appendix to agenda item 9.

Exempt by virtue of paragraph 3 as it contains commercially sensitive information.

13. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 2)

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 25 November 2014

Present:

Councillor J Crabtree (Chair)

Councillors	RL Abbey	D Elderton
	J Hale	M Patrick
	S Kelly	A Sykes
	P Doughty	J Walsh

34 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state what they were.

No such declarations were made.

35 **MINUTES**

Resolved – That the minutes of the meetings held on 17 September and 8 October, 2014, be approved.

36 **ANNUAL AUDIT LETTER**

The Chair introduced Mike Thomas, Director from Grant Thornton UK LLP, who was attending his final meeting of the Committee after seven years and thanked him on behalf of the Committee for all his help and advice over the past years.

Mike Thomas then presented the Annual Audit Letter for Wirral Council, which summarised the key findings arising from the work undertaken for the year ended 31 March 2014. This included:

- Financial statements audit in which no significant issues were identified.
- An unqualified Value for Money conclusion for 2013/14 had been issued on 29 September, 2014.
- Whole of Government Accounts, the consolidation pack had been reviewed and it was consistent with the audited financial statements.
- Certification of grant claims and returns, this work was ongoing and detailed findings would be reported upon completion of the work.

Mike Thomas thanked the Chair for his kind words and said that it had been a pleasure working with Wirral Council over the last seven years, although it was over some challenging times it had been a respectful relationship.

Resolved – That the report be noted.

37 **INTERNAL AUDIT UPDATE**

The Chief Internal Auditor presented a report which identified and evaluated the performance of the Internal Audit section. It included details of issues that had arisen from the actual work undertaken during the period 1 August to 31 October 2014 and provided specific details of five items of note, which were brought to the attention of the Committee:

- Financial Systems
- Commissioning
- Performance Planning and Management
- Fraud Awareness Week
- Information Governance

The Chief Internal Auditor provided details of outstanding Audit recommendations that had not currently been implemented and he commented that all were RAG rated as 'amber', which indicated that progress was being made to address the issues identified. He also drew the Committee's attention to developments within internal audit.

Responding to comments from Members, the Chief Internal Auditor stated that with regard to commissioning, work was currently ongoing and findings to date indicated that whilst there was no inference of impropriety against any Council officer there had been examples identified of inadequate control which needed to be corrected, and on a number of occasions the Council's Contract Procedure Rules had been breached and these would be reported to the Committee in January.

He stated that as there were only a small number of contracts with non-compliance out of a considerable number this did not highlight corporate compliance as a significant issue. He acknowledged that the examples identified should not be happening. In respect of creditors, the three duplicate payments were for a relatively small amount and work was being undertaken with colleagues in creditors / payments to prevent this happening again and the section was looking to recover the monies. An update would be brought back to the next meeting and he had no concerns at this point about the Creditors / Payments Service meeting the December, 2014 deadline for action implementation.

With regard to the Single Person Council Tax Discount review a decision had been taken by the Council Tax Service to bring in an external firm to review the findings from the NFI exercise. It was intended that by January 2015 the exercise would have concluded and Internal Audit would be able to undertake a comprehensive follow up review, the outcome of which would be reported to Members via the regular update report.

The Chief Internal Auditor agreed to provide further detail in the 'organisational impact' column in the 'Outstanding Audit Recommendations' appendix to the report when it was shown that this was not applicable.

Luan Quirke, Lead Auditor, provided the Committee with more detail on the week long fraud awareness campaign that commenced on 17 November 2014. This coincided with International Fraud Awareness Week and the aim was to heighten awareness of staff to the problem and scale of fraud in the public sector. The team were looking to promote a public campaign in the future in conjunction with neighbouring Mersey region authorities; this could be along the lines of the 'Spot the Cheater' campaign, which Stoke-on-Trent City Council had successfully run.

Responding to comments from Members, the Chief Internal Auditor stated that the 'Cheater' campaign would be something officers would look at and that Members would be engaged in the process before any campaign was rolled out. They would take the lead from professionals within the field and ensure that any campaign had a localised emphasis which people could relate to.

With regard to a record of types of fraud, the Internal Audit section did have a significant database of material and in, 'Protecting the Public Purse'. Mike Thomas commented that the National Fraud Investigation scheme would move to the Cabinet Office when the Audit Commission closed and comparative data would still be shared with local authorities.

Resolved – That the report be noted.

38 **STATEMENT OF ACCOUNTS 2013/14**

Further to minute 23 (17 September 2014), the Director of Resources reported that the Statement of Accounts (SOA) 2013/14 had been published on 30 September 2014, the statutory deadline for publication, and included the Merseyside Pension Fund (MPF) accounts, as Wirral was the Administering Authority for the MPF. Following the Committee on 17 September minor amendments were requested to be made to the Statement of Accounts by Grant Thornton. These related to the Cash Flow Statement and Note 28 (Amounts Reported for Resources Allocation Decisions).

The final published Statement of Accounts also incorporated the Annual Governance Statement and Action Plan for 2013/14 approved at the Committee meeting on 17 September.

The Audit Opinion was issued on 29 September 2014 and was appended to the report. This stated that the financial statements gave a true and fair view of the financial position of the Council at 31 March 2014, of its expenditure

and income for the year and that they had been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14. Besides commenting on the Financial Statements Grant Thornton also commented on the Council's Value For Money arrangements. Grant Thornton reported an unqualified VFM conclusion for 2013/14. In 2012/13 an adverse conclusion on the Council's arrangements for securing economy, efficiency and effectiveness was issued.

The Value for Money Report set out further details on the assessment. It also set out progress that had been made since the previous year. The scale of the financial challenge facing the Council meant that issues still needed to be tackled. Grant Thornton stated that having already delivered substantial financial savings, the Council faced a significant challenge to address this budget gap and to meet its statutory responsibilities.

The Value for Money Report received contained a number of recommended actions which Grant Thornton believed would improve the Council's financial controls or give consideration to the key issues facing the Council in the future. These recommendations had been agreed and an Action Plan developed to bring improvements in the areas identified and this was detailed in Appendix 2 to the report.

The Audit Certificate issued to formally conclude the audit had been issued. The Whole of Government Accounts return was completed by the October deadline.

Resolved –

(1) That the Independent Auditor's Report be noted.

(2) That progress on delivering the actions identified in the Audit Findings Report Action Plan be reported to this Committee.

39 MANAGEMENT OF INSURANCE AND CORPORATE RISK

Further to minute 28 (17 September 2014), the Risk and Insurance Officer presented the report of the Director of Resources updating on the key actions to be taken in relation to corporate risk and insurance management during 2014/15. Risk and insurance management comprised two significant areas of activity –

- The provision of advice and support to Members and officers in developing the corporate risk management framework and processes.
- Risk financing, which incorporated insurance procurement, management of the Council's Insurance Fund and claims management.

The key actions to be implemented were included in the report to Committee on 18 March 2014 (minute 47 refers) and he provided a summary of progress since the last meeting in relation to –

- Annual renewal of Marine insurance policy
- Risk management arrangements for programmes and projects
- Academy Schools insurance procurement
- Review of Corporate Risk Register
- Future Council
- Develop training and guidance for Members and officers
- Consider options to extend the Casualty (Liability) insurance contract
- Consider options for the administration of liability claims
- Local Government Association (LGA) / Cabinet Office Roundtable
- Refresh of the Corporate Risk Management Policy
- Insurance Fund Budget 2015/16

The provision of support services to Academy schools was estimated to generate income of approximately £40,000 in 2014/15 which helped to offset the Council's insurance administration costs which were ultimately recharged to users of the service. The position regarding the submitted increase in Liability insurance costs was reported and it was intended that the increase would be offset by a reduction in the contribution to the liability section of the Insurance Fund. The existing claims management software was scheduled for an upgrade and this process would be brought forward to facilitate any potential future move to self-handling of liability claims. This process would be managed by the software providers and would not necessitate significant IT involvement.

Responding to comments from Members the Risk and Insurance Officer outlined the status of Friends Groups such as with parks. If they were loosely incorporated and didn't have charitable status then, if the Council was working with them to deliver events they would be covered by the Council's liability insurance. If they became charities in their own rights then they would have to make their own arrangements. A Member suggested that a note on this information should be sent to all Members.

With regard to the option for the administration of liability of claims he was confident the team had the skills to take on the work but with the current uncertainty over the composition of the team it would be difficult to do by April, 2015 and that this would be revisited in October, 2015. In respect of the self-insured aggregate exposure being limited to £3.5m, he suggested that this amount was not unreasonable.

Resolved – That the report be noted.

The Risk and Insurance Officer presented the report of the Chief Executive, which advised that under the terms of the Council's Constitution, one of the functions of the Audit and Risk Management Committee was to provide independent assurance that the Council's Risk Management Framework was effective. He commented that a key output from the framework was the Corporate Risk Register and to support this Committee's work in considering the effectiveness of the framework, a report was now presented on a regular basis detailing the key risks facing the authority and how they were being managed.

Governance arrangements for the Register required that it be formally reviewed each quarter with the review being undertaken by the Chief Executive Strategy Group (CESG). This task was informed by a report from the Risk and Insurance Officer which summarised potential new risks for consideration and significant movements in Directorate and Programme Risk Registers and progress in tackling the existing corporate risks.

In line with its new terms of reference the Corporate Governance Group had considered a draft of the Risk & Insurance Officer's report at its meeting on 15 October. The Group indicated that four matters were significant enough to warrant escalation to CESG. These were incorporated into an updated version. CESG undertook the quarter two review at its meeting on 27 October 2014.

Two risks in directorate registers were considered.

- (i). Potential over spend within the children's area of the Families & Wellbeing Directorate - The likelihood for this risk had been increased sharply in quarter two. However the scale of the potential over spend (£0.5m) together with the existing and further planned controls meant that the risk did not warrant addition to the Corporate Register.
- (ii). Withdrawal of support for the content management system within the Council's web-site in early 2015 could affect the site's security and effectiveness - The potential impact of this risk made it of corporate significance in the short term. Following a request for action, plans were being developed for an early upgrade to the web-site.

Two potential new risks that were not reflected in directorate registers were also considered.

- (i). The forthcoming retirement of the existing Chief Executive could create a short term capacity problem and uncertainty about the Council's future strategic direction - Whilst this risk was added to the Corporate Risk

Register it was recognised that there were significant controls in place to mitigate it.

- (ii). Capacity pressures with the Procurement Team could prevent the Council from delivering compliant procurement - This was recognised as a corporate risk and short term actions were agreed pending the conclusion of the consultation on the restructure.

An updated version of the information presented to this Committee on 17 September concerning the status of actions being taken to mitigate the existing corporate risks was reviewed. Most actions were progressing as planned and no change to the scores for the risks was warranted. Updated information on progress in addressing the existing corporate risks would be collated to support the quarter 3 review of the Register. Directorates would be asked to provide more detailed information on their most critical risks for consideration by the Corporate Governance Group. The Quarter three review was expected to take place in January 2015.

Responding to comments from Members, the Risk and Insurance Officer assured the Committee that the graphical presentation of corporate risk scores would be revised and an explanatory narrative included. With regard to descriptions of some of the corporate risks he acknowledged that some of the issues were very specific but they did focus minds although it was expected they would be reviewed in the coming year.

Resolved - That further reports on the Corporate Risk Register be presented to future meetings of this Committee.

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

27 JANUARY 2015

SUBJECT:	INTERNAL AUDIT UPDATE
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF INTERNAL AUDITOR
KEY DECISION ?	NO

1.0 EXECUTIVE SUMMARY

1.1. This report identifies and evaluates the performance of the Internal Audit Section and includes details of any issues arising from the actual work undertaken during the period 1 November to 31 December 2014. There are 4 items of note concerning audit work undertaken that are brought to the attention of the Members for this period and this is identified at Section 2.2.

2.0 BACKGROUND AND AUDIT OUTPUT

2.1. Internal Audit operate an effective reporting mechanism for Members of the Audit and Risk Management Committee that summarises audit work completed and identifies issues raised on timely bi-monthly basis. This report supports these arrangements by focussing on the following:

- Any items of note arising from audit work conducted,
- Any issues arising that require actions to be taken by Members,
- Performance information relating to the Internal Audit Service,
- Developments being undertaken to improve the effectiveness of the Internal Audit Service.

The information contained within this report is for the period 1 November to 31 December 2014.

2.2. Items of Note

2.2.a Creditor Payments

Members should note that key recommendations agreed with management to address issues identified and improve systems of control during the NFI exercise have now been implemented, including appropriate action to recover a small number of duplicate creditor payments. The remaining recommendations are in the process of being implemented and will be the subject of a follow up review, scheduled for the end of this month. The findings from this review will be reported to you at the next meeting.

2.2.b Commissioning

During the period Internal audit performed a special review of payments to a business and transformation consultant services provider. This request arose

as a result of concerns from the Chief Executive regarding the extension of the existing contract with this company, and the audit covered what was commissioned by Council officers, what was actually spent, and whether officers have followed the Council's relevant rules.

The overall conclusion of this work was that elements of the Council's Contract Procedure Rules were not complied with in the awarding of professional consultancy services work to this specific company (1 case relating to Leisure Transformation and 3 cases relating to DASS Business Planning). It was incorrectly believed a continuation of previously procured services from this company, through a national procurement framework for a separate programme of work, could be applied. While there is not any inference of impropriety on behalf of any Council officer, it is crucial the Council's rules are fully complied with to ensure legality, demonstrate transparency, and protect reputation.

A total of 11 recommendations were made, of which 4 have been actioned by corporate management, 6 are regarding procurement related aspects, e.g contract management, details on invoices, orders and contracts, which are being dealt with via guidance and training sessions through the Procurement Section. The final recommendation requires service management to report the identified breaches of the Contract Procedure Rules to the Audit and Risk Management Committee, as per CPR123 and a report on this is included elsewhere on the agenda for this Committee.

2.2.c Schools Audits

Annually Internal Audit selects a number of Wirral schools for an audit of their financial and governance procedures. The schools are selected following a detailed risk assessment which considers criteria such as: Change of senior leadership; number of high priority recommendations at last audit; time since last audit; reported issues or request for an audit visit etc. The 2014-15 programme of schools audits has now been completed.

