



**Haringey** Council

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## Special Corporate Committee

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THURSDAY, 21ST JULY, 2011 at 19:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

**MEMBERS:** Meehan(Chair) Watson, Griffith, McNamara, Amin, Khan(Vice Chair) Gorrie, Whyte, Jenks, Williams.

### AGENDA

**1. APOLOGIES FOR ABSENCE**

**2. URGENT BUSINESS**

The Chair will consider the admission of any late report in relation to the item shown on the agenda. Please note that under the Council's Constitution – Part 4 Section B paragraph 17 – this being a special meeting of the Corporate Committee no other business shall be considered.

**3. DECLARATIONS OF INTERESTS**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

**4. DEPUTATIONS/PETITION/ QUESTIONS**

To consider any requests received in accordance with Part 4, Section B, Paragraph 29 of the Council's Constitution.

**5. SHARED SERVICES PREFERRED PARTNERSHIP WITH LONDON BOROUGH OF WALTHAM FOREST - UPDATE REPORT (PAGES 1 - 26)**

To update the Committee on the development and implementation of the Shared Services Preferred Partnership with London Borough of Waltham Forest.

**6. INTEGRATION OF BENEFITS, LOCAL TAXATION AND CUSTOMER SERVICE INTEGRATION RESTRUCTURE (PAGES 27 - 36)**

Report of the Director of Corporate Resources – To provide an overview of the proposed integration and resultant structure of the Benefits, Local Taxation and Customer Services.

**7. USE OF CONSULTANTS - FOLLOW-UP INTERNAL AUDIT REPORT (PAGES 37 - 44)**

Report of the Director of Corporate Resources – to update the Committee on the follow up review of the Use of Consultants Audit, previously reported to Audit Committee on 19 April 2011.

**8. CORPORATE RISK MANAGEMENT POLICY AND STRATEGY 2011-12 AND CORPORATE RISK REGISTER JUNE 2011 (PAGES 45 - 70)**

Report of the Director of Corporate Resources – To provide the Committee with an updated Corporate Risk Management Policy and Strategy for review and approval, and also a copy of the current corporate risk register for review.

**9. INTERNAL AUDIT PROGRESS REPORT - 2011/12 QUARTER 1 (PAGES 71 - 96)**

Report of the Director of Corporate Resources – To advise the Committee of the work undertaken during the first quarter by the Internal Audit Service in completing the 2011/12 annual audit plan and reports issued for outstanding 2010/11 audits, together with the responsive and housing benefit fraud investigation work, and to provide details of the work undertaken by Council's Human Resources business unit in supporting disciplinary action taken across all departments by respective Council Officers.

**10. SHARED ECONOMIC SERVICE (PAGES 97 - 108)**

Report of the Director of Place and Sustainability – to seek approval to establish the new Shared Economic Development Service for Haringey and Waltham Forest.

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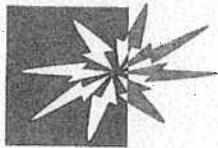
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13 July 2011

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Agenda item:

[No.]

Corporate Committee

On 21<sup>st</sup> July 2011

Report Title. Shared Services Preferred Partnership with London Borough of Waltham Forest - Update Report

Report of Chief Executive

Signed :

Contact Officer : Tim Dauncey Interim Director of Special Projects

Wards(s) affected: [All / Some (Specify)]

Report for: [Key / Non-Key Decision]

**1. Purpose of the report (That is, the decision required)**

1.1. The purpose of this report is to update Corporate Committee on the development and implementation of the Shared Services Preferred Partnership with the London Borough of Waltham Forest. A Memorandum of Understanding (MOU) attached at Appendix A was agreed between the 2 boroughs in December 2010 and significant work has been undertaken during the last 6 months .

**2. Introduction by Cabinet Member (if necessary)**

2.1. [click here to type]

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1. The shared services partnership between London Boroughs of Waltham Forest (LBWF) and Haringey (LBH) provides another tool to help us deliver customer

focused, cost effective services that are responsive to people's needs , producing increased satisfaction reflected in a high performing organisation that delivers value for money.

**4. Recommendations**

4.1. Corporate Committee are asked to consider the report and note the progress to date in the development and implementation of the shared service partnership.

**5. Reason for recommendation(s)**

5.1. The report provides a detailed report on the progress of the Shared Service preferred partnership with Waltham Forest since the signing of the MOU to provide information for members of the Corporate Committee.

**6. Other options considered**

6.1. None

**7. Summary**

**7.1 Background**

7.1.1 The MOU sets out the principles and framework for agreeing and implementing shared services where it makes business sense. Through sharing, both boroughs aim to improve the service offer to residents, create service resilience, achieve better value for money, make cost savings and improve career prospects for staff.

7.1.2 To underpin the commitment to improving services for residents and delivering value for money, the Boroughs have agreed to share the following values when developing and delivering shared services:

- **Innovation:** seeking innovative and imaginative solutions to improve service delivery and create resilience.
- **Challenge:** being open to challenge from each other – as well as by regional and national bodies.
- **Best practice:** utilising best, and “next/future practice” approaches to procurement.
- **Best fit:** adopting a “best fit” approach to seeking solutions.
- **Partnership:** developing positive and effective partnership working across the partner bodies.
- **Accountability:** achieved through delivery of agreed outcomes within a sound governance framework.
- **Transparency:** making open and clear decisions and demonstrating the

improvements and savings made from shared services to residents and scrutiny bodies within each Council.

- **Information sharing:** sharing information and seeking to keep each other informed whilst respecting legal obligations of confidentiality and data protection.

7.1.3 Joint meetings of the Leaders of each Council, Chief Executives, programme offices, senior management teams, wider management teams and project groups have taken place since the MOU was signed. These have established each borough's starting point, identified the challenges and potential ways of progressing shared arrangements.

7.1.4 Shared services has been identified as the key to making further and more substantial savings in the future. Shared services is also a way of delivering other savings commitments by securing a better service than either authority could maintain individually following the level of reductions both councils are making over the next 2 years.

## **7.2 Shared Service Criteria**

7.2.1 As well as sharing a common set of values, both Boroughs have agreed a set of criteria that each service is assessed against as part of the process to evaluate potential opportunities. These criteria help to determine whether a shared service is suitable and the criteria used are as follows:

- Strategic Fit
- Political alignment
- IT Compatibility
- Business Processes
- Staffing Arrangements
- Service Standards
- Cost Sharing/VFM
- Risk
- Organisational Issues
- Delivery Timescales
- Ease of Implementation

## **7.3 Opportunities identified for Sharing**

7.3.1 The original MOU identified a number of possible opportunities for sharing services and these are listed below. In addition new opportunities have been identified and included in the programme. These have been assessed against the criteria above and progress on each of these opportunities is detailed in Appendix B (attached).