Audits consist of 12 themed areas of activity that include: Accountability, Bank Accounts, Budget & Treasury Management, Computers, Imprest, Income, Insurance, Internal Control, Personnel & Payroll, Purchasing, Security of Assets, Voluntary Funds; although, to ensure that audit resource is targeted at the higher risk areas, the majority of school audits focus on 3 or 4 of these themes. All recommendations are followed up by Internal Audit within 4 months of the Audit and the effect of actions taken to address issues evaluated and reported. All school audit reports are copied to the CYPD LMS team following the audit so that the findings can be used to drive continuous improvement across all schools including those not visited during the year.

2.2.d ICT Business Continuity

Internal Audit has recently followed up the recommendations arising from the audit of ICT Business Continuity to determine whether the Council has documented its policy and approach to ICT business continuity planning, and has put in place appropriate arrangements for the management, governance

and reporting of its business continuity activities in the event of a loss of ICT services.

The findings were that there is a Health, Safety and Resilience programme of work underway to improve overall Business Continuity, including ICT continuity. As part of this programme CESH have agreed a list of critical activities and associated work programmes to ensure that these critical services have suitable plans and arrangements in place to deal with a disruption or catastrophic failure - including ICT loss.

Internal Audit will continue to monitor and evaluate work being undertaken in this area reporting any findings to this Committee as appropriate.

2.3 Outstanding Audit Recommendations

2.3.a Attached at Appendix 1 is a table identifying information relating to those audits where recommended actions included in audit reports for the 2014/15 year to date have not currently been implemented.

2.3.b Where items are addressed by officers those entries will be removed from the report on a rolling basis. At the request of Members the date of the original audit as well as the date of the follow up audit has now been included in the table where relevant.

2.3.c All of the reports identifying outstanding actions are RAG rated as 'amber' indicating that progress is being made to address identified issues.

2.4 Internal Audit Performance Indicators

2.4.a The Service constantly evaluates and measures the effectiveness of its performance in terms of both quality and productivity by means of a number of performance indicators in key areas as identified below. These include delivery of the annual Internal Audit Plan and ensuring that all of the audits identified in the plan are completed on schedule. This is particularly important at the present time as the requirement for Internal Audit involvement in a number of important corporate initiatives has increased dramatically.

IA Performance Indicator	Target	Actual
Percentage delivery of Internal Audit Plan 2014/15.	65	63
Percentage of High priority recommendations agreed with clients.	100	100
Percentage of returned client survey forms indicating satisfaction with the Internal Audit service. (Numbers returned indicated in brackets)	85 (20)	100 (25)
Percentage of internal audit reports issued within 10 days of the completion of fieldwork.	100	100

2.4.b There are currently no issues arising.

2.5 Internal Audit Developments

2.5.a Continuous Improvement

This is important to the overall efficiency and effectiveness of the Internal Audit Service and as such the Internal Audit Improvement Plan has been revisited and updated to incorporate the findings from the self assessment exercise recently undertaken to evaluate the service against the new Public Sector Internal Audit Standards. A separate update on this was presented to the Committee at the previous meeting and further updates will continue to be provided as progress is made.

Some of the actions taken to date include

- The implementation of revised audit reporting arrangements incorporating opinions on systems, compliance and organisational impact; further developments are currently taking place in this area,
- The introduction of Letter of Engagement for all audits,
- The introduction of a Training and Development Program for audit staff,
- Developed reporting arrangements for Chief Officers and Members,
- The implementation of a three year Strategic Internal Audit Plan directly linked to the key corporate priorities,
- Improved engagement with Chief Officers, managers and Members,
- The introduction of enhanced escalation procedures for audit issues identified,
- Improved reporting arrangements for ARMC members including bi-monthly RAG rated update reports,
- Significantly restructuring and refocusing the service in line with other best practice providers,
- The adoption of a new Code of Ethics for Internal Audit.

3.0 RELEVANT RISKS

3.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.

3.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options considered.

5.0 CONSULTATION

5.1 Members of this Committee are consulted throughout the process of delivering the Internal Audit Plan and the content of this regular routine report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 There are none arising from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 There is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATIONS

12.1 That the report be noted.

13.0 REASON FOR RECOMMENDATION

13.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.

13.2 To ensure that risks to the Council are managed effectively.

13.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

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APPENDICES

Appendix 1: Audit Recommendations Status Report

REFERENCE MATERIAL

Internal Audit Plan 2014/15

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Routine report presented to all meetings of this Committee.

**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS
PERIOD: 01 JANUARY 2014 TO 31 DECEMBER 2014**

<u>Summary</u>	Total	R	A
1. Completed Audits	25	0	25
2. Follow Up Audits Completed	5	0	5

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 JANUARY 2014 TO 31 DECEMBER 2014

1. Completed Audits - RED or AMBER flag

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
The Learning Lighthouse 30/06/2014	Families & Wellbeing (F&W) [CYPD]	Limited	Minimum	Minor	<p>1) Conduct an immediate review of the access and security arrangements for the Project Room to establish the following: a) If access levels are appropriate and controlled effectively, considering the amount of portable equipment stored in the room; b) If portable items can be moved to a more secure environment permanently or when the Project Room is in use.</p> <p>2) (i) One individual should be responsible for updating the inventory which should be password protected. If other members of staff require access to view the inventory a read only password should be set up to prevent any unauthorised or unintentional changes being made to the inventory. (ii) A record should be made, detailing who completed the recent inventory check prior to this audit, the date of the check, and if any discrepancies were identified what action has been taken to investigate the discrepancies. (iii) A verification of the inventory should be undertaken periodically by an independent employee to ensure that the physical items agree to the items listed on the inventory. The inventory should be signed and dated to confirm the check and any discrepancies should be reported immediately to the Manager(s). (iv) All desirable equipment belonging to TLL should be security marked, where practicable.</p> <p>3) In light of the findings identified above, Internal Audit suggests that CYPD undertake a review of the Council's two other City Learning Centres to ensure the weaknesses that were identified at TLL are not present at the two other learning centres and procedures are applied consistently at the three sites.</p>	9 (3)	August 2014 Strategic Director of Families & Wellbeing	Jan 15	<p>All recommendations to improve systems and address identified weaknesses have been agreed with senior manager and a very strong commitment has been demonstrated by them to address these issues within the agreed timescale.</p> <p>It is noted that a number of the required actions have been implemented ahead of the agreed schedule which is very encouraging.</p> <p>The follow up work is currently underway.</p>	A
Creditors - NFI 31/07/2014	Transformation & Resources (T&R) [Resources]	Review of the action taken by the Payments Team to investigate creditor matches identified as part of the National Fraud Initiative exercise. No opinions provided.			<p>The Payments Manager should undertake the following:</p> <p>(i) For the 3 duplicate payments identified, notify the relevant departments of the duplicate payments so that they can recover the monies owed to the council.</p> <p>(ii) For future NFI exercises ensure that matches are investigated thoroughly prior to completing the outcome on the NFI site.</p> <p>(iii) Request that those officers who have the responsibility of preparing internal invoices for payment through the Accounts Payable system and generate their own invoice numbers, be advised to ensure that invoice numbers are unique for each individual payment. For example on Business Rate refunds consideration should be given to include the Business Rate account number within the invoice number reference.</p> <p>(iv) Establish the reasons why duplicate payments identified have been processed through the Accounts Payable system and take appropriate action to prevent a reoccurrence.</p>	6 (1)	December 2014 Strategic Director Transformation and Resources	Jan 15	Key recommendations agreed with management to address issues identified and improve systems of control during the NFI exercise have now been implemented, including appropriate action to recovery a small number of duplicate creditor payments. The remaining recommendations are in the process of being implemented and will be the subject of a follow up review, scheduled for the end of this month.	A
Corporate Complaints Procedure (DASS, Environment & Regulation, Business Processes) 08/08/2014	T&R [Business Processes]	Substantial	Substantial	Moderate	The audit resulted in 4 x Medium recommendations and 2 x Low recommendations.	6 (0)	December 2014 Strategic Director Transformation and Resources	Jan 15	Follow up audit is soon to be finalised to evidence implementation of the recommendations.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 29/08/2014	Families & Wellbeing (F&W) [DASS]	Substantial	Limited	Moderate	The audit resulted in 2 High, 3 Medium and 2 Low recommendations Arrangements must be put in place by the department to ensure that for all future procurement exercises it conducts, it is satisfied that the 'signing' element of the procurement process will be in accordance with Contract Procedure Rules. A final list of Tier 3 providers must be compiled ensuring a contract is in place for each organisation (liaising with Legal in the process). This list should then be disseminated and utilised by the Contracts Team and the Care Arranging Team. Procurement and Legal should be notified to ensure the Contracts Register is updated accordingly. The contract arrangements for those organisations who are not a Tier 1, 2 or 3 provider, but who are providing a service to Adult Social Services funded clients, must be clarified and resolved with Legal and Member Services.	7 (2)	October 2014 Strategic Director Families and Wellbeing	Feb 15	All recommendations agreed. The client acknowledged and supported the recommendations. Action will be taken, where applicable, to ensure implementation of the recommendations against the current contract. Where it is not possible to action against the current contract, implementation of the recommendation will be evidenced in future procurement exercises.	A
Cashiers Central System 28/08/2014	T&R [Business Processes]	Substantial	Substantial	Minor	The audit resulted in 1 x medium priority recommendation and 3 x low priority recommendations.	4 (0)	December 2014 Strategic Director Transformation and Resources	Jan 15	All recommendations agreed. The Cashiers function is subject to review under the Future Council work.	A
Annual Governance Statement Review 19/09/14	Authority-wide	Compliant with CIPFA/SOLACE document "Delivering Good Governance in Local Government".			The recommendations related to the emphasis required to be placed on the completion of the Performance Appraisal process, and the work now required (e.g. dissemination, awareness and future updates) to be undertaken to support the Code of Corporate Governance.	3 (3)	October 2014 Strategic Director Transformation and Resources	Jan 15	Recommendation agreed and monitoring is also being undertaken via the Corporate Governance Group.	A
Business Travel Arrangements - Redfern Travel 02/10/2014	T&R [Resources]	Limited	Maximum	Moderate	The responsibility for the management of the Redfern Travel contract has not been established, nor assigned to nominated officers to lead on strategic issues, especially where the re-tendering of the contract is due for renewal within the next 12 months.	1 (1)	February 2015 Joint Chair of the Commissioning & Procurement Board	Feb 15	Final report issued to Joe Blott & Clare Fish Joint Chairs of the Commissioning and Procurement Board 20/11/2014	A
Regional Growth Fund - Project Delivery 07/10/2014	Regeneration & Environment (R&E) [Investment and Business]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	January 2015 Strategic Director Regeneration and Environment	Apr 15	Final report issued.	A
Resource Link – Access Controls 22/10/2014	T&R [Human Resources and OD]	Limited	Limited	Moderate	The Information Asset Owner can improve controls to prevent inappropriate access to information through the production of an Access Control Policy, to be assured that user access to information is in line with business need, and by ensuring that the measures stated in the ACP are applied to the system and user settings, e.g. by enforcing password rules, switching on the audit trail for System Administration activity, and regularly reviewing user access.	14 (7)	TBC Strategic Director Transformation and Resources	Apr 15	Final report issued, awaiting client comments.	A
Self Serve Administration 21/10/2014	T&R [Human Resources and OD]	Operational control weakness identified during system review of Resource Link - Access Controls (above)		Moderate	Testing of the segregation of duties controls in SelfServe for requests and authorisations for temporary pay elements identified that a small number of officers appear able to input and authorise their own claims.	3 (3)	November 2014 Strategic Director Transformation and Resources	Jan 15	HR management agreed, by the end of November 2014, to: 1. Investigate again the possibility that employees can approve their own timesheets. 2. Run a report to identify if any employee has approved their own expenses	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Revenue Budget Cycle 2014-15 20/10/2014	T&R [Finance]	Substantial	Substantial	Moderate	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	April 2015 Strategic Director Transformation and Resources	Jul 15	Management has accepted the recommendations with the intention of implementing for the next financial year.	A
Performance Planning and Management 31/10/2014	Chief Executive [Policy, Performance and Public Health]	Moderate			Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	February 2015 Director of Policy, Performance and Public Health	Apr 15	A follow up review is scheduled for 2015/16 (following the updates to the Corporate and Directorate Plans). Audit used to pilot revised Audit Report template - hence Control and Compliance opinions were not provided, but were replaced with an Organisational Risk Opinion. The details of the revised template will be shared with ARMC members and CESG once the pilot has been completed and the template finalised.	A
Protective Marking 30/10/2014	Authority-wide	Briefing paper for Information Governance Board (IGB) - no recommendations made or opinion provided			Briefing paper for Information Governance Board highlighting the need for classification and labelling of information assets.	0 (0)	To be presented to Nov 14 IGB	N/A	The Briefing paper was presented to the IGB on 6th November and actions agreed to update existing policies and determine information classification schemes currently in use.	A
Mobile Phone Security 18/11/2014	Transformation & Resources (T&R) [Resources]	Limited	Limited	Moderate	Ensure that technological controls are consistently applied on mobile devices to ensure the security of information received, stored and sent according to its information classification, by implementing a Mobile Device Management solution which satisfies the requirements of the Public Services Network code of connection.	9 (8)	June 2015 Strategic Director Transformation and Resources	Jun 15	Recommendations agreed with Chief Information Officer.	A
St Peter & Paul RC Primary School 06/11/2014	Families & Wellbeing (F&W) [CYPD]	Maximum	Maximum	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	March 2015 Headteacher	Feb 15	Recommendations agreed with the Headteacher.	A
Central Libraries - Cash Systems 10/11/2014	T&R [Business Processes]	Substantial	Limited	Moderate	All the outstanding recommendations for Wallasey Central Library as reported in October 2013 should be progressed to full implementation. The following should be applied consistently at all Central Libraries: i) An effective separation of duties should be in place for all stages of the income reconciliation and banking preparation. ii) All income and banking records should be signed by two senior members of staff to evidence an effective separation of duties. iii) A Z-reading should be produced each day for the daily income and reconciled to the income collected. iv) All income data should transferred accurately to the relevant income and banking records. v) All income should be banked on a weekly basis regardless of its value.	4 (2)	March 2015 Strategic Director Transformation and Resources	Apr 15	Recommendations agreed with Principal Librarian	A
Greasby Junior School 19/11/2014	F&W [CYPD]	Substantial	Maximum	Minor	Two recommendation were made which do not present a significant risk to the organisation.	2 (0)	March 2015 Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Grove Street Primary School 20/11/2014	F&W [CYPD]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	March 2015 Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Fender Primary School 28/11/2014	F&W [CYPD]	Maximum	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	March 2015 Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Payments To V4 Services 25/11/2014	Authority-wide	Special review			Review of procurement , payments and monitoring processes regarding this specific consultant must be applied to any future consultancy work.	11 (8)	January 2015 Strategic Directors	Jan 15	Recommendations agreed with Strategic Directors, immediate implementation of recommendations where practical.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Heygarth Primary School 05/12/2014	Families & Wellbeing (F&W) [CYPD]	Substantial	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	March 2015 Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Millfields Primary School 05/12/2014	F&W [CYPD]	Substantial	Substantial	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	March 2015 Head Teacher	Mar 15	Recommendations agreed with the Head Teacher	A
ICT Business Continuity 09/12/2014	Universal and Infrastructure Services / Authority Wide	Limited	Limited	Moderate	Ensure that all Directorates include ICT business continuity requirements in their risk registers and CESG to approve the critical services list so that business continuity plans can be put in place using the new template.	4 (4)	January 2015 Strategic Directors	Jan 15	Recommendations agreed with the Senior Manager Health, Safety and Resilience and the Risk and Insurance officer, with action required by CESG. Jan 15 update: CESG have agreed a list of critical activities and associated work programmes to ensure that these critical services have suitable plans and arrangements in place to deal with a disruption or catastrophic failure - including ICT loss.	A
Affordable Housing Programme 10/12/2014	Regeneration & Environment [Investment and Business]	Reasonable assurances provided on the current progress of the programme framework.			Current developments: planning applications being evaluated; legal agreements, incorporating the evaluation framework, are being drafted; and a pipeline of future options is being developed.	0 (0)	May 2015 Strategic Director	May 15	Further work c/f to 2015/16 (Q1-2)	A
St Bridget's CE Primary School 15/12/2014	F&W [CYPD]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	March 2015 Head Teacher	Apr 15	Recommendations agreed with the Headteacher.	A

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 JANUARY 2014 TO 31 DECEMBER 2014

2. Follow Up Audits Completed - RED or AMBER flag

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
ICT Hardware Asset Register 04/02/2014 Mar 2013	Transformation & Resources (T&R) [Resources]	Limited			Original audit resulted in 6 high and 1 medium priority recommendations. 1) VQSM should be used at the primary source for the Authority's Hardware Asset Register (HAR). 2) The Authority's HAR should be updated to include all hardware assets, and maintained in line with agreed procedures. 3) The project to develop "Here's My Asset", subject to demonstrating proof of concept, will assist the accuracy of the HAR, and its successful deployment should be prioritised by IT management. 4) All hardware assets connecting to the network should be visible to the Altiris Software. 5) Procedural guidance should require the immediate update of the HAR when an asset is to be added or deleted, where a segregation of duties should be achieved. 6) The accuracy of the HAR should be verified on a regular basis, and the results reported to IT Management.	7 (6)	April 2014 Strategic Director Transformation and Resources	Apr 15	All recommendations are not being implemented pending the outcome of the Windows7 project. This may render the specific recommendations obsolete, although the control weakness principles identified will need to have been considered.	A
Debt Management (Independent Review of Sundry Debt) 17/09/2014 Oct 2013	Families & Wellbeing [DASS] and T&R [Business]		Follow up of external review		Independent Review of Sundry Debt resulted in thirty four actions.	34 (34)	2014/15 Strategic Director Transformation and Resources	2014/15	Twenty five recommendations have been implemented . Three recommendations are no longer appropriate. Six recommendations are partially implemented, and have been discussed with the Director of Resources. A review of the Personal Finance Unit is underway which will include an update on the outstanding recommendations.	A
Payment Card Industry - Data Security Standard 04/07/2014 Dec 2012	Authority-Wide	Minimum			Original review highlighted that the Council is currently not compliant with the standard, but appropriate measures, decisions and actions have or will be taken to ensure compliance in due course. 1 High priority recommendation is outstanding: 1) Determine and implement the most appropriate installation in the Customer Services Centre, ie running Paye.net in a virtualised environment, running two machines on each desk with a KVM (keyboard, video and mouse) switch, running machines in separate secure environment via	3 (1)	March 2015 Strategic Director Transformation and Resources	Mar 15	The risks of non-compliance with the PCI DSS have been assessed as minor and, due to current higher priority resource demands, will be addressed as part of the longer term programme to upgrade the Wide Area Network infrastructure	A
Data Loss Prevention 30/10/2014 Feb 2014	Authority-Wide	Minimum	No compliance testing undertaken.	Major	A DLP policy for the management of information assets should be produced, agreed by the Information Governance Board, and made available to all staff. This will ensure the correct management of information via the delivery of a technical solution by IT Services and the development and enforcement of appropriate working practices by Information Asset Owners.	3 (3)	March 2015 Information Governance Board	Mar 15	The recommendations have been included in the briefing note to be taken to the Information Governance Board in November 2014, and the specific recommendations will be followed up in March 2015.	A
Capital Investment Programme 16/12/2014 June 2014	T&R [Financial Services]	Substantial	Substantial	Moderate	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	September 2014 Strategic Director Transformation and Resources	Apr 15	The recommendations have been fully / partially implemented where possible. Assurances have been provided that the outstanding recommendations will be fully implemented following the Cabinet approval in February 2015 of the Capital Investment Programme for 2015-18	A

KEY: MONTH: DECEMBER 2014

Control Environment		
MAXIMUM	There is a sound system of control designed to achieve the system objectives and these are being consistently applied. No High recommendations made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
SUBSTANTIAL	There is a basically sound system of control, but there are weaknesses in design and/or operation of controls which put some of the control objectives at risk. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
LIMITED	There are some weaknesses in the design and/or operation of the system of control which could have a significant impact on the achievement of the control objectives. Improvements could be made to a number of areas within the control environment so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
MINIMUM	There are weaknesses in the design and/or operation of the system of control which have had a significant impact on the achievement of the control objectives, and may put at risk the achievement of the organisation's objectives. More than one high priority recommendation identified.	
Compliance		
MAXIMUM	The control environment is operating as intended. No recommendations have been made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
SUBSTANTIAL	The control environment is substantially operating as intended. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
LIMITED	The control environment has not operated as intended and errors have been detected. Improvements could be made to a number of areas so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
MINIMUM	The control environment has fundamentally broken down and is open to serious error or abuse. Significant errors have been detected. More than one high priority recommendation has been identified.	
Organisational Impact		
MAJOR	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.	
MODERATE	The weaknesses identified during the review have left the Council open to moderate risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.	
MINOR	The weaknesses identified during the review have left the Council open to a low level of risk. If the risk materialises it would have a minor impact on the organisation as a whole.	
RAG status		
G	Audits	Actions agreed and implemented.
	Follow Ups	Actions implemented.
A	Audits	Actions agreed and officers committed to implement within agreed timescale.
	Follow Ups	Actions in process of being implemented within agreed timescale with some implemented.
R	Audits	Actions agreed
	Follow Ups	Little or no progress made to implement actions within agreed timescale.
Recommendation Priority Rating		
HIGH	A matter that is fundamental to the control environment for the specific area under review. The matter may cause a system objective not to be met. This needs to be addressed as a matter of urgency (suggested timescale: within one month).	
MEDIUM	A matter that is significant to the control environment for the specific area under review. The matter may threaten the achievement of a system objective.	
LOW	A matter that requires attention and would improve the control environment for the specific area under review. The matter may impact on the achievement of a system objective.	

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Audit Committee Update for Wirral Council

Year ended March 2015

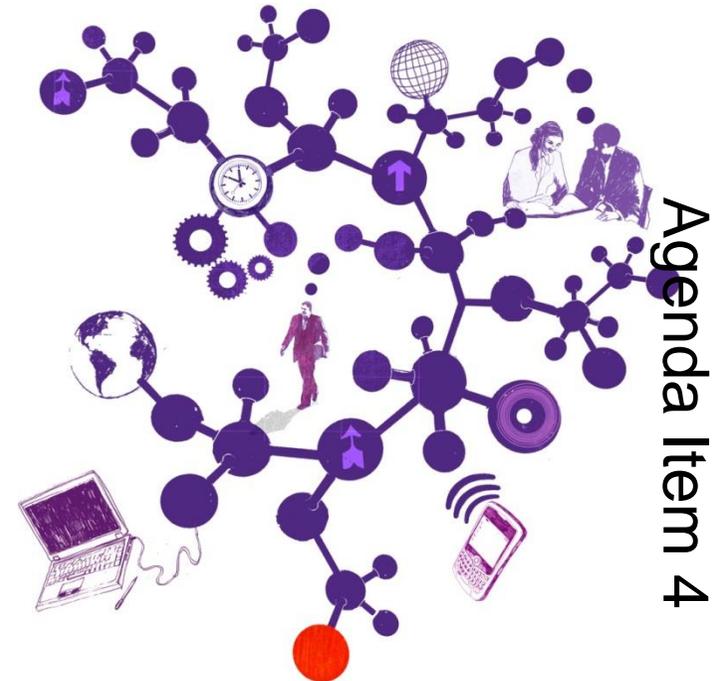
January 2015

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Our national report 'Rising to the challenge – The evolution of Local Government' - This is the fourth in our series of annual reports on the financial health of local government. It covers key indicators of financial performance, strategic financial planning, financial governance and financial control. It also includes case studies of best practice and a comparison to the NHS.
- Working in tandem, local government governance review 2014, our third annual review, assessing local authority governance, highlighting areas for improvement and posing questions to help assess the strength of current arrangements.
- 2016 tipping point? Challenging the current, summary findings from our third year of financial health checks of English local authorities.
- Local Government Pension Schemes Governance Review, a review of current practice, best case examples and useful questions to assess governance strengths.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

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Progress at 12 January 2015

Work	Planned date	Complete?	Comments
<p>2014-15 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2014-15 financial statements.</p>	Jan- March 2015	On track	We anticipate presenting our 2014-15 Accounts Audit Plan to the Audit Committee on the 18 March 2015.
<p>Interim accounts audit Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> • updating our review of the control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • proposed Value for Money conclusion. 	Jan – April 2015	On track	We are liaising with officers to plan our interim fieldwork visit. We will undertake early work and provide feedback to officers wherever possible.
<p>2014-15 final accounts audit Including:</p> <ul style="list-style-type: none"> • audit of the 2013-14 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion. 	July to September 2015	Not yet started	We will report the proposed opinion, value for money conclusion and findings from our final accounts audit to the Audit and Governance Committee in September 2015.

Progress at 12 January 2015

Work	Planned date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work to inform the 2014/15 VfM conclusion will consider the arrangements in place at the Council for securing financial resilience and for challenging how the Council secures economy, efficiency and effectiveness.	January to September 2015	On track	

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Rising to the challenge – The evolution of Local Government

Grant Thornton

Our national report 'Rising to the challenge – The evolution of Local Government' was published on 4 December 2014.

This is the fourth in our series of annual reports on the financial health of local government. Like previous reports, it covers key indicators of financial performance, strategic financial planning, financial governance and financial control. It also includes case studies of best practice and a comparison to the NHS. This year it has been extended to use benchmarking information on savings plans and budget performance.

The overall message is a positive one. What stands out is how local authorities have navigated the first period of austerity in the face of ever increasing funding, demographic and other challenges. Many authorities are forecasting financial resilience confidently in their medium term financial strategy. This reflects an evolution in financial management that would have been difficult to envisage in 2010. However, there remains much to be achieved if the sector is to become sustainable in the long term, and authorities should consider if their:

- medium- to long-term strategy redefines the role of the authority creatively
- operational environment will adapt, working in partnership with other authorities and local organisations
- strategy looks beyond the traditional two- to three-year resource planning horizon
- organisational culture is aligned to where the authority needs to be in the medium to long term
- senior leadership teams – both officers and members – have the necessary skills and capacity to ensure delivery against the medium-term challenges
- corporate governance arrangements ensure effective oversight and scrutiny of the organisation as it adapts to the challenges it faces.

The importance of these actions will be magnified if local government devolves further, particularly in relation to fiscal devolution. The new-found confidence of local government in responding to the medium-term challenges will be tested significantly by the second phase of austerity.

Hard copies of our report are available from your Engagement Lead or Audit Manager.

2020 Vision

Grant Thornton

Our national report '2020 Vision' is available at: <http://www.grant-thornton.co.uk/en/Publications/2014/2020-Vision-Exploring-finance-and-policy-futures-for-English-local-government-as-a-starting-point-for-discussion/>

In a time of unprecedented challenge for English local government, how can the sector develop towards 2020 if it is to have a sustainable future? Our latest report provides a thorough analysis of the current political and economic context, explores a range of potential policies and outcomes, and suggests several scenarios to facilitate an open debate on the future for the sector.

Produced in collaboration with the University of Birmingham's Institute for Local Government Studies (INLOGOV), our report suggests that fundamental changes to local government are both operationally necessary and constitutionally inevitable, for the sector to remain relevant by 2020. The report offers a thorough analysis of the current political and economic context and explores a range of potential future policies and outcomes that English local government will need to adopt and strive towards as they seek to adapt and overcome these challenges.

Placed in the context of enhanced devolution, following the Scottish independence referendum, 2020 Vision maintains a wary eye fixed on the 2015/16 Spending Round and looks ahead to the life time of the next government. It highlights that the economic and financial situation remains increasingly untenable, with an expanding North/South divide arising from the pattern of funding reductions and economic growth.

English local authorities continue to face unprecedented challenges, relating to the pressures of austerity and central government funding reductions, and demographic and technological change. Our report highlights the vital role of a successful local government sector and encourages it to think hard about how it will cope in the future.

Informed by the views of a broad range of local authority leaders, chief executives and other sector stakeholders, the report offers a set of six forward-looking scenarios* in which councils could be operating within by 2020. Though not mutually exclusive, we suggest that key stakeholders need to take urgent action to avoid a potential slow and painful demise for some councils by 2020.

Hard copies of our report are available from your Engagement Lead or Audit Manager.

Pulling together the Better Care Fund

Grant Thornton

Our national report 'Pulling together the Better Care Fund' is available at: <http://www.grant-thornton.co.uk/en/Publications/2014/Pulling-together-the-Better-Care-Fund/>

Do local authorities and clinical commissioning groups (CCGs) have effective arrangements to develop joint Better Care Plans for agreement by the health and wellbeing boards (HWBs) and how ready are they for the pooled fund in April 2015?

Our report draws on our review of the introduction of draft Better Care Fund (BCF) plans for both the February and April submissions. It is based on a sample of our findings from 40 HWB localities. It considers the partnership arrangements across a HWB planning area and is supported by discussions with the sector, across the country. The result is a snap shot of progress as at 30 June 2014, prior to the issue of revised planning guidance by NHS England and the Local Government Association on 25 July 2014.