- Economic Development
- Human Resources Shared Service Centre
- OD& Learning

- Audit and Insurance Services
- Contact Centre
- Planning and Building Control back office
- Building Cleaning
- Regulatory Services (including Trading Standards)
- One SAP solution
- Policy and Performance
- Communications
- Electoral Services
- School Meals
- Legal Services

#### **7.4 Other Shared Services Activities**

7.4.1 Both Haringey and Waltham Forest are members of the North London Strategic Alliance (NLSA) who have developed a program for collaborative working between all the boroughs (including Barnet, Camden, Enfield, Hackney and Islington). The work of this group has focused primarily on a joint procurement programme for a number of key services including construction, passenger transport, fostering and adoption etc.

#### **7.5 Enabling Activities**

7.5.1 Although the focus of work has rightly been to identify and evaluate opportunities for sharing services, it was clear both councils needed to enable the process of sharing services to proceed in a consistent and structured framework. This requires a 'joined up' approach to be taken on a number of important activities and work is underway to implement a framework including the following activities :

- Consistent messages to staff and stakeholders.
- Requirements for co location, accommodation reviewed jointly by facilities management.
- Both Finance services agreeing a benefits sharing realisation framework.
- Sharing of staff, employment issues, contracts, job descriptions, possible TOPE arrangements and general HR advice and support.
- Creating Service Level Agreements (SLA) for potential shared services, and developing the contractual agreements for managing the individual partnerships for sharing costs, specifications, length of contractual arrangements and ability to terminate arrangements if required.

- Joint programme team to ensure consistent approach to programme management.

### **7.6 Capital Ambition Funding**

7.6.1 The Preferred Partnership achieved external endorsement in April 2011 through a successful bid for Capital Ambition funding. The programme was awarded £350k in 2011/12 and, subject to satisfactory progress, an additional £400k in 2012/13. This is a substantial award and should provide the necessary resources to move the programme on at pace

### **7.7 Corporate Committee Specific Issues**

7.7.1 A series of employment issues are being addressed and these include:

- Establishing a protocol for Member appointments & officer appointments.
- Reviewing the two respective recruitment processes.
- Aligning change process so reorganisations across boroughs are comparable.
- Managing ring fences.
- Determining methods and levels of assessment (as JD's may be different).
- Cross borough redeployment
- Managing cross borough consultations and comments arising from these.
- Standard approach to job roles, grading, competencies.
- Management spans of control/structures.
- Finalising a standard agreement for secondments.
- Developing and agreeing an employer agreement covering:
  - Liability
  - Handling feedback
  - Appraisal process
  - Formal procedures
  - Ending employment on one or both partners
  - Employment terms & conditions

7.7.2 Work is being undertaken with each of these areas. A small team of staff from both boroughs has been formed to provide the employment protocol, including the issues listed above. In the longer term the boroughs may wish to consider the establishment of a dedicated vehicle to facilitate the employment of staff and provision of services.

## **8. Chief Financial Officer Comments**

8.1 The scale of continuing the financial challenge facing the Council in light of the 2010 Spending Review and the associated local government financial settlement is

very significant. It is vital; therefore, that the Council identifies sufficient savings in future years to ensure core services can continue to be delivered.

8.2 The proposed partnership arrangement with Waltham Forest Council will deliver a meaningful contribution to our savings target in the medium term. Where appropriate savings arising from the projects identified in this report are being captured in the Medium Term Financial Strategy.

**9. Head of Legal Services Comments**

9.1. There are numerous statutory powers which allow local authorities to engage in shared services and make arrangements to facilitate shared services. These include the well being powers contained in section 2 of the Local Government Act 2000, powers to arrange for other local authorities to carry out functions contained in the Local Government Acts 1972 and 2000 and the power to supply goods and services to other public bodies (including other local authorities) contained in the Local Authority (Goods & Services) Act 1970. Specific legal advice will need to be obtained in respect of individual proposals.

**10. Equalities & Community Cohesion Comments**

10.1. Any services identified for a shared service implementation would need to be subject to an Equalities Impact Analysis

**11. Use of appendices /Tables and photographs**

- 11.1. Appendix 1 Memorandum of Understanding
- 11.2. Appendix 2 Shared Services Progress Report

**12. Local Government (Access to Information) Act 1985**

12.1. Report to cabinet 21/12/2010 – Agreement of Memorandum, of Understanding between the London Borough of Waltham Forest and Haringey to set up a shared services strategy

Appendix 1

Memorandum of Understanding

**LONDON BOROUGHS OF HARINGEY AND WALTHAM FOREST  
MEMORANDUM OF UNDERSTANDING: SHARED SERVICES**

**1 SCOPE AND STATUS**

- 1.1 This memorandum of understanding (MOU) is between the London Boroughs of Waltham Forest and Haringey (the Boroughs) setting out:
  - 1.1.1 A shared commitment to be each other's preferred partner for all shared services opportunities;
  - 1.1.2 The principles and objectives in sharing services;
  - 1.1.3 The framework and governance for developing proposals; and
  - 1.1.4 Initial agreement on the first service areas to be considered for a joint service.
- 1.2 The MOU further sets out the current understanding of the Boroughs' roles and responsibilities and the relationship of this agreement to other shared service opportunities.
- 1.3 This document is not intended by either party to be legally binding in any way nor does it represent a complete summary of the Boroughs' aims and proposals.

**2 BACKGROUND**

- 2.1 The Boroughs are neighbouring unitary local authorities in North East London with identical statutory duties and powers within their respective geographical areas.
- 2.2 The Boroughs have both explored and continue to explore shared service opportunities with a range of partner authorities and bodies, including but not limited to East London Solutions and the North London Strategic Alliance. In a number of service areas, both Boroughs are already working successfully with other partners and, subject to this agreement, will continue to do so.
- 2.3 The Boroughs, however, both recognise they will be required to make substantial budget savings in the foreseeable future but also share a common priority of improving and focussing services on the needs of residents.
- 2.4 To this end, the Boroughs agree that joint and shared services are the practical means to create resilient and improved services for residents within the joint area whilst delivering financial savings.

### 3 AIMS AND PRINCIPLES OF JOINT WORKING

#### 3.1 Overall vision

3.1.1 The Boroughs core aims are to share services to deliver:

3.1.1.1 Improved and resilient services in both areas focussed on and responding to the needs of residents, *and*

3.1.1.2 Value for money and financial savings.

3.1.2 The Boroughs' approach to all shared service opportunities will be pragmatic and flexible in meeting these aims. There will be no preferred delivery vehicle for joint working.

#### 3.2 Principles of joint working

3.2.1 The Boroughs will be each other's preferred partner for all shared services opportunities. Where a service or function is assessed by either borough as appropriate for a shared service, that borough will seek first agreement with the other borough under the terms of this MOU.

3.2.2 If either Borough is not ready or able to share services or has an existing partner, each Borough is able to seek other partners.

3.2.3 Where one of the Boroughs seeks other partners for shared services opportunities, any arrangement or agreement reached should allow for the other Borough to join that arrangement at a future date.

3.2.4 For services and functions where there are no current proposals for shared services, the Boroughs will pro-actively work towards aligning those services (e.g. structures, scope, procurement cycles, business processes, IT) to make future sharing opportunities viable and to enable "soft" sharing of skills, knowledge and resources.