It provides you with:

- an understanding of how your approach to introducing BCF compares to others across the country
- assistance in identifying the key issues to delivering Better Care Fund plans effectively
- insight into current best practice
- practical areas for consideration for improving arrangements in the future.

Hard copies of our report are available from your Engagement Lead or Audit Manager.

Where Growth Happens

Grant Thornton

Our national report 'Where Growth Happens' is available at: <http://www.grant-thornton.co.uk/en/Publications/2014/Where-growth-happens-The-high-growth-index-of-places/>

As the UK emerges from recession, increasing attention is being given, both nationally and locally, as to how to accelerate economic sector growth. Our report presents the findings of research undertaken by our Place Analytics team on the dynamics of local growth. It will give FDs and CEOs of local authorities and LEPs:

- an insight into the geographic areas of high growth and dynamic growth (ie the quality of growth)
- an understanding of the characteristics of both growing and dynamic places to help frame policy and sustain future growth
- an understanding of growth corridors and their implications, not only for UK policy makers, but also for those locally sitting within and outside the corridors
- an insight into the views of different leaders charged with making growth happen in their locality.

The report provides a ranking of English cities according to their economic growth over an eight year period (2004 – 2012). Outside of London – which maintains eight of the top 10 best performing districts overall – it places Manchester, Birmingham and Brighton and Hove in the top three, as measured by economic, demographic and place (dwelling stock and commercial floor space) growth.

The analysis also assesses the quality of local growth - or 'dynamism' - to identify areas with a vibrant and dynamic economy capable of supporting future expansion, based on five key drivers. London again tops the ranking, with nine out of the top 10 dynamic growth areas. Outside the capital, Cambridge, Reading and Manchester top the list of future sustainable growth.

Based on this analysis of past progress and future prospects, our report reveals a number of 'growth corridors' – functional and large scale local economic areas in England – which are playing a significant role in the country's overall growth levels. Though predominantly stemming from London, the intra-city growth corridors include a number of other large cities at their core, creating a network of key strategic linkages between high growth and dynamic areas.

Hard copies of our report are available from your Engagement Lead or Audit Manager.

Code changes – have your say

Accounting and audit issues

At the end of July, CIPFA/LASAAC released the [2015/16 Code of Practice on Local Authority Accounting in the United Kingdom](#) (the Code) Exposure Draft (ED) and Invitation to Comment (ITC) for public consultation. The changes proposed in the ITC include:

- IFRS 13 fair value measurement: the proposed approach would result in remeasurement of property, plant and equipment assets that do not provide service potential for the authority. IFRS 13 also applies to assets and liabilities covered by those IFRS standards that currently permit or require measurement at fair value (with some exceptions) and will have an impact on the reporting of, for example, financial instruments and investment properties.
- Other amendments to IFRSs: including the accounting treatment of pensions' contributions
- IFRIC 21 Levies (ie levies imposed by governments)
- changes to UK GAAP particularly relating to Heritage Assets
- other minor and drafting amendments.

The consultation closed on Friday 10 October 2014.

CIPFA/LASAAC have also launched a second stage consultation on [simplifying and streamlining the presentation of local authority financial statements](#).

Challenge questions

- Has the Council reviewed the proposed amendments and assessed the potential impact?
- Has your Council considered whether it wishes to respond to the consultations?

Protecting the Public Purse 2014

Local government guidance

On 23 October 2014 the Audit Commission released its national report, *Protecting the Public Purse 2014, Fighting Fraud against Local Government*.

'Protecting the Public Purse', the final one being issued before the Commission closes at the end of March 2015, looks at the landscape of fraud against councils and how this has changed since 1990, when the Audit Commission first turned the spotlight on to local government fraud with its 'Protecting the Public Purse' reports. The report highlights that:

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- In total, local government bodies detected fewer cases of fraud in 2013/14 compared with the previous year, continuing the decline noted in *PPP 2013*. However, their value increased by 6 per cent.
- In the past 5 years, councils have shifted their focus from benefit fraud to non-benefit fraud. From 2016, they will no longer deal with benefit fraud.
- Councils will need to focus on the non-benefit frauds that present the highest risk of losses, including those that arise from the unintended consequences of national policies.
- Overall, councils are detecting more non-benefit frauds, but detection rates for some types of frauds have fallen.
- Councils are detecting more housing tenancy fraud and more fraud in schools.

The report includes a number of recommendations for all Local Government bodies and a self assessment checklist to review the counter fraud arrangements in place.

Managing council property assets

Local government guidance

The Audit Commission has issued its briefing paper **Managing Council Property Assets: Using Data from the VFM Profiles**

In the paper the Audit Commission:

- advocates that councils should be active and strategic managers of their estates – understanding property markets and asking questions about the properties they own or lease,
- prompts councils to consider whether assets are in the right place, whether they should keep, sell, or transfer them, and how much they should invest in building, buying and maintaining property,
- invites local authorities to balance the value realised through sales of surplus assets, against the cost of maintaining them.

The background to the briefing is the collation of information from the government's capital outturn return which identifies that the local government estate has a net book value of £169.8 billion of which £2.5 billion have been classified as 'surplus' assets. In this context the Audit Commission is calling on councils to ensure they have a strategic approach to managing these assets, in order to get the best value for money they can from this portion of the local government estate. The Audit Commission Chair, Jeremy Newman said:

"we are neither advocating that local government starts a wholesale sell-off of their land and property nor are we suggesting councils shouldn't spend money on buying assets or on investment to improve their existing property. What we are highlighting is a group of assets that do not provide immediate benefit to local communities, but still require councils to spend money on maintaining them. These assets have potential value for councils. While not all such land or buildings may be sellable, councils should consider how much value they gain from surplus assets and how this could be increased. I urge councils to use the data held in the Commission's 'Value for Money (VFM) Profiles Tool', such as spending on and value of land and property assets and 'surplus' assets, alongside their unique and detailed local knowledge, to regularly review if their estate is fit-for-purpose."

Challenge question

- Are members satisfied that the Council has adequate management arrangements in place to ensure its property assets are being efficiently and effectively managed?



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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

27 JANUARY 2015

SUBJECT	INSURANCE FUND BUDGET 2015/16
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
KEY DECISION	NO

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the elements which make up the Insurance Fund, the cost of running the Risk & Insurance Section and the Budget for 2015/16.
- 1.2. The Budget for 2015/16 is £10,000 more than the agreed Budget for 2014/15. Within this the budget for Schools has increased by £98,000 and the budget for General Fund services has reduced by £88,000.

2. BACKGROUND AND KEY ISSUES

Introduction

- 2.1. Under the provisions of the Local Government and Housing Act 1989 Local Authorities are allowed to set aside financial provisions to cover self-insured losses.
- 2.2. By self-insuring an Authority avoids paying insurers' administration profit margins and Insurance Premium Tax on predictable levels of claims. Furthermore only rarely do external insurers return any proportion of premium irrespective of the profits generated by a policy.
- 2.3. Wirral Borough Council has operated an Insurance Fund since its formation and was one of the first local authorities to adopt a high degree of self-insurance when large excesses on liability and material damage insurance were negotiated in the 1980s.
- 2.4. Self-funding is a fundamental element of the Council's approach to managing risk. It provides a greater incentive to deal with risk more effectively as the Council benefits directly from any reduction in claims.

Risk Management

- 2.5. To achieve overall best value in funding insurable losses a carefully considered mixture of external and self-insurance is needed.
- 2.6. The Authority wholly self-insures those risks that have the capacity to generate relatively low value losses. In respect of risks that have the potential to produce catastrophic losses, the Council undertakes to meet the cost of all

claims in any given year up to an agreed figure. Insurers meet all costs above this sum subject to contract terms and insurer solvency.

- 2.7 External insurance premiums are met by the Insurance Fund and are recharged to Schools and General Fund services together with self-insurance premiums according to formulae which take into account their relative risk exposure and their share of the claims experience.

Self Funded Risks

- 2.8 Detailed below are the principal risks which the Council currently self-insures together with the probable maximum sum the Council might have to pay for losses in any given financial year. These sums are unchanged from last year. It should be noted that expenditure in respect of such losses will be spread over several subsequent years.

Type of Insurance	Aggregate Deductible 2014/15	Aggregate Deductible 2015/16
Combined Liability	£2,500,000	£3,500,000
Material Damage & Business Interruption (Fire)	£ 500,000	£ 500,000
Material Damage & Business Interruption (Storm/Flood/Burst Pipes)	£1,000,000	£1,000,000
Comprehensive Motor	£ 200,000	£ 200,000
Fidelity Guarantee	£ 25,000	£ 25,000
Loss/Damage to Equipment	Unlimited	Unlimited
Glazing (Schools)	Unlimited	Unlimited

Insurance Contracts

- 2.9. The premiums charged in recent years in respect of the three principal risks covered by the Insurance Fund are detailed below.

a. COMBINED LIABILITY

The terms of this contract gave the Council an option to extend for 2 years from 1 April 2015. As reported to this committee on 25 November 2014 agreement was reached with insurers on a premium increase of £25,000 (14%) for 2015/16 and an increase in the annual aggregate deductible. The market for local government insurance risks has experienced a period of rate correction and other authorities have faced increases of more than 100%. Given the risk that a procurement exercise at this point could potentially result in an even greater premium and / or a reduction in cover I reported that in my opinion the terms were most likely the best available. As such the contract has been extended

However stabilisation in claims costs together with changes in the civil justice system has enabled me to reduce the Insurance Fund contribution

from £1,615,000 to £1,575,000 for 2015/16. This means that overall the budget for Liability will be slightly lower than in 2014/15.

Claims handling costs are also expected to rise slightly as the contract allows for an annual Average Earnings Index increase in respect of this element.

The table below shows how costs have changed in recent years.

Year	Premium	
	External Insurance*	Insurance Fund
	£000	£000
2010/11	285	2,100
2011/12	149	1,500
2012/13	155	1,550
2013/14	175	1,550
2014/15	204	1,615
2015/16	229	1,575

* Exclusive of claims handling charges.

b. MATERIAL DAMAGE AND BUSINESS INTERRUPTION

The Material Damage policy was tendered in 2013/14 at which point cover was removed for damage arising from storm flood and burst pipes for all properties other than schools. It was also agreed to change the cover for damage from terrorism risks to a 'first loss' basis. These reductions in cover explain the fall in External Insurance premiums from 2014/15 onwards shown in the table below.

The Long Term Agreement means that the lower premium rates will continue for 2015/16. However a predicted rise in rebuilding costs is expected to place some upward pressure on external premiums. This will be partially offset by property disposals and the Community Asset Transfer programme. No change in the Insurance Fund contribution is anticipated. There are no claims handling charges for these classes of insurance as they are managed within existing resources.

Year	Premium	
	External Insurance	Insurance Fund
	£000	£000
2010/11	333	300
2011/12	329	300
2012/13	312	300
2013/14	311	300
2014/15	259	300
2015/16	271	300

c. **COMPREHENSIVE MOTOR**

A competitive tender was held prior to expiry of the existing Long Term Agreement for this policy on 31 March 2014. The tender was won by the existing insurer Zurich Municipal on very similar terms to the previous contract. However an increase in the size of the fleet (relating to gritting vehicles and vehicles supporting highway verge maintenance) has led to an increase in the Insurance Fund contribution to meet potential additional claims. It is expected that there will be pressure on Motor premiums in future years following a recent European Court judgment which extends the definition of the categories of vehicles that require compulsory third party Motor insurance. This will increase the size of the Council's insured fleet.

Year	Premium	
	External Insurance**	Insurance Fund
	£000	£000
2010/11	44	65
2011/12	35	70
2012/13	33	70
2013/14	30	70
2014/15	35	70
2015/16	35	80

** Exclusive of claims handling charges.

Other

2.10 In addition to the three main classes of insurance the Authority also procures external insurance for a number of smaller risks. One of these – Engineering Inspection and Insurance was also subject to competitive tender in 2014. The tender was won by the existing insurer Zurich Municipal on very similar terms to the previous contract. An annual Average Earnings Index increase forms part of the terms for the Inspection contract and this has been incorporated into the estimate for 2015/16.

2.11 A range of other risks including loss of equipment and damage to glazing are fully self-insured. These generate modest losses and internal premia are relatively small.

Administration

2.12 In addition to promoting the effective management of risk within the Authority the Risk and Insurance Section places and administers all external insurance policies manages the Insurance Fund provides an internal and external consultancy service and oversees the handling of all claims. The balance of work has altered with greater emphasis now being placed on risk management activity and increased support for schools. The management of individual Liability insurance claims remains a significant element.

2.13 The costs of the Risk & Insurance Section are charged to the Insurance Fund and recharged in the form of a percentage overhead on insurance premiums. For 2015/16 the consultancy fees for schools have increased because schools premiums will be greater than in 2014/15 and also as a result of a small increase in the percentage overhead.

2.14 Below is a breakdown of the estimated administration expenditure and income:-

	Budget 2014/15	Budget 2015/16
	£	£
<u>Spend</u>		
Staffing & running costs	233,000	214,000
Insurance Brokers	10,000	10,000
Other professional fees	0	5,000
Figtree claims database	0	10,000
Total	243,000	239,000
<u>Income</u>		
Consultancy – schools	83,000	112,000
Consultancy - Academy schools	40,000	40,000
General Fund – administration	120,000	87,000
Total	243,000	239,000

Insurance Fund Budget 2015/16

2.15 The Insurance Fund Budget is shown in the Appendix. The table below compares the Budget for 2015/16 with the Budget for 2014/15.

	Budget 2014/15	Budget 2015/16
	£	£
Schools	912,000	1,010,000
General Fund	2,118,000	2,030,000
Academies	40,000	40,000
Total	3,070,000	3,080,000

2.16 The 2015/16 Budget of £3,080,000 represents an increase of £10,000 (0.3%) compared with the Budget for 2014/15. The increased budget for schools results partly from the inclusion of 3 schools excluded from the 2014/15 figures because they had been expected to convert to Academy status in 2014/15 but did not do so. However it also reflects a further rise in schools share of liability claim costs and the changed basis for allocating administration costs. Despite the increase, a benchmarking exercise conducted by the Risk & Insurance team showed that school insurance rates are considerably below commercial available premiums. These factors have resulted in a reduced cost to General Fund services.

3.0 RELEVANT RISKS

- 3.1 The Long Term Agreements (LTAs) which apply to all of the Council's major insurance contracts act to reduce the likelihood of any significant changes to the extent of cover or to external premiums. No insurance procurement exercises are scheduled to take place that will affect costs for 2015/16. This provides a greater degree of certainty that actual costs will be within those budgeted.
- 3.2 Insurance Fund contributions form the largest element of the total. As these are directly related to claims costs they could rise in the event of a series of major losses. The impact of that risk is mitigated by maintaining a prudent level of reserves. Even if there were a series of losses greater than the reserves the cost would be incurred over several financial years. This would give the Council time to rebuild reserves.
- 3.3 If further schools decided to convert to Academy status this could create a shortfall in income for the Insurance Fund. By way of mitigation the Risk & Insurance section takes steps to gain early notice of any potential conversions. Service Level Agreements also make schools liable for all risk and insurance costs for a given financial year unless they indicate by the preceding September that services will not be required.
- 3.4 The Council's response to its budgetary challenges could have implications for the future level of claims. Reductions in maintenance budgets and staffing levels could impact on the frequency and severity of claims.
- 3.5 Radical revisions to the civil justice system based on the Jackson Review came into effect during 2013. It remains too early to calculate the impact of the new rules as patterns and market behaviours have not yet settled. It is expected that legal costs per settled case will reduce but the Council will no longer have the capability of recovering its own costs when it is successful. The volume of claims could also increase. All of these will have implications for liability funding requirements in the future. It is not yet clear whether overall the impact will be positive or negative.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options were considered.

5.0 CONSULTATION

- 5.1 The methodology for calculating insurance costs for schools has been shared with the Wirral Headteachers Board.

6.0 OUTSTANDING PREVIOUSLY AGREED ACTIONS

- 6.1 None

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no direct implications for these groups

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1. The 2015/16 Insurance Fund Budget of £3,080,000 is an increase of £10,000 (0.3%) on the Budget for 2014/15. Whilst the cost to Schools is to increase by £98,000 there will be a reduction of £88,000 to General Fund services. Income from work for Academies is expected to generate income of £40,000 in 2015/16. This is offset directly against costs to the General Fund.

8.2. Whilst there are no direct staffing implications the work for Academy Schools and ongoing improvements to the Council's risk management framework and processes continue to place pressure on the capacity of the Risk & Insurance Section.

9.0 LEGAL IMPLICATIONS

9.1 There are no direct implications arising from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are no direct implications arising from this report.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no direct implications arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no direct implications arising from this report

13.0 RECOMMENDATION

13.1 That the Insurance Fund Budget 2015/16 be agreed.

14.0 REASONS FOR RECOMMENDATION

14.1 The setting of the Insurance Fund Budget is needed to adequately fund insurable risk and ensure the equitable allocation of insurance costs.

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APPENDIX

Comparison of the Insurance Budgets for 2014/15 and 2015/16

REFERENCE MATERIAL

Risk & Insurance Section Database
Zurich Municipal and Teceris Claims Management claims records.

SUBJECT HISTORY

Council Meeting	Date
Cabinet - Insurance Fund Budget 2011/12	25 November 2010
Cabinet - Insurance Fund Budget 2012/13	24 November 2011
Cabinet - Insurance Fund Budget 2013/14	29 November 2012
Audit & Risk Management – Insurance Fund Budget 2014/15	28 January 2014

WIRRAL COUNCIL

INSURANCE FUND BUDGET

Budget 2014/15Budget 2015/16

Expenditure

Class of Insurance	External Premia	Insurance Fund Contributions	Total	External Premia	Insurance Fund Contributions	Total
	£	£	£	£	£	£
Liabilities	296,000	1,615,000	1,911,000	325,000	1,575,000	1,900,000
Fire	257,000	300,000	557,000	271,000	300,000	571,000
Motor	40,000	70,000	110,000	40,000	80,000	120,000
Other	194,000	55,000	249,000	197,000	53,000	250,000
Management Account			243,000			239,000
Total Expenditure			<u>3,070,000</u>			<u>3,080,000</u>
Income						
Academies – Consultancy			(40,000)			(40,000)
Schools - Consultancy			(83,000)			(112,000)
Schools - Premiums			(829,000)			(898,000)
General Fund – Premiums and Administration			(2,118,000)			(2,030,000)
Total Income			<u>(3,070,000)</u>			<u>(3,080,000)</u>

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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

27 JANUARY 2015

SUBJECT	MANAGEMENT OF INSURANCE AND CORPORATE RISK
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report sets out the key actions to be taken in relation to corporate risk and insurance management during 2014/15. Progress made since September in relation to key actions planned for 2014/15 are also included.

2.0 BACKGROUND AND KEY ISSUES

2.1 Risk and insurance management comprises two significant areas of activity:

- One is the provision of advice and support to Members and officers in developing the corporate risk management framework and processes.
- The other is risk financing which incorporates insurance procurement, management of the Council's Insurance Fund and claims management.

2.2 In addition to day-to-day operations the insurance service is responsible for major procurement exercises and improvement activities. This report focuses on the latter. The key actions to be implemented during 2014/15 were included in the report to this Committee on 18 March. Progress since September in respect of those actions is summarised in the paragraphs below.

2.2.1 Tender for Litigation Services

The Council currently has contracts with two firms of solicitors for the specific provision of legal services in relation to liability related litigation. The specification of this contract differs substantially from the outsourcing contracts utilised by Legal Services. Current contracts expire on 31 March 2015. It has been necessary to extend the contracts, because of capacity constraints within the procurement process. A revised timetable has been agreed and the contracts have been advertised in OJEU and the PQQ has been posted on The Chest.

2.2.2 Risk management arrangements for programmes and projects

With support from the Change team draft revised requirements and improved guidance for project managers and project teams has been produced. This will be refined further before wider distribution

2.2.3 Review of Corporate Risk Register

The Corporate Risk Register is the subject of a separate report to this meeting.

2.2.4 Service Planning 2015/16

The requirements as regards the risk management element of directorate plans for 2015/16 have been agreed as part of the corporate planning process.

2.2.5 Develop training and guidance for Members and officers

Further development work on the E-learning courses for staff and for managers has been undertaken. The course content was not finalised by the original target date of December 2014. But will be completed shortly.

2.2.6 Develop training and guidance for Members and officers

Further development work on the E-learning courses for staff and for managers has been undertaken. The course content was not finalised by the original target date of December 2014. But will be completed shortly.

2.2.7 Annual renewals of existing insurance contracts (April 2015)

As reported to this Committee on 25 November 2014 I have accepted insurers' terms for the April 2015 renewal of the Casualty (Liability) contract. In respect of the other contracts which are renewable on this date (Motor, Engineering, Professional Indemnity, Computer and Foster Care) information has been supplied to the Council's insurers and brokers to enable them to confirm their renewal terms. Premiums are expected to be within the 2015/16 budget. The actual figures will be reported to a future meeting of this committee.

2.2.8 Future administration of liability claims

I remain of the opinion that partially in sourcing some further administration could offer significant benefit. As such I am in the process of determining any additional costs that might be involved.

2.2.9 Refresh of the Corporate Risk Management Policy

At its meeting on 15 October the Corporate Governance Group considered the output from a recent benchmarking survey. This highlighted a number of priorities for improving the Council's risk management framework including learning from risk events, business continuity planning, defining the Council's risk appetite, risk management training and partnership risk arrangements. These will inform changes to the Risk Management Policy and key actions for 2015/16.

2.2.10 Insurance Fund Budget 2015/16

The Insurance Budget is the subject of a separate agenda item for this meeting.

3.0 RELEVANT RISKS

3.1 The improvement of the risk management framework and the implementation of more effective processes will help to improve the ability to handle risk across the organisation.

3.2 Mishandling of liability claims can result in substantial additional claims costs.

4.0 OTHER OPTIONS CONSIDERED

4.1 In relation to the litigation services tender 2 alternative options have been considered. Utilisation of the NW Legal Consortium option was considered but rejected as this framework does not accommodate the specialised nature of the litigation conducted under existing contracts. The Council could also outsource control of the litigation to a panel of solicitors managed by the insurers. This option would involve delegating settlement authority to the insurers in direct contradiction to the long standing claims strategy and was therefore also rejected.

5.0 CONSULTATION

5.1 No specific consultation has been undertaken with regard to this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 None.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING AND ASSETS

8.1 Premiums for those contracts which are renewable in April 2015 are expected to be within the 2015/16 budget.

8.2 The existing claims management software is scheduled for an upgrade and this process would be brought forward to facilitate any potential future move to self-handling of liability claims. This process would be managed by the software providers and would not necessitate significant IT involvement.

9.0 LEGAL IMPLICATIONS

9.1 There are no specific implications arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are no implications arising directly from this report.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no implications arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no implications arising directly from this report.

13.0 RECOMMENDATION

13.1 That the content of this report be noted.

14.0 REASON FOR RECOMMENDATIONS

14.1 Regular update reports are presented to this Committee on the work around Risk and Insurance which seek to support the Risk Management Policy and maintain the successful management of the Insurance Fund.

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BACKGROUND PAPERS/REFERENCE MATERIAL

Correspondence with insurers
Report of the Risk and Insurance Officer (Corporate Risk Register) – 23 October 2014

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	25 November 2014
Corporate Risk & Insurance Management	17 September 2014
Corporate Risk & Insurance Management	23 June 2014
Corporate Risk & Insurance Management	18 March 2014
Corporate Risk & Insurance Management	28 January 2014

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

27 JANUARY 2015

SUBJECT	CORPORATE RISK REGISTER
WARD/S AFFECTED	ALL
REPORT OF	CHIEF EXECUTIVE
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 Under the terms of the Council's Constitution one of the functions of the Audit & Risk Management Committee is to provide independent assurance that the Council's risk management framework is effective.
- 1.2 A key output from the Council's risk management framework is the Corporate Risk Register. To support this Committee's work in considering the effectiveness of the framework a report is now presented on a regular basis detailing the key risks facing the authority and how these are being managed.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Corporate Risk Register summarises those areas of uncertainty which have greatest potential to prevent or frustrate delivery of the Corporate Plan and confirms how the authority is seeking to tackle them. At a strategic level these risks help to inform future priorities and interventions. The actions required to mitigate the risks also influence the content of Directorate Service Plans and the allocation of resources. In that way they are a key component of the corporate planning process and so success in managing these risks is a key factor in overall corporate performance.

2.2 Existing Corporate Risks

- 2.2.1 Following the Quarter 2 review undertaken by the Chief Executive Strategy Group (CESG) and which was reported to this Committee on 25 November 2014 the register contained 31 risks.

2.3 Developments

- 2.3.1 At its meeting on 24 November 2014 CESG received a report from the Director of Adult Social Services. This concerned the impact of a Supreme Court decision earlier in the year that arrangements made for the care or treatment of individuals lacking capacity to consent to them could amount to a deprivation of liberty. The decision had led to an enormous rise in the number of Deprivation of Liberty Safeguarding assessments which needed to be undertaken. A failure to process these assessments within prescribed timescales could generate a series of costly legal actions against the authority as well as potential damage to the Council's reputation.
- 2.3.2 There was agreement amongst the group that the potential significance of the risk was such that it merited addition to the corporate risk register.

2.4 Governance Commissioning and Improvement Portfolio Holder Briefing

2.4.1 At the request of Councillor Ann McLachlan the Risk & Insurance Officer presented an update on the Corporate Risk Register at the briefing on 3 December 2014. The update covered matters added to the register in recent months as well as the governance arrangements for the register itself.

2.4.2 The Chief Executive recommended that the Risk Register be a standing agenda item for future Portfolio Holder Briefings and that a small number of the most critical risks be examined in detail on each occasion. Councillor McLachlan agreed that this recommendation should be implemented.

2.5 Corporate Governance Group

2.5.1 In accordance with its agreed terms of reference at its meeting on 17 December 2014 the Corporate Governance Group considered two reports from the Risk and Insurance Officer.

2.5.2 The first contained a summary of all critical ('red') Directorate level risks highlighting those which are expected to remain critical even with additional planned mitigation. This report will also be provided to CESG to support the Quarter 3 review of the Corporate Risk Register.

2.5.3 The second contained a summary of progress made in relation to the management of all existing corporate risks. A copy of that report is appended for Members consideration. This too will be provided to CESG to support the Quarter 3 review.

2.6 Next Steps

2.6.1 The Chief Executive Strategy Group will shortly conduct the Quarter 3 review of the register. The outcome will be reported to the next meeting of this committee.

2.6.2 At the Portfolio Holder Briefing on 28 January the first two corporate risks will be considered.

2.6.3 Directorates will take account of the Corporate Risk Register in developing service plans for 2015/16.

3.0 RELEVANT RISKS

3.1 The issues contained in the register are considered by Chief Executive Strategy Group to present the most significant risks to achievement of the objectives and priorities contained in the Corporate Plan. As such failure to manage them effectively could have severe implications for delivery of the Plan.

4.0 OTHER OPTIONS CONSIDERED

4.1 These are not applicable in respect of this report.

5.0 CONSULTATION

5.1 No specific consultation has been undertaken with regard to this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 None.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 None.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Whilst there are no direct implications effective management of the corporate risks will help to mitigate negative impacts on the Council's financial IT and human resources.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 RECOMMENDATIONS

13.1 That Members consider the summary of progress made in relation to the management of the existing corporate risks.

13.2 That further reports on the Corporate Risk Register be brought to future meetings of this Committee.

14.0 REASONS FOR RECOMMENDATIONS

14.1 Having an understanding of the Council's principal risks and their controls supports the Committee's responsibility in relation to the adequacy of the Council's risk management framework.

14.2 The provision of regular reports to this Committee on the Corporate Risk Register is a requirement of the Council's Corporate Risk Management Policy.