#### 3.3 Values

3.3.1 To underpin the commitment to improving services for residents and delivering value for money, the Boroughs will share the following values when developing and delivering shared services:

- **Innovation:** seeking innovative and imaginative solutions to improve service delivery and create resilience
- **Challenge:** being open to challenge from each other – as well as by regional and national bodies



- **Best practice:** utilising best, and “next/future practice” approaches to procurement
- **Best fit:** adopting a “best fit” approach to seeking solutions
- **Partnership:** developing positive and effective partnership working across the partner bodies
- **Accountability:** achieved through delivery of agreed outcomes within a sound governance framework
- **Transparency:** making open and clear decisions and demonstrating the improvements and savings made from shared services to residents and scrutiny bodies within each Council
- **Information sharing:** sharing information and seeking to keep each other informed whilst respecting legal obligations of confidentiality and data protection.

3.3.2 These values apply equally after a shared service agreement is implemented to ensure that there is continuous improvement of services and value for money.

#### 4 **FRAMEWORK FOR JOINT WORKING**

- 4.1 The Boroughs will develop a framework to progress each shared service opportunity with the intention of creating a model agreement for sharing services to allow for the quick implementation of identified shared services opportunities.
- 4.2 The initial shared service opportunities are set out in **Schedule 1** and they will be tested against the Compatibility Analysis.
- 4.3 Services passing that gateway will be progressed in accordance with the Implementation and Engagement process at **Schedule 2**.
- 4.4 For all services not currently subject to shared services projects, will aim to align all aspects of service provision to facilitate future joint working in accordance with 3.2.4.

#### 5 **GOVERNANCE ARRANGEMENTS / LEGAL POWERS**

- 5.1 The initial corporate governance structure is set out at **Schedule 3**.
- 5.2 For the avoidance of doubt, it is not proposed at this stage that any of the bodies set out in Schedule 4 (the Governance Bodies) have any delegated powers on behalf of either or both of the Boroughs nor do they constitute any form of committee of the executive of either borough or a committee or sub-committee of either borough under the Local Government Act 1972. Consequently, the legal framework relating to executive arrangements and/or committee meetings including but not limited to access to information and political balance do not apply to these meetings.

- 5.3 Governance Bodies' meetings will be subject to the provisions of the Freedom of Information Act 2000, Environmental Information Regulations 2005 and any other applicable information legislation or regulations.
- 5.4 Requests for information and management of responses will be dealt with under a Protocol to be agreed in accordance with **Schedule 4**.
- 5.5 The boroughs shall be mindful of the need not to prematurely disclose documents or decisions relating to meetings of the Governance Bodies' ahead of formal decision or ahead of any agreement by the relevant body to circulate the information more widely.
- 5.6 The Boroughs have a range of powers to enter into joint arrangements for the delivery of services including but not limited to sections 2, 19 and 20 of the Local Government Act 2000 (and regulations made there under), sections 101 and 111 of the Local Government Act 1972 as well as specific powers in relation to joint provision of specific service areas. Both authorities are also subject to a duty to achieve best value in the discharge of their functions under section 3 of the Local Government Act 1999.
- 5.7 It is worth noting also that the current Government will propose a "general power of competence" in the Localism Bill to be published in November 2010, which subject to its passage, commencement and any statutory restrictions on the power is likely to support shared service arrangements.
- 5.8 The Boroughs agree that:
  - 5.8.1 All decisions will be made in accordance with their existing Constitutional requirements, executive arrangements and schemes of delegation and will be subject to their scrutiny arrangements.
  - 5.8.2 Each shared service will:
    - 5.8.2.1 Be subject to a legal agreement between the Boroughs;
    - 5.8.2.2 Have the necessary legal powers to discharge the functions delegated to it;
    - 5.8.2.3 Be provided through an appropriate delivery vehicle determined on a case by case basis;
    - 5.8.2.4 Have proportionate governance arrangements to ensure the proper discharge of those services;
    - 5.8.2.5 Be subject to scrutiny arrangements in each borough;
    - 5.8.2.6 Ensure compliance with all applicable laws and regulations;

5.8.2.7 Where necessary, data sharing agreements will be agreed and implemented; and

5.8.2.8 Clear financial agreements will be made on apportionment of costs and benefits on a case by case basis.

## **6 PERFORMANCE MANAGEMENT**

6.1 An appropriate performance management framework will be put in place and approved by the governance structure to cover:

6.1.1 The partnership itself;

6.1.2 Projects delivering shared service configurations; and

6.1.3 Subsequent operational performance of established shared services.

## **7 FUNDING**

7.1 The Boroughs agree:

7.1.1 The costs of the Governance arrangements, including the Board and the Joint Programme Team will be shared equally by the Boroughs;

7.1.2 The costs of programme activities from compatibility analysis to design of a shared service solution for each service in scope shall also be equally shared; and

7.1.3 The apportionment of costs to each Borough of implementing and operating the agreed shared service solution for each service shall be separately agreed informed by the specific business case and incorporated into the legal agreement for that solution in accordance with 5.11.8.

## **8 COMMENCEMENT, DURATION AND TERMINATION**

8.1 The MOU will commence from the date it is signed by the Chief Executives and Leaders and following the appropriate authorisations of its terms by the Boroughs' executives. Formal agreement is not, however, a barrier to developing existing shared service opportunities.

8.2 The duration of the MOU may be extended by mutual agreement of the Boroughs.

8.3 Subject to the provisions in 8.4, the MOU will terminate on the date of the local elections in 2014.

8.3.1 The MOU may be terminated at an earlier date by either party giving written notice to the other.

- 8.4 It is agreed that a decision to extend or terminate or agree to terminate the MOU under this clause is a key decision under the executive arrangements of each authority.

**9 REVIEW AND VARIATION**

- 9.1 The Boroughs recognise that their preferred partnering agreement will be a dynamic and iterative process as the programme of shared services progresses. This MOU must reflect this and require regular review including:

9.1.1 Quarterly review by the Senior Stakeholder Board (or any future top tier governance body);

9.1.2 Annual review submitted to the executives of both authorities; and

9.1.3 Each Borough's Leader agrees to retain executive power individually to vary the terms of this agreement and may further delegate this power to the Chief Executive of their authority.

**10 DISPUTE RESOLUTION**

- 10.1 In the unlikely event of a dispute which cannot be resolved through the Governance structure at 5.1, disputes will be resolved by agreement of the Chief Executives of both Boroughs in consultation with their respective executive leaders.

Schedule 1: Wave 1 and 2 services – Compatibility analysis

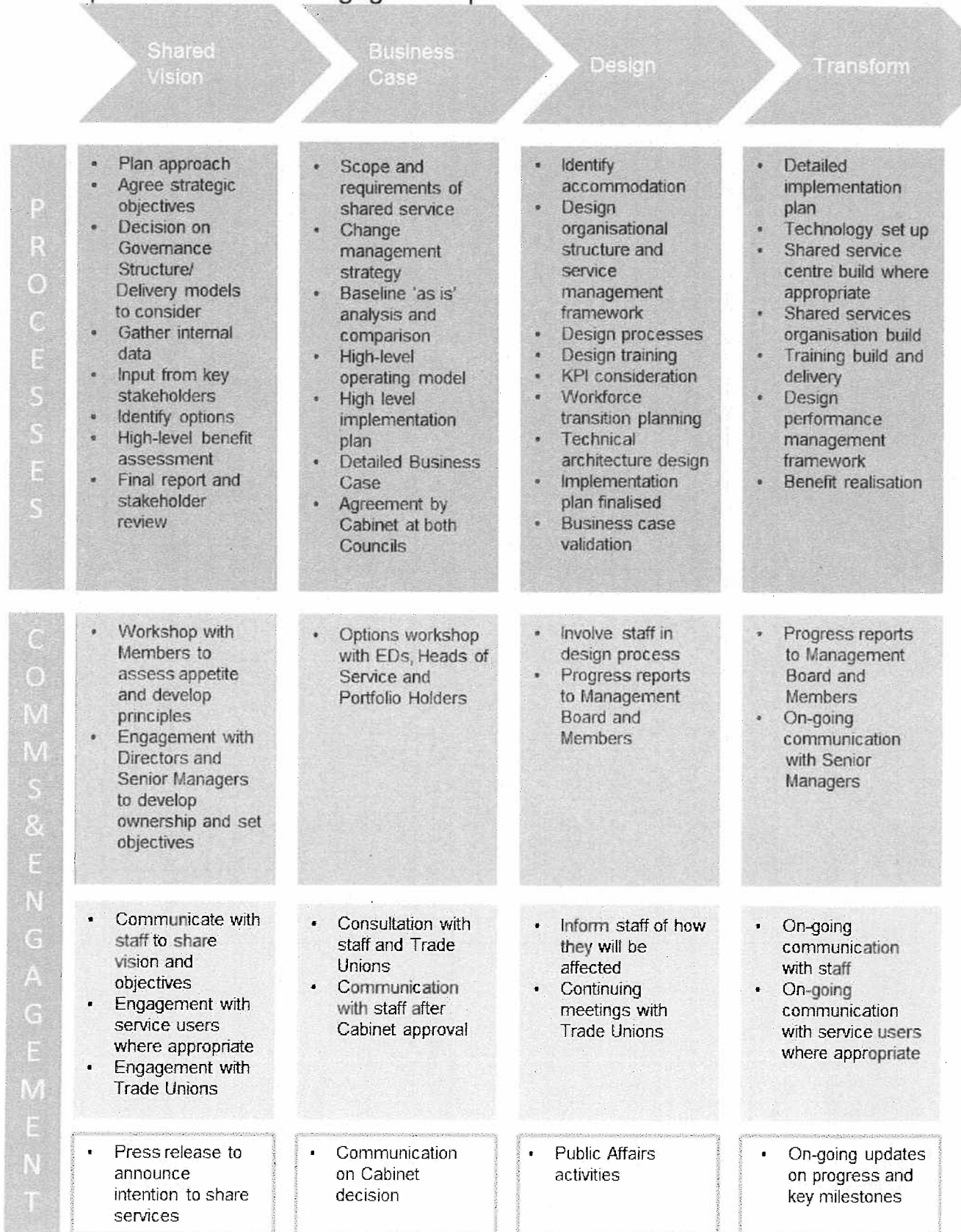
High level evaluation – RAG ratings

	Strategic Fit	IT Systems	Processes	Staff Arrangements	Governance	Service Standards	Cost Sharing	Risk Appetite	Org. Arrangements	Notes
<b>Phase 1 Services</b>										
Revenues and Benefits										
Call Centre										
School Meals										
Transactional Back Office										
* PCN (Parking) Processing										
* Transactional HR										
* Finance processing										
Legal Services										
OD and Learning										
Engineering Design										
Audit										
<b>Phase 2 Services</b>										
Adult Education										
Development Control										
Regeneration										
Regulatory Services										
CCTV										
Facility Management										
Property Services										
Youth Offending Team										
Diversity and Equalities										
Communications										
Performance										
Policy										

Schedule 2:

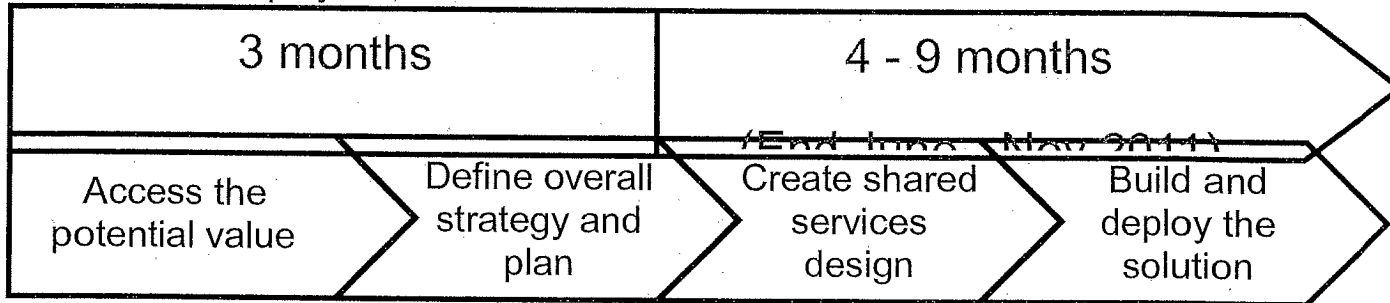
Report Template: Formal Bodies

2.1. Implementation and engagement process



2.2. Draft timetable

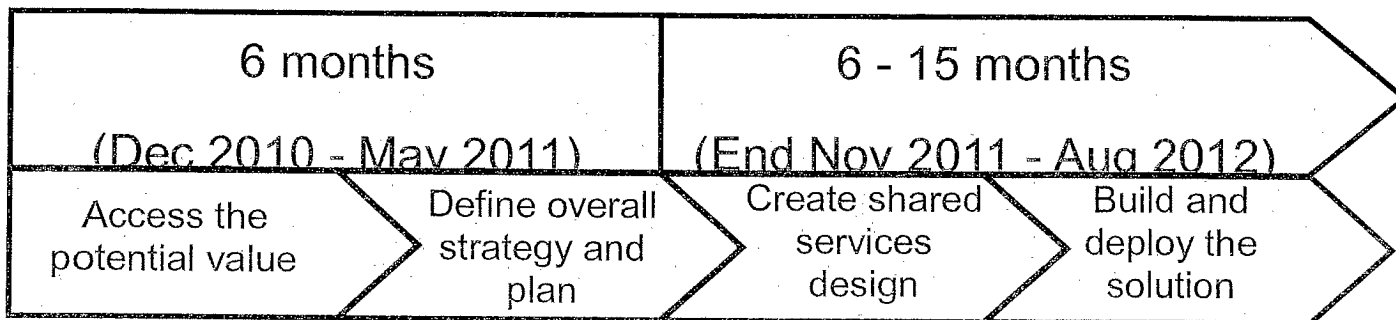
For small projects:



Wave 1 small projects:

- School meals
- Transactional HR
- Legal services
- OD and Learning
- Engineering design
- Audit.