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APPENDIX

Corporate Risk Register – summary of progress with controls

BACKGROUND PAPERS/REFERENCE MATERIAL

Report to Corporate Governance Group 17 December 2014
Agenda and minutes from the Corporate Governance Group
Agenda and minutes from the Chief Executive Strategy Group

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee	25 November 2014
Audit & Risk Management Committee	17 September 2014
Audit & Risk Management Committee	23 June 2014
Audit & Risk Management Committee	18 March 2014

Corporate Risks – Additional Controls – 17 December 2014

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to deliver within immediate and long term budgets (FI1)	<ul style="list-style-type: none"> • Corporate Plan reflects financial challenge • Delivery of budget options projects being progressed • Monitoring of budgetary position by Benefits Realisation Group (bi-weekly) and CESG (weekly) • Freeze on vacancies and non-essential expenditure • Deceleration of Capital Programme spend • Challenge process for budget growth 	<p>12 (4x3)</p>	<ul style="list-style-type: none"> • Re-model early intervention and prevention services to ensure we manage demand efficiently and community based care effectively • Embed a strategic approach to commissioning • Progress opportunities for joint commissioning with health partners • Care Bill modelling and preparation for implementation in 2015/16 • Review of specialist rates for supported living and (LD/MH) for residential and nursing care • Support the implementation of the Future Council Programme 	<ul style="list-style-type: none"> • Wirral Independence Service (which incorporates both Assistive Technology and Community Equipment) is currently out to tender. • A draft Commissioning Strategy was approved by Cabinet on 6 November. The proposed structure for Public Health includes a strategic commissioning function. • A number of services have been identified as being appropriate to joint commission, including Wirral Independence Service and 3rd Sector. • A project plan has now been agreed. A workshop was held on 12 December to highlight policies and procedures needing to be updated. • Currently delayed, pending final issue of guidance related to the Care Act implementation • Savings of £9.4m identified through remodelling. £1.1m has already been delivered through the release of volunteers • Longer term budgets are currently being developed, with £38m in savings identified for delivery in 2015/16

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Major fraud or corruption (F12)	<ul style="list-style-type: none"> • Counter Fraud and Corruption Policy • Whistle Blowing Policy • Counter Fraud Plan and trained investigator • Participation in National Fraud Initiative • Codes of conduct for Members and officers • Financial Procedure Rules • Contract Procedure Rules • Sound Internal Control systems • Effective recruitment and selection • Benefits Fraud Investigation team with trained investigators • Procedures for the Declaration of Conflict of Interests, Gifts and Hospitality and Pecuniary Interests • Mandatory training programme • Use of declarations and fair processing notices • Disciplinary procedures 	6 (3x2)	<ul style="list-style-type: none"> • Implement counter fraud action plan • Develop Corporate Counter Fraud Strategy • Update and deliver on-line fraud training programme • Establish facility for on-line reporting by MOP • Introduce positive vetting of new employees • Introduce anti fraud statement into recruitment form • Brief directorates on new Contract Procedure Rules • Seek DCLG funding to establish a 'Mersey Region Fraud Hub' 	<ul style="list-style-type: none"> • Counter fraud action plan sent to relevant departments for action in December 2014. • The Anti-Fraud & Corruption policy was updated in November 2014. The implementation date for revision of the strategy has been revised to April / June 2015 • Training was updated in November 2014 and is available for Employees and Managers through 'enable' e-learning • The reporting template is complete. There is a revised implementation date of March 2015 • Not actioned as yet - revised target date is March 2015. • Not actioned as yet - revised target date is March 2015. • • The funding application was not successful. However other potential sources of funding are being explored and joint working with colleagues across the region is continuing.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to remodel the Council to meet its future challenges (GO1)	<ul style="list-style-type: none"> • Wirral's vision is set out in Corporate Plan • CESC focus on coherent new model • Revised contract procedure rules introduced • Robust technical design principles • Robust project and risk management arrangements for the remodelling programme 	8 (4x2)	<ul style="list-style-type: none"> • Implement programme of ICT improvements • Implement new Asset Management Plan • Embed a strategic approach to commissioning • Support the implementation of the Future Council Programme 	<ul style="list-style-type: none"> • Replacement of new PCs is behind the original schedule. However there are robust arrangements to ensure replacement of the remaining 700-800 machines before support for existing systems is withdrawn in March 2015. • A new asset management system has been procured and implementation is underway. Work on the disposal of surplus assets has continued with a total of £1.8m raised so far in 2014/15. Work is progressing on the disposal of 3 key sites. • A draft commissioning strategy was approved by Cabinet on 6 November • Remodelling - Savings of £9.4m have been identified through the Future Council process. £1.1m has already been delivered through the release of volunteers • Around 2/3 of structures have been consulted on. The remainder are underway or planned.
Failure to establish governance arrangements that support wholesale change and enable difficult decisions to be taken (GO2)	<ul style="list-style-type: none"> • Revised Constitution in place • Scheme of Delegation rolled out • Cohesive CESC • Closer working with Cabinet • New Members briefing and decision-making processes implemented • Leaders Board established • Member development programme • Revised corporate risk management policy adopted 	6 (3x2)	<ul style="list-style-type: none"> • Further embed the new Constitution • Joint Cabinet / CESC sessions • Formalise new Corporate Governance Group 	<ul style="list-style-type: none"> • A formal work plan for the Corporate Governance Group has been developed. Regular updates from the Group are being provided to CESC.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Internal policies & procedures could delay change (GO3)	<ul style="list-style-type: none"> • New Members briefing and decision-making processes implemented • Scheme of Delegation / Member Officer protocol updated • Code of Corporate Governance revised • Weekly meeting of 'Future Council' Governance Board • Robust governance arrangements for the remodelling programme 	4 (2x2)	<ul style="list-style-type: none"> • Further embed the new Constitution • Monitor compliance with revised financial regulations and new Contract Procedure rules 	
Failure to identify potential changes to government policy early enough to influence and respond (GO4)	<ul style="list-style-type: none"> • Work of the Policy Unit • Policy network established • Regular policy briefings provided to Senior Officers and Members • Performance Management and Business Intelligence resource • Regular item on CESG agenda 	6 (3x2)	<ul style="list-style-type: none"> • Increased visibility of political and executive leaders with national government 	

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to maintain a focus on economic growth (GO5)	<ul style="list-style-type: none"> • Investment Strategy • Investment Strategy Board • Priority within Corporate Plan • Policy & Performance committee – scrutiny function 	8 (4x2)	<ul style="list-style-type: none"> • ERDF business growth programme • Regional Growth Fund projects • Capitalise on the success of the ‘Open’ • Implement Investment Strategy delivery plan • Continue lobbying as an authority and as part of LCR for national availability of match funding • Marketing activity -implementing the Inward Investment Targeting Plan 	<ul style="list-style-type: none"> • The ERDF programme continues to be delivered as planned • Whilst most resources have been allocated, some city region projects are not progressing. As such funds remain for Wirral businesses with growth plans • Cabinet has supported the signing of an MoU setting out common foundations for future delivery of a North West Open Championship • Funding secured for supplier parks to provide industrial premises for expansion and inward investment. External resources secured to develop programmes aimed at supporting residents into employment • • With key partners, Wirral has had a presence at a range of relevant trade shows and exhibitions. Officers have also met with key intermediaries working with companies active in Wirral’s key growth sectors
A failure to maximise our influence with key stakeholders limits our ability to capitalise on opportunities (GO6)	<ul style="list-style-type: none"> • Chief Executive and senior members / officers engage outside Wirral with national decision-makers • Leader of the Council is chair of the Combined Authority • LEP membership • CX influence via LCR Chief Executive group 	4 (2x2)		

<p>Use of untried / untested models (mutuals, social enterprises, shared services) (GO7)</p>	<ul style="list-style-type: none"> • Transformational Change projects based on robust business cases • Learning from other local authorities • Accessing external expertise (legal, financial and operational) 	<p>12 (4x3)</p>	<ul style="list-style-type: none"> • Embed a strategic approach to commissioning 	<ul style="list-style-type: none"> • A draft commissioning strategy was approved by Cabinet on 6 November.
<p>The retirement of the Chief Executive could create a short term capacity problem and uncertainty about the Council's future strategic direction (GO8)</p>	<ul style="list-style-type: none"> • Strategic Directors and Assistant Chief Executive remain in post • CESH operate as a management unit • Business continuity plan 	<p>To be scored</p>	<ul style="list-style-type: none"> • Progress recruitment of new Chief Executive • Invoke temporary arrangements • Ensure key budget decisions are taken promptly • Use capacity of Strategic Directors 	<ul style="list-style-type: none"> • The job description, person specification and salary range for the post has been agreed. The position has been advertised with a closing date of 12/01/2015 • David Armstrong has been appointed to the position of Acting Chief Executive • The Corporate Plan 2015/16 has been approved by Council. Cabinet has considered the outcome of Budget Options Scrutiny Reviews.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Scale and pace of change could exceed organisational capacity – especially in key areas (PE1)	<ul style="list-style-type: none"> • Full senior management team in place • New governance model for programme management • Focus of Change Team • Change agent programme • Matrix management arrangements adopted • Weekly project review meetings 	12 (4x3)	<ul style="list-style-type: none"> • Project leads to establish detailed resource plan for each element / stage of remodelling programme 	<ul style="list-style-type: none"> • Change agent programme continues to progress well • “Leading & Managing Change” and “Working through Change” workshops now feature on the Change Support Programme
Skills within the Council could be insufficient to support our future operating model (PE3)	<ul style="list-style-type: none"> • Redeployment training support in place • Change agent programme • Leadership and Management Development Programmes • Performance Appraisals for senior managers • Remodelling has been based on stress testing 	8 (4x2)	<ul style="list-style-type: none"> • Continue Leadership Development Programme • Continue Management Development Programme • Roll out Performance Appraisals to all staff • Specialist briefings to support managers in carrying out Ring-Fence interviews 	<ul style="list-style-type: none"> • The Leadership Development and Change agent programmes continue to progress well, with the final cohort scheduled for March/ April 2014. • Management Development programme remains behind target • Performance Appraisals remain behind schedule • Training requests made during summer 2014 Performance Appraisals are being actioned • Sessions have been offered to all affected managers
Failure to ensure that the culture of the organisation supports the future operating model (PE4)	<ul style="list-style-type: none"> • Link of values to behaviours in Performance Appraisal • Change agent programme 	9 (3x3)	<ul style="list-style-type: none"> • Design / implement cultural change programme • Continue Leadership Development Programme • Continue Management Development Programme • Roll out Performance Appraisals to all staff 	<ul style="list-style-type: none"> • Corporate Values were included in the Senior Managers briefing in November • The Leadership Development and Change agent programmes are progressing well with, cohort four scheduled for March/ April 2014. • Management Development programme is behind target and is scheduled to be reviewed in March 2014 • Performance Appraisals remain behind schedule

			<ul style="list-style-type: none">• Respond to the 2013/14 Staff Survey	<ul style="list-style-type: none">• A high level Staff Survey action plan has been developed, (including an Employee Engagement Panel, an Employee Reward Scheme and the new Dignity at Work Policy)
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Description	What are the main controls for the risk?	Current Risk Score (I x L)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
A failure in health and safety management leading to death or serious injury (PE5)	<ul style="list-style-type: none"> • Register of corporate H&S risks • Corporate H&S policy specifies management roles & responsibilities, specific management arrangements have been developed • Legislative Compliance Audit programme & Fire Risk Assessments of all Council premises • Programme of auditing management compliance against H&S policy • Delivery of essential emergency training for fire and first aid • H&S Officers investigate all significant accidents & incidents, including ELI claims • Specific H&S training • Health surveillance arrangements for occupational health risks • Delivery of (IOSH) Managing Safely training to Managers and Supervisors below HoS 	<p style="text-align: center;">8 (4x2)</p>	<ul style="list-style-type: none"> • Continue offering H&S IOSH management training to all managers • Merging of Schools H&S team with the Corporate H&S team and development of SLA with schools • Continuous review and develop of H&S arrangements • Continuing programme of compliance audits of H&S policy • Maintaining health surveillance programme for occupational health risks • Continuous programmed assessment of legislative compliance and fire risk at all Council premises • Senior management teams H&S training programme 	<ul style="list-style-type: none"> • 2 IOSH managing safely courses run for managers and 1 run for volunteers from community assets • Team has been integrated, increasing ability to support schools and council with H&S guidance & advice • The Health, Safety & Resilience team has continued to make improvements to H&S arrangements and carry out its programme of compliance audits - although the team have experienced some difficulties recently with personnel changes and reorganisation in certain service areas. • Proposals have been put to the Strategic Director for Transformation & Resources for a redesign of the current H&S governance arrangements (including a refresh of the Corporate H&S committee) together with recommendations to improve the governance of H&S management. • Delivery of a H&S training programme for senior management teams may be slightly delayed as a result of Future Council and awaiting the redesigned corporate structure
Failure to ensure sufficient capacity and technical knowledge to deliver effective and compliant	<ul style="list-style-type: none"> • Staff development and training • Recruitment and retention policies • Review of structure 	<p style="text-align: center;">12 (3x4)</p>	<ul style="list-style-type: none"> • Acceleration of recruitment • Re-allocation of staff with necessary skills • Use of temporary staff 	<ul style="list-style-type: none"> • The response to an initial advertisement was poor. Members are being asked to approve a re-advertisement • Part time support is being provided by one officer from Public Health. A response has yet to be received to second internal transfer request • Four temporary staff have been recruited for a 6

commissioning and procurement (PE6)			<ul style="list-style-type: none">• Develop and deliver a longer-term plan for the service	months period. <ul style="list-style-type: none">• An outline plan has been drafted.
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Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Quality and availability of data & intelligence could be insufficient to enable us to design services & target effective interventions DA1	<ul style="list-style-type: none"> • Performance Management and Business Intelligence resource within Policy, Performance and Public Health function • Provision of dashboard reports to Policy & Performance committees • Breadth and depth of data from Service Reviews 	9 (3x3)	<ul style="list-style-type: none"> • Implement new case management system across both Adult and Children services • Implement Data Warehouse • Enhance Corporate Governance Group 	<ul style="list-style-type: none"> • Both the DASS and CYPD systems have now been implemented. Phase 2 of the DASS implementation is due to commence in January • The Data Warehouse project continues to progress as planned. • A formal work plan for the Corporate Governance Group has been developed. Regular updates from the Group are being provided to CESG.
A failure in information governance leading to a significant disclosure of sensitive information (DA2)	<ul style="list-style-type: none"> • IG Board and IG Operational Group established • Guidance on information handling/security circulated • Technical ICT controls • Independent security assessments of the council's ICT infrastructure • PSN accreditation attained • Training delivered to Members and key officers on information governance • IG communications for non-IT users developed • IG checklist for departments/managers developed 	8 (4x2)	<ul style="list-style-type: none"> • Training for IGOs • Annual refresh of training for managers and key staff • Implement the Information Governance Action Plan • Secure all council mobile and printing devices • Implement technical solution to protectively monitor the council's ICT infrastructure • All staff to undertake background checks to comply with BPSS • Achieve Level 2 IG toolkit accreditation • Centralise IG policies and procedures and risks • Retain PSN accreditation 	<ul style="list-style-type: none"> • Final figure for completion of mandatory online training is 94%. Refresh training will be aided by procurement of Policy Management Software. • Some remedial tasks, as detailed in the IG Toolkit submission, are still to be completed. These are dependent on receipt of the IAO returns. • All new Windows 7 laptops are configured securely and have McAfee hard disk encryption installed. A project is underway to install McAfee Mobile Device Management software on all council smartphones and tablets. • McAfee SIEM (Security Incident & Event Management) system has been purchased and has been implemented in 'test' state. • Appropriate checks have been introduced to ensure that PSN users are BPSS cleared. • Accreditation achieved. A date for setting up the council's N3 connection is awaited. • Policy Management Software will support the centralisation of IG policies and procedures • Work to maintain compliance with PSN has begun