For large projects:



Wave 1 large projects:

- Revenues & Benefits
- Call Centre
- Transactional Back-Office including PCN (Parking) and Finance processing.

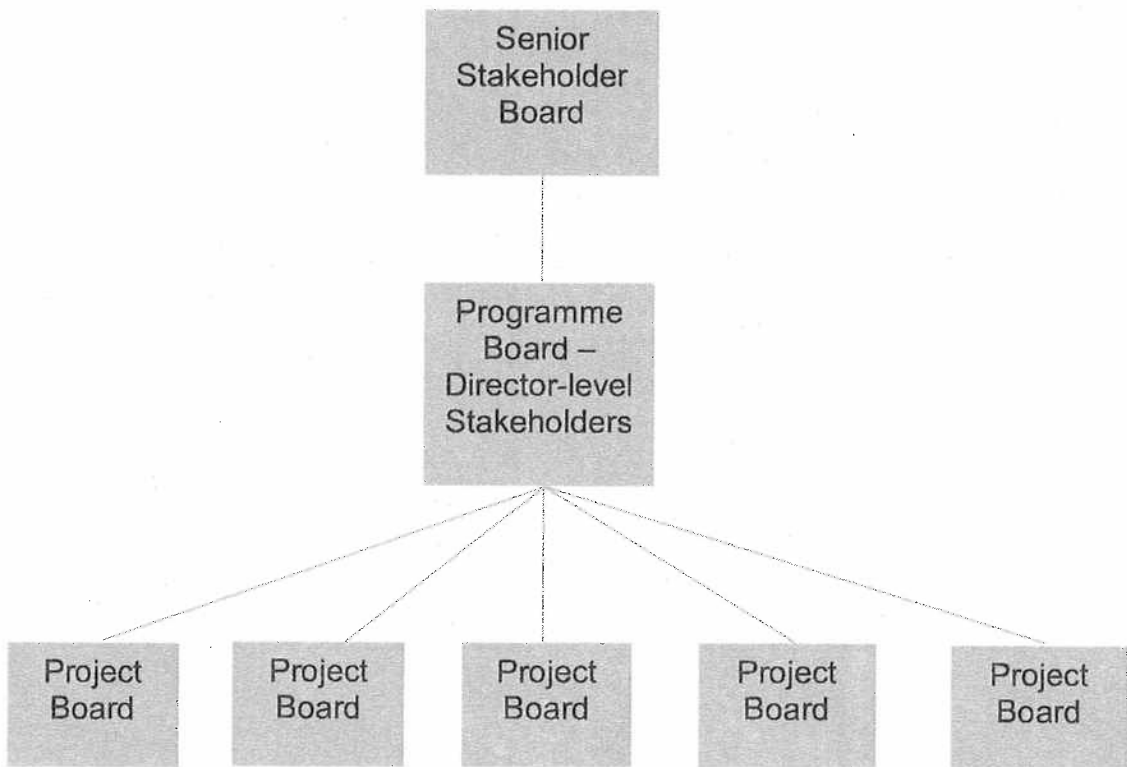
Timetabling is indicative only for small/large projects and will depend on a number of variables, for example:

- Selected operating model
- Infrastructure – IT; accommodation etc.
- Procurement
- Statutory consultation requirements
- Cabinet and Scrutiny timetabling
- Resourcing levels.

However, it should be expected that benefits can begin to be extracted upstream of full completion of implementation.

Schedule 3: Governance structure

3.1. Corporate governance for shared services



Board	Members	Function	Meetings
Senior Stakeholder Board	<ul style="list-style-type: none"> <li>• Kevin Crompton/Martin Esom (Programme Sponsors)</li> <li>• Claire Kober/Chris Robbins (Council Leaders)</li> <li>• Portfolio Holder for Shared Services LBWF)</li> <li>• Portfolio Holder for Finance and Sustainability (LBH)</li> </ul> <p>Supported by Programme Director</p>	<ul style="list-style-type: none"> <li>• Strategic Direction</li> <li>• Ensure all Senior Stakeholders are on-board and up to date</li> <li>• Issue and risk resolution (escalated from the Programme Board)</li> </ul>	<p>Monthly</p> <p>Chaired by Programme Sponsor (to rotate between Councils)</p>



<b>Programme Board - Director-level Stakeholders</b>	<p>From each Council:</p> <ul style="list-style-type: none"> <li>• Kevin Crompton/Martin Esom (Programme Sponsors)</li> <li>• Portfolio Holders for Shared Services</li> <li>• Director representing Corporate Resources (Finance, HR, IT, Property etc)</li> <li>• Legal representative (covering Democratic Services and Governance)</li> <li>• Communications representative</li> <li>• Directors representing the services proposed for sharing (to be discussed when best to include these Directors)</li> <li>• Capital Ambition representative (on invitation or when requested)</li> <li>• May need to consider Union representation at an appropriate stage, unless this is covered by regular Borough meetings with Unions</li> </ul> <p>Supported by Programme Director</p>	<ul style="list-style-type: none"> <li>• High level steering committee</li> <li>• Strategic/complex operational decisions</li> <li>• Issue and risk resolution (escalated from the Projects Board)</li> <li>• Sign-off of communications</li> <li>• Overall Budget monitoring</li> </ul>	<p>Fortnightly</p> <p>Chaired by Programme Sponsor (to rotate between Councils)</p>
<b>Projects Board</b>	<ul style="list-style-type: none"> <li>• Programme Director (joint across both Councils)</li> <li>• Programme Manager from each Council</li> <li>• Project Manager for each service project (joint across both Councils or from lead Council)</li> <li>• Capital Ambition representative in early stages (on invitation)</li> </ul>	<ul style="list-style-type: none"> <li>• Hands on, day to day management of the programme</li> </ul>	<p>Will vary throughout project - suggest weekly initially. Adjust frequency as needed</p>

Key decisions to be taken by Cabinet.

## SCHEDULE 4

### Principles for a Protocol for Handling Information Law Requests

1. The Boroughs will each nominate a head of service to agree a formal protocol for the receipt and response of requests under the Freedom of Information Act 2000, Environmental Information Regulations, Data Protection Act 1998 and any other legislative provision or common law ("information law") giving any person the right to request information from either or both borough and to receive a response ("information requests).
2. The Protocol will only address information requests that relate in whole or part to recorded information held by either or both Boroughs in respect of this Memorandum of Understanding and projects initiated under it.
3. The Protocol will ensure compliance with information law but also that requests are responded to in a consistent and efficient manner avoiding duplication.
4. The Boroughs agree that they will cooperate and consult with each other on information requests falling within the remit of this Protocol. The Protocol does not, however, fetter in any way, the separate statutory obligation on each Borough to respond to information requests.
5. The Protocol will include provision for:
  - a. A single point of contact for all information requests to be forwarded to;
  - b. Forwarding of all information requests to the single point of contact within two days of receipt in either borough;
  - c. Agreement on which Borough and/or service in each Borough will lead on individual requests;
  - d. A single point of contact for specialist advice on the request e.g. legal advice and that such advice will be paid for;
  - e. The consultation on draft responses to be agreed by both single points of contact where information requests result in disclosure of information held or about both authorities;
  - f. A central record of all information requests and responses to be held by one of the Boroughs;
  - g. Internal Review procedures for both authorities;
  - h. Procedures for handling complaints to the Information Commissioner and beyond, including legal advice and representation;

- i. Consultation with the Boroughs' communications teams on responses to requests deemed by either or both of the single points of contact as sensitive, including the forwarding of draft responses in advance of formal information responses being sent to applicants; and
  - j. Provision to ensure data sharing obligations under the Data Protection Act 1998 are met in respect of the sharing of personal information whilst responding to information requests under this protocol.
6. The Protocol is to be agreed by the **Programme Board**.



Haringey Council

Appendix B: SHARED SERVICES PROJECT SUMMARY UPDATE

PROJECT	SCOPE OF SHARED SERVICE OPPORTUNITY	POTENTIAL CASHABLE SAVINGS £	ANTICIPATED NON - CASHABLE BENEFITS
<p><b>1. Economic Development</b></p>	<p><b>Opportunity</b> Both boroughs were planning to undertake restructurings to reduce costs and the opportunity arose to join the services together to provide more resilience and make better use of the remaining resources available across both boroughs.</p> <p><b>Implementation Activity:</b> A shared service opportunity is now being implemented in the following phases:</p> <ul style="list-style-type: none"> <li>➤ <u>Phase 1:</u> Closer joint collaborative working across 2 boroughs to develop business case for creating shared service</li> <li>➤ <u>Phase 2:</u> Shared service with joint head overseeing the commissioning of activities with commissioning leads for each borough.</li> <li>➤ <u>Phase 3:</u> Single strategic service outsourced into a social enterprise</li> </ul> <p>Phase 1 is underway. Phase 2 is likely to slip from Jul to Sep 2011, due to the need to take a further report back to Corporate Committee in Haringey on potential staffing issues. Phase 3 is being planned for mid 2012.</p>	<p>£100,000</p>	<ul style="list-style-type: none"> <li>- Adding value to the service</li> <li>-Providing continuity and resilience</li> </ul>
<p><b>2. Human Resources Shared Services Centre</b></p>	<p><b>Opportunity</b> HR officers from both boroughs had been considering how they could share some of their services to produce efficiencies and maintain resilience. The MOU gave a structure to give this opportunity momentum.</p> <p><b>Implementation Activity:</b> This shared service opportunity is now being implemented as follows:</p> <ul style="list-style-type: none"> <li>➤ <u>Work stream 1:</u> Shared delivery model for Payroll control, Recruitment</li> </ul>	<p>£100,000</p>	<ul style="list-style-type: none"> <li>-more responsive to customer needs</li> <li>- more efficient higher service quality through</li> </ul>

	<p>administration and HR Metrics.</p> <ul style="list-style-type: none"> <li>➢ <u>Work stream 2</u>: Develop / Implement a shared HR Advisory Service.</li> <li>➢ <u>Work stream 3</u>: Develop / implement a shared payroll administration and employee records function.</li> <li>➢ <u>Work stream 4</u>: Develop opportunities for collaborating on employee Health &amp; Safety.</li> </ul> <ul style="list-style-type: none"> <li>• Payroll control to be live by Jun 2011, with Recruitment administration targeted for Sep 2011.</li> <li>• Single specification / blueprint for joint HR shared service by Sep 2011.</li> <li>• Final Business case for joint HR shared service by Sep 2011.</li> </ul>		simplified standardised processes
<p><b>3. OD&amp;Learning</b></p>	<p><b>Opportunity</b>                  Management vacancies at LBWF and reduced resources available to Haringey to undertake OD&amp;L work by 50% provided an opportunity leading to a project to share the management of the service immediately and plan for a full shared service between the 2 boroughs in the future.</p> <p><b>Implementation Activity:</b> This shared service opportunity is now being implemented as follows:</p> <ul style="list-style-type: none"> <li>➢ Commissioning of generic council-wide management &amp; skills development, e-learning and Adults OD&amp;L</li> <li>➢ Maximising the use of current and future framework agreements for OD&amp;L.</li> <li>➢ Develop management roles framework, tools and competencies.</li> </ul> <p>In view of the above, joint 'interim' management arrangements have been agreed and were introduced in Jun 2011.</p>	£150,000	-Ability to offer otherwise unsustainable services - Co-ordinated change management activity across the two boroughs
<p><b>4. Regulatory Services (including Trading</b></p>	<p><b>Opportunity</b>                  An outline business case for the shared consortia to provide a multi borough Trading Standards service was developed through East London Solutions by LB Redbridge and LBWF (with LBH being invited to join). LB Redbridge subsequently withdrew their wish to</p>	£300,000	-Providing the opportunity for continuity and

Standards )	<p>share and after discussion between LBWF and LB Enfield, a wider scope for sharing Regulatory Services (which now includes Trading Standards), is now being developed.</p> <p><b>Implementation Activity</b> A decision on what the scope of a shared service could cover will be completed by end of July 2011 with a proposed way forward being agreed in early August 2011.</p>		resilience of services - securing cost savings and sustainable efficiencies
5. Building - Cleaning	<p><b>Opportunity</b> One of the council's efficiency savings was to reduce the cost of building cleaning by considering market testing. LBWF are also facing similar pressures in this area.</p> <p><b>Implementation Activity</b> After a preliminary review there does not appear to be a substantial case for an integrated shared service. From July 2011 LBH will conduct some market testing in advance of commencing a formal procurement exercise to outsource cleaning. LBWF will be supporting LBH with the market testing / procurement exercise and will be named as a possible future partner.</p>	N/A	- gaining competitive advantage

6. Audit and Insurance Services	<p><b>Opportunity</b> Both boroughs have reduced their audit establishments and this opportunity could provide the ability to make further savings in both services</p> <p><b>Implementation Activity</b> After a preliminary review it is uncertain whether there is a substantial case for a fully integrated shared service at this point. Opportunities for potential integration / collaboration around the following areas within Audit will be considered:</p> <ul style="list-style-type: none"> <li>➤ Risk Management &amp; Insurance.</li> <li>➤ Major Counter Fraud initiatives</li> <li>➤ Automatic Systems Audit</li> </ul> <p>As sharing between the two boroughs increases in the short to medium term and staff become more aligned, it may be possible to develop joint audit programmes with a longer</p>	TBA	<p>-Raising quality and adding value to existing services</p> <p>-Co-ordinated approach to major fraud initiatives will increase effectiveness e.g. the ability</p>
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	<p>term possibility of fuller integration.</p>		<p>to blitz specific areas on identifying tenancy fraud</p>
<p><b>7. Contact Centre</b></p>	<p><b>Opportunity</b> Both authorities maintain call centres and an opportunity was identified to consider sharing this service in the future.</p> <p><b>Implementation Activity</b> The option for the creation of a Single Contact Centre is being undertaken with a view to developing a stand alone operation. In parallel with this development, market testing of the longer term options available with 3<sup>rd</sup> Parties will be explored. A pre-business case evaluating a number of critical areas (i.e. IT infrastructures, accommodation, assessment of costs, investment requirements etc), is being developed and this is planned to be produced by the end of Sep 2011.</p>	<p>TBA</p>	<ul style="list-style-type: none"> <li>- Leveraging transformation raising quality and adding value to existing services</li> <li>- Securing costs savings</li> <li>-releasing staff time for more customer facing activities</li> </ul>
<p><b>8. Planning &amp; Building Control -Back office services</b></p>	<p><b>Opportunity</b> Both organisations run separate Building Control functions and back offices supporting the Planning Development Control activities. Bringing these services together offers opportunities for efficiencies</p> <p><b>Implementation Activity</b> A joint review meeting to consider potential opportunities for shared services agreed that there were immediate opportunities to develop a joint shared service for Development management and Building control, and a draft business case for this will be developed by Aug 2011.</p> <p>Potential collaboration opportunities exist in Land charges and professional planning, and these will be considered in due course.</p>	<p>£75,000</p>	<ul style="list-style-type: none"> <li>-Raising quality and adding value to existing services</li> <li>-securing costs savings and sustainable efficiencies</li> </ul>