<p>Withdrawal of support for the content management system could affect the security and effectiveness of the Council's web-site (DA3)</p>	<ul style="list-style-type: none"> • Project plan to rebuild the website drafted • IT resources allocated 	<p>12 (4x3)</p>	<ul style="list-style-type: none"> • Recruit temporary web editors to support the rebuild project • Deliver re-build project 	<ul style="list-style-type: none"> • Funding has been identified. Permission to recruit is being sought. • Project would commence in January 2015 with delivery in July 2015 (3-4 months after support is scheduled to be withdrawn). IT services are considering how to mitigate the risk in this period.
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Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to ensure resilience and cohesion in key partnerships (PA2)	<ul style="list-style-type: none"> • Health & Wellbeing Board established • Local Public Sector Board established • Support for Combined Authority 	9 (3x3)	<ul style="list-style-type: none"> • Conduct a review of partnerships • Develop a register of key partnerships • Refresh partnership toolkit • Develop the Local Public Sector Board and Health & Wellbeing Board 	<ul style="list-style-type: none"> • Using a definition agreed by CESG earlier in the year, the Director of Policy, Performance & Public Health has undertaken an initial review of the previous (2007) list of partnerships.
Failure of a major provider (private, public or voluntary, community and faith sector) or partner leading to interruption of service (PA4)	<ul style="list-style-type: none"> • External suppliers identified and position statement compiled as to their arrangements • Procurement Strategy and the agreed procurement process checks on potential contractor. • Contract and performance management arrangements • Monitoring of contract delivery by Strategic Directors • Linkages to Business Continuity arrangements 	12 (4x3)	<ul style="list-style-type: none"> • Work with departments to ensure that all partner agencies and/or voluntary, community or faith sector organisations have suitable and sufficient business continuity arrangements – a check should be made on a two yearly basis • Ensure all external suppliers / contractors provide a position statement in regard to their individual business continuity plans on a two yearly basis • Incorporate an annual financial check is as part of the regular contract performance management arrangements 	

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
<p>Inadequate safeguarding arrangements exposing children or vulnerable adults to greater risk of abuse or exploitation (CU1)</p>	<ul style="list-style-type: none"> • Local Safeguarding Children Board and Safeguarding Adults Partnership Board monitor serious case review action plans. • Business priorities for the WSCB monitored through the WSCB Executive • Weekly performance monitoring of changes to contact and referral taking in CADT. • Reports to CESC and strategic Directors DMT on Corporate Safeguarding performance. • National Notification of Serious Child Care Incidents to OFSTED. • Continuing programme for disseminating learning from serious child care incidents. • Monthly meetings of the Merseyside Child Death Overview Panel. • Continuing review of S118 IRO applications. • Market supplement is paid to social workers in hard to recruit and retain posts. • Reviews carried out by District Managers of children / young people known to a number of different agencies 	<p>15 (5x3)</p>	<ul style="list-style-type: none"> • Implement Signs of Safety as a framework for safeguarding children by November 2014 and to evaluate impact by March 2015. • Support Council staff and partners in learning from best practice and serious/critical case reviews. • Deliver a customer focused response to complaints that leads to improvements in practice and evaluate • Establish an effective Multi Agency Safeguarding Hub for vulnerable children and adults and evaluate. • Implement 'Making Safeguarding Personal' (MSP) and evaluate its impact 	<ul style="list-style-type: none"> • JKL Consulting has not been able to deliver contract within timescale. Professor Jan Horwath, of Sheffield University is to be commissioned to deliver model beginning February 2015. • Learning from local and national SCR's training was delivered to elected members in November 2014. • The team has delivered training as planned to relevant managers in relation to providing a more customer led response to complaints. The learning from themes arising from complaints is also being shared through management forums and further training. • MASH launched and operational from 17th September 2014. The Management Board has been established, along with the Performance management framework. • The programme is progressing, with a launch event planned for January. Work has also started on the development of a family group conference model to form part of the programme.

	<ul style="list-style-type: none">• High-level multi-agency review of individuals leading to improved, and consistently applied multi-agency risk management process and targeted support to be put in place to pre-empt, where possible, escalation of identified areas of concern.• Strategic Review Process implemented for contracted providers giving cause for concern• Regular meetings of the Domestic Abuse sub-committee of the SAPB and LSCB			
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Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
A major physical incident compromises the delivery of essential services (PH1)	<ul style="list-style-type: none"> • Dedicated Health, Safety & Resilience Team provides support and guidance with 24/7 duty officer cover • External Partner organisations and suppliers identified and position statement compiled as to their arrangements • Awareness sessions delivered to key staff • Exercises conducted to test efficiency of plans • Departmental business continuity plans in place for critical service areas • Wirral Business Continuity Plan • Wirral Flood and Water Management Partnership formed • Review of winter maintenance arrangements conducted. • Merseyside Community Risk Register • Business interruption and Loss of Revenue insurance • Wirral Emergency Volunteer Scheme introduced 	<p>8</p> <p>(4x2)</p>	<ul style="list-style-type: none"> • All critical service areas to complete the new BC template • Critical services areas to exercise their BC plans/template • CESG Training and Exercising programme • Continue to review and capture any lessons learnt from incidents and exercises 	<ul style="list-style-type: none"> • Council's 'critical services' have been reviewed and agreed. Advice has been offered. • BC exercise template designed for service areas to test their templates. • Two table-top exercises were completed earlier in the year.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to implement new IT systems / hardware in time to support the new Council model (PH2)	<ul style="list-style-type: none"> • Replacement / upgrade projects agreed as part of 'Future Council' programme • Control and monitoring meetings for all projects within ICT improvement programme • Temporary engagement of Strategic IT Advisor to provide direction and capacity • Initial group of servers implemented 	<p>9 (3x3)</p>	<ul style="list-style-type: none"> • Implement programme of ICT improvements (including refresh of hardware) • Recruit to newly created senior IT post • Implement a new case management system across both Adult and Children services 	<ul style="list-style-type: none"> • Replacement of new PCs is behind the original schedule. However there are robust arrangements to ensure replacement of the remaining machines before support for XP withdrawn in March 2015. • The new Chief Information Officer is now in post. Recruitment to other senior IT posts is awaiting sign-off of the new structure for the division • Both the DASS and CYPD systems have now been implemented. Phase 2 of the DASS implementation is due to commence in January
A sustained catastrophic failure in IT systems (PH3)	<ul style="list-style-type: none"> • Second machine room • Fire suppressant system in rooms • Additional backup /security based at Cheshire Lines implemented 	<p>10 (5x2)</p>	<ul style="list-style-type: none"> • Implement programme of ICT improvements • Review of IT service continuity arrangements 	<ul style="list-style-type: none"> • Replacement of new PCs is behind the original schedule. However there are robust arrangements to ensure replacement of the remaining machines before support for XP is withdrawn in March 2015. • This project is behind schedule. However the Chief Information Officer is developing options for a remote data centre(s). Work has started on the production of a business continuity plan for IT services in line with the Council's new Business Continuity Policy.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Welfare Reforms (EC2)	<ul style="list-style-type: none"> • Ongoing Council-led strategic approach to assess the implications and prepare effective policy & delivery response e.g. through WEDS & Welfare Reform partnership • Discretionary Funds Housing Payment Fund for those on Housing Benefit impacted by the reforms inc. under occupancy • Localised Welfare Assistance Scheme for those impacted directly or indirectly and at risk • Collaborative working with social and rented sector landlord stakeholders • Collaborative working with DWP Local Partnership Lead • Delivery Partnership Agreement with DWP to April 2015 	16 (4x4)	<ul style="list-style-type: none"> • Develop and deliver a Welfare Reform Dashboard • Deliver additional activity through a Local Partnership Framework • Undertake regular impact assessments • Local Welfare Assistance Member Task and Finish Group for post March 2015 continued support as specific funding ends • UC continued live roll-out of national scheme, corresponding engagement with DWP those accessing and impacted upon by this Reform. Local Delivery Partnership Agreement – Nov 2014 review 	<ul style="list-style-type: none"> • A draft Welfare Reform Dashboard with 2013/14 data has been considered by the WEDS partnership. This will be updated with 2014/15 data for presentation to the Public Service Board • • • The creation of a reserve and funding is to be considered by Members. • Universal Support has been deferred to late 2015, DPA in place until then. Significant initial operational problems encountered with manual DWP process. DWP have confirmed that key processes will not be automated prior to October 2015

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Increasing demand for socially provided care exceeds the resources available (Council and NHS) (SO1)	<ul style="list-style-type: none"> • Vision 2018 programme • Integrated Care programme • Joint Commissioning arrangements with the CCG • Enhanced monitoring and reporting arrangements • Joint Carers Strategy between Social Care and Health 	16 (4x4)	<ul style="list-style-type: none"> • Re-model early intervention and prevention services to ensure we manage demand efficiently and community based care effectively • Implement 7 Day Working within the Integrated Discharge Team and Care Arranging Team • Enhance market capacity to prevent avoidable hospital admissions and supporting timely hospital discharges 	<ul style="list-style-type: none"> • Wirral Independence Service (which incorporates both Assistive Technology and Community Equipment) is currently out to tender. • Phase 2 (Intermediate Care and STAR) have now been implemented. • An additional 22 beds have been commissioned until April 2015 to meet winter pressures.
Poor lifestyle choices adversely affect public health and require different public provision (SO2)	<ul style="list-style-type: none"> • Commissioned lifestyle services (i.e. stop smoking services, weight management, drugs and alcohol services) • Role of sports development service • Health & Wellbeing Board provides focus and a forum for collaboration • Vision 2018 work stream on early intervention and prevention 	12 (4x3)	<ul style="list-style-type: none"> • Develop a new Public Health strategy for 2015-20 • Conduct four health promotion campaigns – Stoptober, National Smile Week, Dry January and Mental Health Awareness Week 	<ul style="list-style-type: none"> • The new Public Health strategy continues to progress as planned. It will be delivered through the new Health & Wellbeing Strategy. • ‘Stoptober’ was launched and Dry January is about to be launched

Description	What are the main controls for the risk?	Current Risk Score (I x L)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to equip the community to be more self-reliant (SO3)	<ul style="list-style-type: none"> Asset based community development (ABCD) projects Public sector transformation network Existing support through the Voluntary, Community and Faith sectors Engagement of individuals and groups through Constituency Committees Wirral Emergency Volunteer Scheme Direct Payments Advisory Service commissioned 	<p style="text-align: center;">9 (3x3)</p>	<ul style="list-style-type: none"> Development of the local approach to ABCD via Constituency Committee Delivery of the IFIP programme Create a social enterprise delivery vehicle for disability services 	<ul style="list-style-type: none"> ABCD pilots have been put in place Final approval to commence is being sought at Cabinet in January 2015.
Technological advance leads to digital exclusion of individuals and businesses (TE1)	<ul style="list-style-type: none"> Council is leading a partnership approach to increasing digital inclusion ('Go ON Wirral'). Draft Wirral Digital Inclusion Action Plan (under development) As part of the response to Welfare Reforms, an interactive profile of access and available support has been developed through Wirral Well website 	<p style="text-align: center;">12 (4x3)</p>	<ul style="list-style-type: none"> Roll out of ongoing Community learning; training and IT skills, particularly with Housing partners Ongoing work with partners to increase the network of publicly accessible PCs & Internet Council project to encourage access to Council services online Increasing availability of free Wi-Fi Merseyside Connected (BDUK) superfast broadband project 	<ul style="list-style-type: none"> A range of community courses & training has continued to be delivered by Council and its partners. (250 enrolments between Sep and Dec). The interactive profile of IT access and support is now available through the Wirral Well website A national superfast broadband take up TV campaign began in December. It will be supported locally using a combination of posters and leaflets, a Q&A briefing and messages directed to key stakeholders and local politicians

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Growing incidence of extreme weather events (EN2)	<ul style="list-style-type: none"> • Wirral Flood & Water Management Risk Partnership • Merseyside Strategic Flood & Coastal Risk Management Committee • NW Regional Flood & Coastal Committee • Contribute to existing NW RFCC levy scheme. • Merseyside Local Resilience Forum (Multi-Agency) & Wirral Council Flooding & Adverse Weather Response Plans • Met Office and Env Agency weather and flood alerting systems – council cascade to partner agencies • Wirral Emergency Volunteers Scheme – Flood Wardens 	12 (4x3)	<ul style="list-style-type: none"> • Progress implementation of the Wirral Flood Risk Partnership action plan. • Wirral Coastal Strategy 2013 – resultant Action Plan identifies 4 areas where intervention is required within 20 years • Surface Water Investigation work (RFCC Levy Bid for works to be delivered in 2014/15) • Develop a Severe Weather Action Plan 	<ul style="list-style-type: none"> • A meeting of the Wirral Flood and Water Management Partnership on 7 October 2014 considered a report on the floods in December 2013 and a series of improvements actions. • A final draft of the Council’s Flood Risk Management Strategy has been prepared ahead of a public consultation exercise. • A meeting took place on 16 December involving representatives from Council services and contractors to discuss current arrangements and identify gaps
Growth of academies / free schools complicates our ability to raise educational attainment and provide skills (LE1)	<ul style="list-style-type: none"> • Dialogue with schools becoming Academies • Retention of support networks e.g Cluster Headteacher Groups • Wirral Education Quality Services (WEQS) offered to all schools, including Academies • Existing structures (e.g. WASH, WISP, Children’s Trust Board) provide focus and forums for collaboration 	9 (3x3)	<ul style="list-style-type: none"> • Exploring with schools grouped Academy structures • Facilitating continuing dialogue with schools re Academy options • Expand and enhance the traded services offer to schools 	<ul style="list-style-type: none"> • Cabinet has authorised the establishment of a Community Interest Company wholly owned and controlled jointly by Wirral and CW&C Councils to provide traded services.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to process applications for DoLS assessments within prescribed timescales (LE2)	<ul style="list-style-type: none"> • DoLS manager and administrative support in place • Prioritisation of cases to reduce risk to individuals • Regular reporting to Strategic Leadership Team • Best interest assessors (1.5 FTE's) seconded into DoLS team for 12 months 	<p>To be scored</p> <p><i>(Scored as 12 - impact 4, likelihood 3 – by Directorate)</i></p>	<ul style="list-style-type: none"> • Secondment of additional resources into DoLS team 	<p>Awaiting update</p>