<p><b>9. One SAP Solution</b></p>	<p><b>Opportunity</b> Both organisations use SAP as the key IT system for Finance, Procurement and Human Resource management, and both have existing contracts for managed systems support due to expire within 3 months of each other in late 2012. The sharing of this system would provide the basis for a major project to share a larger proportion of back office functions in the future.</p> <p><b>Implementation Activity</b></p> <p>This project is aimed at jointly procuring a new common Local Government Framework SAP solution for both councils under the pan London Project Athena. Options within this project also include the scope for separate <b>managed service</b> contracts as a fall back if applicable.</p> <p>SAP is the Enterprise Resource Planning (ERP) IT system used by both councils for Finance, HR, Procurement and customer relationship management. Both councils currently have the same provider and existing contracts are due to expire in Nov 2012 and Feb 2013 respectively.</p> <p>A full report on the procurement matters relating to this project is planned for submission to the two respective Procurement decision making bodies. The achievement of a shared ERP is a key enabler to sharing further more 'back office' services.</p>	<p>TBA</p>	<ul style="list-style-type: none"> <li>- Improving scalability of systems</li> <li>- ensuring improved and more up to date systems</li> <li>- provides a platform for the greater integration of financial procurement HR processes</li> </ul>
<p><b>10. Policy and Performance</b></p>	<p><b>Opportunity</b> Both councils have / are planning significant reductions in these services and an evaluation of the opportunity to share this service is being currently considered.</p>	<p>TBA</p>	<ul style="list-style-type: none"> <li>- Providing the opportunity for continuity and resilience of services</li> <li>- securing cost savings and sustainable efficiencies</li> </ul>



<p><b>11. Communications</b></p>	<p><b>Opportunity</b> Both councils provide Communication and Consultation services and the opportunity was taken to evaluate the potential for sharing the service.</p> <p>The importance of the communication service to this council led to the conclusion that a fully shared service was not desirable, however collaborative work on sharing the commissioning of print and design work associated with marketing and joint consultation programmes are being further considered</p>	TBA	<p>-securing costs savings and sustainable efficiencies Providing the opportunity for continuity and resilience of services</p>
<p><b>12. School Meals</b></p>	<p><b>Opportunity</b> With both organisations providing a school meals service in a volatile market where schools are the customers, planning for greater resilience and cost sharing was explored.</p> <p>After a preliminary review there are some gaps in alignment between LBH &amp; LBWF around pricing policies, trading model and financial structure. It is unclear whether there is a substantial case for an integrated shared service at this point, and the ongoing inclusion of this within the programme will be raised at the members challenge session.</p>	N/A	
<p><b>13. Legal Services</b></p>	<p><b>Opportunity</b> Management vacancies in Haringey and examples of Legal Shared Service models being developed in other local authorities boroughs led to this opportunity being considered.</p> <p>An initial evaluation of the compatibility of both boroughs legal services identified key differences in size, costs and client demand for the service in each borough. These issues are to be addressed by each borough before a further evaluation of the opportunity to share is undertaken at the end of the calendar year.</p>		
<p><b>14. Electoral Services</b></p>	<p><b>Opportunity:</b> Management vacancies in Waltham Forest led to the consideration of an opportunity to share the service.</p>	N/A	

	<p>After a preliminary review it is uncertain whether there is a substantial case for an integrated shared service. Opportunities for potential collaboration around change projects have been identified, and it proposed that these are moved 'off programme' and taken forward as 'business as usual'.</p>		
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Special Corporate Committee

On 21 July 2011

Report Title: Integration of Benefits, Local Taxation and Customer Services

Report of: Julie Parker, Director of Corporate Services

*J. Parker 13/7/11*

Contact Officer : Paul Ellicott

Email: Paul.Ellicott@haringey.gov.uk

Tel: 0208 489 3854

Wards(s) affected: All

Report for: Non Key Decision

**1. Purpose of the report**

- 1.1. To provide an overview of the proposed integration and resultant structure of Benefits, Local Taxation and Customer Services
- 1.2. To seek agreement from the Special Corporate Committee to the recommendations set out in section 4 below.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. Not applicable

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. The proposals in this report reflect the changes agreed in the 'Rethinking Haringey' report and the council's budget strategy.
- 3.2. A council priority is to drive change, improving quality-customer focussed, cost effective services achieving high levels of satisfaction.

**4. Recommendations**

That Members:

- 4.1. Note the overview of the current and proposed shape of the service set out in Appendices 2, 3 and 4.
- 4.2. Consider and agree the rationale and key elements of the proposed integration.
- 4.3. Following the completion of consultation it is recommended that this proposal is the subject of a further report to the Corporate Committee for a final decision.

**5. Reason for recommendation(s)**

- 5.1. To ensure that the Corporate Committee is briefed on the proposals to date and any comments can be incorporated into the final proposals that will be presented to the committee.

**6. Other options considered**

- 6.1. Not applicable

**7. Summary**

- 7.1. The integration of Benefits, Local Taxation and Customer Services will provide both a phase one approach to implementation of the revised customer contact operating model and a tactical solution that focuses on handling customer enquires at the first point of contact.
- 7.2. The proposed structure identifies our future requirements as an integrated service and will encourage a joint front and back office approach to customer resolution and satisfaction. A main aim will be to reduce hand-offs, waste and duplication. Furthermore effectiveness improvements will be sought in the business support activities of IT, administration, training and control. Through focussed leadership and direction the structure will deliver a confident, learning, supportive and disciplined culture.
- 7.3. The proposed structure seeks to realise the savings required as a result of the following:
  - The integration of Benefits, Local Taxation and Customer Services incorporating management reshaping, layering and reduction.
  - The closure of Hornsey and North Tottenham Customer Service Centres.
  - The reduction of internal calls to the switchboard.
  - The reduction of call centre hours from 8 – 6 to 9 – 5.