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

27 JANUARY 2015

SUBJECT:	<i>REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>HEAD OF LEGAL AND MEMBER SERVICES</i>
KEY DECISION?	<i>NO</i>

1.0 EXECUTIVE SUMMARY

- 1.1 This report summarises the use of covert surveillance by the Council between 1 September 2014 and 9 January 2015.
- 1.2 This report was requested in the work plan for the Committee.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Regulation of Investigatory Powers Act 2000 (RIPA) governs how public bodies use surveillance methods. The Council may use covert surveillance for the purpose of preventing or detecting crime or preventing disorder.
- 2.2 The origin of RIPA lies in the Human Rights Act 1998 which places restrictions on the extent to which public bodies may interfere with a person's right to respect for his or her home and private life and correspondence during the course of an investigation into suspected criminal activities. The provisions of RIPA ensure (in summary) that any such interferences are in accordance with the law and are necessary and proportionate (i.e. the seriousness of the suspected crime or disorder must outweigh any possible interferences with the personal privacy of the persons being investigated and of persons who associate with them).
- 2.3 The Council's Constitution authorises Directors to designate Heads of Service and Service Managers to authorise the use of covert surveillance in accordance with the procedures prescribed by RIPA. Since 1 November 2012 such authorisations require the further approval of a magistrate.
- 2.4 The Office of Surveillance Commissioners (OSC) is responsible for overseeing the operation of RIPA. The OSC inspected the Council on 8 June 2012. The outcome of that inspection was reported to the Committee on 19 September 2012. The Committee approved amendments to the Council's Policy and Guidance Document made in response to the Report which were adopted by the Cabinet on 18 October 2012.
- 2.5 On 18 September 2013 the Committee approved an updated Policy and Guidance Document. It was further updated to reflect changes in legislation and approved by the Committee at its meeting on 18 March 2014.

3.0 THE USE OF RIPA BY THE COUNCIL

- 3.1 Since 1 September 2014 the Council has used covert surveillance with the intention of detecting evidence of criminal behaviour as set out below.
- 3.2 On 5 December 2014 a magistrate approved an authorisation to use covert surveillance to detect suspected criminal damage and harassment of Council staff at a public toilet in the Wirral.

4.0 CHANGES IN LEGISLATION

- 4.1 The Protection of Freedoms Act 2012 came into force on 1 November 2012 and made the following changes to the law;
- A Magistrate's approval is required for a local authority's use of RIPA. It is in addition to the authorisation needed from a senior officer and the more general oversight by elected councillors.
 - Use of RIPA to authorise directed surveillance is confined to cases where the offence under investigation carries a custodial sentence of six months imprisonment or more except in relation to underage sales of alcohol and tobacco, where this sentencing threshold will not apply.

5.0 RELEVANT RISKS

- 5.1 These have been discussed in previous reports.
- 5.2 There is a risk that some investigations of anti-social behaviour will not be able use covert surveillance because the suspected criminal behaviour does not carry a custodial sentence of 6 months or more.
- 5.3 The Anti-Social Behaviour Team are however intent on applying to the Court for approval of covert surveillance in suitable cases of suspected harassment of individuals which would amount to an offence under the Protection from Harassment Act 1997 (which can attract a sentence of 6 months or more imprisonment).

6.0 OTHER OPTIONS CONSIDERED

- 6.1 None.

7.0 CONSULTATION

- 7.1 None.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 None.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 None at present.

10.0 LEGAL IMPLICATIONS

10.1 The Protection of Freedoms Act 2012 which restricts local authorities use of covert surveillance came into force on 1 November 2012.

11.0 EQUALITIES IMPLICATIONS

13.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No because there is no proposal which is relevant to equality.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 None.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 See paragraphs 4 and 6.

14.0 RECOMMENDATION/S

14.1 That the Committee note the contents of this report on the use of covert surveillance.

15.0 REASON/S FOR RECOMMENDATION/S

15.1 The Home Office Code of Practice on covert surveillance requires every Council to report quarterly on its use of RIPA.

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REFERENCE MATERIAL

Authorisations for directed surveillance - exempt from publication because they relate to individuals and may be the subject of continuing investigations into alleged criminal behaviour.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Reports to the Audit & Risk Management Committee	28 September 2011 1 February 2012 14 June 2012 19 September 2012 10 June 2013 18 September 2013 28 January 2014 18 March 2014 17 September 2014
Report to the Cabinet	18 October 2012

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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

27 JANUARY 2015

SUBJECT:	SUPPORTING PEOPLE CONTRACT EXTENSIONS- EFFICIENCY SAVING FROM SUPPORTING PEOPLE BUDGET 2014/15
WARD/S AFFECTED:	ALL
REPORT OF:	STRATEGIC DIRECTOR: REGENERATION AND ENVIRONMENT
RESPONSIBLE PORTFOLIO HOLDER:	CLLR. GEORGE DAVIES – HOUSING AND COMMUNITY SAFETY
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides details regarding the negotiation of all Supporting People contracts in order to deliver £2 million per year savings from 2014/15 and a further reduction of £150,000 from 2015/16. It identifies a number of contracts that have been extended, under the Contract Procedure Rules and provides details of the revised Supporting People funding arrangements.
- 1.2 The savings have been realised whilst the Council and Providers continue to ensure that vulnerable clients receive support which is tailored to meet their assessed need. Due to the contractual relationship between the Council and providers it was necessary to enter in to new agreements during 2013/14 and 2014/15. All contacts were negotiated on the basis of a one year extension with an option to extend for further year and in accord with Contract Procedure Rules these were approved by Strategic Director: Regeneration & Environment and Director of Resources.
- 1.3 During the next 12/18 months officers will conduct a further strategic review of Supporting People services. Due to the timing of the original negotiations many contracts are now set to lapse and therefore further extensions have been approved by the Strategic Director Regeneration & Environment and Director of Resources based on the renegotiated values.
- 1.4 This report includes an appendix containing specific financial information relating to the contract values. Due to the commercial sensitivity of this information, and the potential for the disclosure of this information to disadvantage the Council in any future tendering exercise, it is considered that the appendix should be considered exempt by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Supporting People (SP) programme aims to support individuals experiencing crises by enabling vulnerable people to remain independent

through the provision of front-line housing-related support services and therefore not requiring more costly service interventions. The services are funded by the Council but are delivered, through a contractual framework, by external provider organisations, specifically providing housing related support to those clients who would not meet statutory intervention, however the preventive nature of these services is intended to prevent clients deteriorating and requiring more costly services.

- 2.2 The programme was designed to fund support services that work with vulnerable individuals to help them gain the skills needed to live more independently, with ongoing support where this is needed, and to find and keep their own homes. Services are provided either through supported housing such as homeless hostels, sheltered housing, women's refuge, semi independent living/move on accommodation or by visiting support delivered in the clients own home.
- 2.3 SP contracts have been awarded to a range of organisations (voluntary, charitable, private sector, Housing Associations) to provide front-line support services to up to 5300 vulnerable and or disadvantaged Wirral people. The clients supported consist of: Women at risk of domestic violence; Older People with support needs; Older People with Dementia; Frail elderly; People with Mental health problems; People with Learning Disabilities; Young People at risk; Young People Leaving Care; Teenage Parents; Single Homeless with Support Needs; Offenders and People at risk of offending; Mentally-Disordered offenders; People with Drug problems; People with Alcohol problems; Homeless families with support needs; Rough sleepers.
- 2.4 The work undertaken has resulted in achievement of the required £2 million saving for 2014/15 (budget reduced to £7.4 million) and £150,000 for 2015/16 (budget reducing to £7.25 million). This has been achieved through contract negotiation with service providers and some remodelling of service activities. The contracts continue to demonstrate value for money for the Council when benchmarked against comparable services in other authorities. The process is compatible with the Supported & Special Needs Housing Procurement Methodology and in accord with the Contract Procedure Rules.
- 2.5 Due to the Councils continuing financial pressure, the extensions were awarded for 1 year only with an option to extend for a further year. However it has become necessary to extend for a further 12 months to allow full consultation regarding the services. The Strategic Director Regeneration & Environment and Director of Resources have approved the extensions.

New Contract Awards

- 2.6 The Strategic Director also authorised the award of 3 new contracts to providers, previously commissioned by Adult Social Care, to deliver support services to clients in the outsourced supported living schemes (subject of a report to Cabinet dated March 2012).

- 2.7 The Supporting People contract for a 'Shared Lives' service was extended to 9 July 2014 to allow time for Adult Social Services to tender a joint contract for the service. The award of the new contract has been reported by Adult Social Services as that department will hold and manage the joint contract on behalf of the Council. A contribution of Supporting People funding, up to a maximum of £300,000 per annum, will be paid to Adult Social Care.
- 2.8 In order to assist with the strategic priorities identified by Director of Children and Young People the Strategic Director for Regeneration and Environment agreed to commission a Pilot Service, for a 2 year period, to provide emergency accommodation and support for homeless 16 and 17 year olds. The cost of the service is £118,645 per annum. It is anticipated that the development of this service will result in a significant saving for Families and Wellbeing (a net saving to the Council of approximately £95,000). This was the subject of a report to Cabinet on 7 November 2013.
- 2.9 Officers have also negotiated the reconfiguration of a number of Supporting People funded services for vulnerable young people (16/17) allow dedicated access for Care Leavers and reduce the need for more costly service provision. This has assisted Children's Services to achieve budget savings.

Future considerations

- 2.10 During the next 12/18 months officers will conduct a further strategic review of Supporting People services and complete individual scheme reviews which will also take into consideration the emerging local need for these services and changes to EU Procurement regulations that may result in full tender of services.
- 2.11 Wirral along with 4 of the Greater Merseyside Authorities has successfully bid for CLG funding of £196,897. This will provide a cross authority service to support homeless clients, with complex and multiple need, to deliver intensive support based on an individual support plan. As part of the bid each Council agreed to contribute £13,200 for the duration of the service, which has been approved by the Strategic Director of Regeneration and Environment.
- 2.12 There is evidence that these clients use Health and Social Care Services considerably more than other groups and are often involved with the Criminal Justice system. Such interventions are costly to the public purse and it is expected that the Project will have cost benefits for Social Care and our Health and Criminal Justice Partners. In addition to supporting the individuals the service will enable the Authorities to map the client journey and to allow strategic development of improved service user pathways. Finally, as each LA has committed to undertaking the Gold Standard for Homelessness this includes mapping the relevant services, which will be supported by the implementation of the project. This project will assist Wirral meeting Statutory Homelessness duties.

3.0 RELEVANT RISKS

- 3.1 Loss of service provision for some of Wirral's most vulnerable residents, with potential negative impacts on the wider community.
- 3.2 In the event that contract arrangements cannot be agreed there will be increased pressures on other departmental budgets including Housing, Adult Social Care and Children and Young People. There may also be increased instances of rough sleeping and homelessness arising from tenancy breakdown.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options were considered for this report.

5.0 CONSULTATION

- 5.1 Consultation has been carried out with all Supporting People Service providers affected by the reduction in funding, along with relevant stakeholder and partners. The Providers have, in turn, consulted with the users of their services to inform them of changes to their tenancy arrangements and the reasons for the changes.
- 5.2 As part of the strategic review further consultation will be conducted as required.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 Some of the providers awarded a contract for supported living services are Wirral based voluntary organisations. These organisations are reliant on appropriate funding in order to remain financially viable. These issues have been and will continue to be considered as part of the ongoing negotiation process.
- 7.1 There are no outstanding previously approved actions.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 The required savings of £2 million for 2014/15 and a further £150,000 for 2015/16 have been achieved. The ongoing value of the contracts will be met from the Supporting People budget. A detailed breakdown of contract values, based on previous utilisation levels can be found in the Appendix 1.
- 8.2 There are no IT, staffing or asset implications arising from this report.

9.0 LEGAL IMPLICATIONS

- 9.1 Legal and Member Services have determined that Supporting People services are currently provided as Part B as they maintain clients' health and wellbeing by assisting them to remain independent within the community. Therefore there

is currently no legal requirement to undertake a formal competitive tender for the commissioning of these services.

9.2 At the time of negotiations, Contract Procedure Rules 21.1.1(ii) and (v) enabled contracts to be negotiated without competitive tender whether by an extension of an existing contract or by the negotiation with an existing contractor if: there has been an assessment, in consultation with the Director of Resources, of the options available; the negotiation of the contract represents value for money to the Council; consent has been received from Director of Resources.

9.3 All key decisions on the programme have been taken in strict accordance with the Council Procurement Policy and process. They have been ratified and agreed by Strategic Director: Regeneration and Environment and the Director of Resources in line with delegated decision making authority.

10.0 EQUALITIES IMPLICATIONS

10.1 There is no direct impact on equality strands as a result of the proposed actions set out within this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are no Carbon reduction implications arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no Planning implications arising from this report.

12.2 The continuation of these contracts supports policies and programmes that will have a positive effect on the safety of communities.

13.0 RECOMMENDATION

13.1 Members' endorse the decisions of Strategic Director: Regeneration and Environment and Director of Resources to award contract extensions as detailed in Appendix 1 whilst achieving the required £2.15 million savings for 2014/15 and 2015/16.

14.0 REASONS FOR RECOMMENDATIONS

14.1 By endorsing this recommendation the Council will ensure continuation of supported housing services for some of the most vulnerable residents of Wirral.

APPENDIX

Schedule of Supporting People Contracts

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SUBJECT HISTORY

Council Meeting	Date
Emergency accommodation provision for 16 & 17 year olds	7 November 2013
Supporting People: Process to Achieve £2 million Budget Saving	22 April 2013
Budget Options: Regeneration and Environment	18 February 2013
Budget 2013/16 - Initial Proposals	20 December 2012
Supporting People Contracts for Providers of Services to People at Risk of or Experiencing Social Exclusion	19 July 2012
Virement from Regeneration, Housing and Planning Budget to Adult Social Services	15 March 2012
Supporting People Contracts	13 October 2011
Supporting People Contracts Report	14 April 2011

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

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