7.4 The proposed savings to be secured from the proposals is £1.798m over 2011/12 and 2012/13.

7.5 The proposed FTE posts reduction is 317 to 231.5 with a net reduction of 85.5 FTE posts. The current level of occupied posts is 274.4 FTE. The table below provides a breakdown of the occupied posts against the new proposed structure layers, the proposed post numbers and the voluntary redundancies already agreed. There has been a number of voluntary redundancy requests that will reduce the number of compulsory redundancies required.

Level	Current Occupied Posts	Current Occ No.	Proposed Posts	Prop. No.	VR Agreed	Diff.
1	Head of Service	1	Head of Service	1	0	0
2	Deputy Head	2	Assistant Head	4	0	2
3	Managers Team Leaders	39	Service Managers	21	6	-12
4	Support Officers Senior Officers Officers Assistants	232.4	Service Officers	205.5	23	-3.9
<b>Total</b>		<b>274.4</b>		<b>231.5</b>	<b>29</b>	<b>-13.9</b>

## 8. Financial Comments

8.1. The Chief Financial Officer has been consulted in the preparation of this report and comments that the savings set out are consistent with those agreed by Cabinet and are essential in achieving the budget strategy agreed by the Council.

## 9. Head of Legal Services Comments

9.1. A decision by the Committee with implications for the staffing establishment of this service can only be taken in principle pending the outcome of statutory consultation with the trades unions and consultation with the staff affected.

9.2. The decision in principle must pay due regard to the authority's public sector equalities duties, including consideration of the equalities impact assessment.

9.3. The carrying out of this proposal must comply with the Council's procedures concerning restructuring. The position of staff who may be displaced as a result of this reorganisation will need to be considered under the terms of the Council's procedures regarding redeployment and redundancy.

**10. Head of Procurement Comments**

10.1. Not applicable

**11. Equalities & Community Cohesion Comments**

11.1 For each of the savings proposals an Equalities Impact Assessment (EqIA) has been completed.

**12. Consultation**

12.1 The formal period of consultation has commenced and during this period meetings are held with all staff and trade union representatives.

12.2 Consultation with service users and other stakeholders also forms part of the service delivery EqIA process.

**13 Use of appendices /Tables and photographs**

13.1 Appendix 1 sets out the rationale and key elements of the proposals.

13.2 Appendix 2 sets out the current structure in Benefits and Local Taxation.

13.3 Appendix 3 sets out the current structure in Customer Services.

13.4 Appendix 4 sets out the proposed structure.

**14 Local Government (Access to Information) Act 1985**

- Not applicable

## Appendix 1

# Benefits, Local Taxation and Customer Services Integration

## 1.0 Background

Haringey Council has and is facing significant budget reductions. We want to minimise the impact of these cuts across front line services but this will not be easy. We are aiming to prioritise the things that matter to local people by re-designing services so that they cost less and work better, concentrating on getting right outcomes, customer satisfaction and enabling people and communities to become self reliant.

Customer contact and customer satisfaction is a major factor in defining the quality and reputation of Haringey Council and the current staff within Benefits, Local Taxation and Customer Services manage a significant number of customer transactions through personal contact, telephone contact, electronic contact and back office processing. The customer contact and channel strategy has set some challenging commitments that require us to redesign those services that are key to the customer experience. Benefits and Local Taxation customer interactions account for at least 60% of the traffic which interacts with the Council through Customer Services.

The Benefits and Local Taxation division has previously undertaken a review under value for money. The recommendation from this review is that the links between BLT and Customer Services need to be improved and this was endorsed by the Department for Work and Pensions. Following analysis of the support functions review diagnostics it is apparent that there are high levels of resources allocated to managing the initial stages of customer contact, including assessment of eligibility of services across the council. In March and April 2010 an exercise was undertaken to understand the pattern of contacts, the channels used and the level of avoidable contacts. A three tier model of customer contact across the council has been developed that will increase customer query resolution at an early stage.

The integration of Benefits, Local Taxation and Customer Services will provide both a phase one approach to implementation of the revised customer contact operating model and a tactical solution that focuses on handling customer enquires at the first point of contact.

The proposed structure identifies our future requirements as an integrated service and will encourage a joint front and back office approach to customer resolution and satisfaction. Our main aim will be to reduce hand-offs, waste and duplication of effort and eliminate the inevitable customer frustration that follows.. Furthermore effectiveness and efficiency improvements will be sought in the business support activities of IT, administration, training and control. Through focussed leadership and direction the structure will deliver a confident, learning, supportive and disciplined culture.



## 2.0 The Key Elements and Rationale of the Proposals

The foundation of the structure is supported by the following key elements:

2.1.1 To ensure that performance is maintained and improved.

The structure reflects the attention required to key performance measures and customer expectation and satisfaction.

2.1.2 Creation of a supporting, learning and developmental environment.

Benefits, Local Taxation and Customer Services employ a large number of staff who require training, development and support to meet personal objectives, customer objectives and ultimately, business objectives. Generic job descriptions across the service will enable managers, officers and assistants to widen their breadth of knowledge and skills over differing functions. This provides a flexible approach to the management of resources to meet customer requirements and also provides staff with the opportunity of lateral movement and promotion opportunities.

The proposals focus on a career-grade approach for staff development and advancement. A career route would exist from assistant to senior levels.

The proposals detail an integrated Service Support Team, which have specific responsibilities for training and performance improvement. This would take the form of coaching and support for individual and divisional requirements. Further responsibilities for Support and Development Officers would include policy interpretation, formulation and implementation, maintenance of a quality management system, supporting channel shift activities, key deliverables from the customer contact and web strategy, close partnership working with internal and external customers and supporting the approach to community hubs.

2.1.3 A focus on matching and excelling customer demand and expectation.

The new structure supports a flexible approach to resourcing demands placed on the service and clearly focuses on processes that are of value from a customer point of view. Customer resolution at the first point of contact with minimised hand-offs, delays and waste will be the primary aim. This can take the form of front and back office staff working together.

2.1.4 Improved leadership and accountability.

The structure proposes that senior management be strengthened to ensure the complexities of the business are managed in a disciplined manner through clear objectives and accountability.

The proposals reflect best practices in devolving responsibility through clear lines of strategic and operational management and providing a framework for continuous



improvement. As part of the reshaping, the service has streamlined the spans of control by reducing the numbers of managers and layers.

#### 2.1.5 Managing Work Demand

The proposal for a Workdemand Officer to support the operational management team by accurately matching staffing to projected workload patterns, planning schedules, and maintaining accurate staffing data for the Contact Centre (CC) using the Council's workforce management system (Shift Track). The role is common to Call Centers, as it allows the management team to focus on the day-to-day management of staff including quality and coaching. The post was successfully trialed in the CC for 9 months during 2011-12. The expertise provided by the role enabled the Shift Track system to be fully utilised for the first time since it was installed in 2007, resulting in an increase in performance and played an intrinsic part in the CC achieving its performance targets last year. This role is expected to be enhanced to manage demand across all the activities of the service.

#### 2.1.6 Managing financial risk

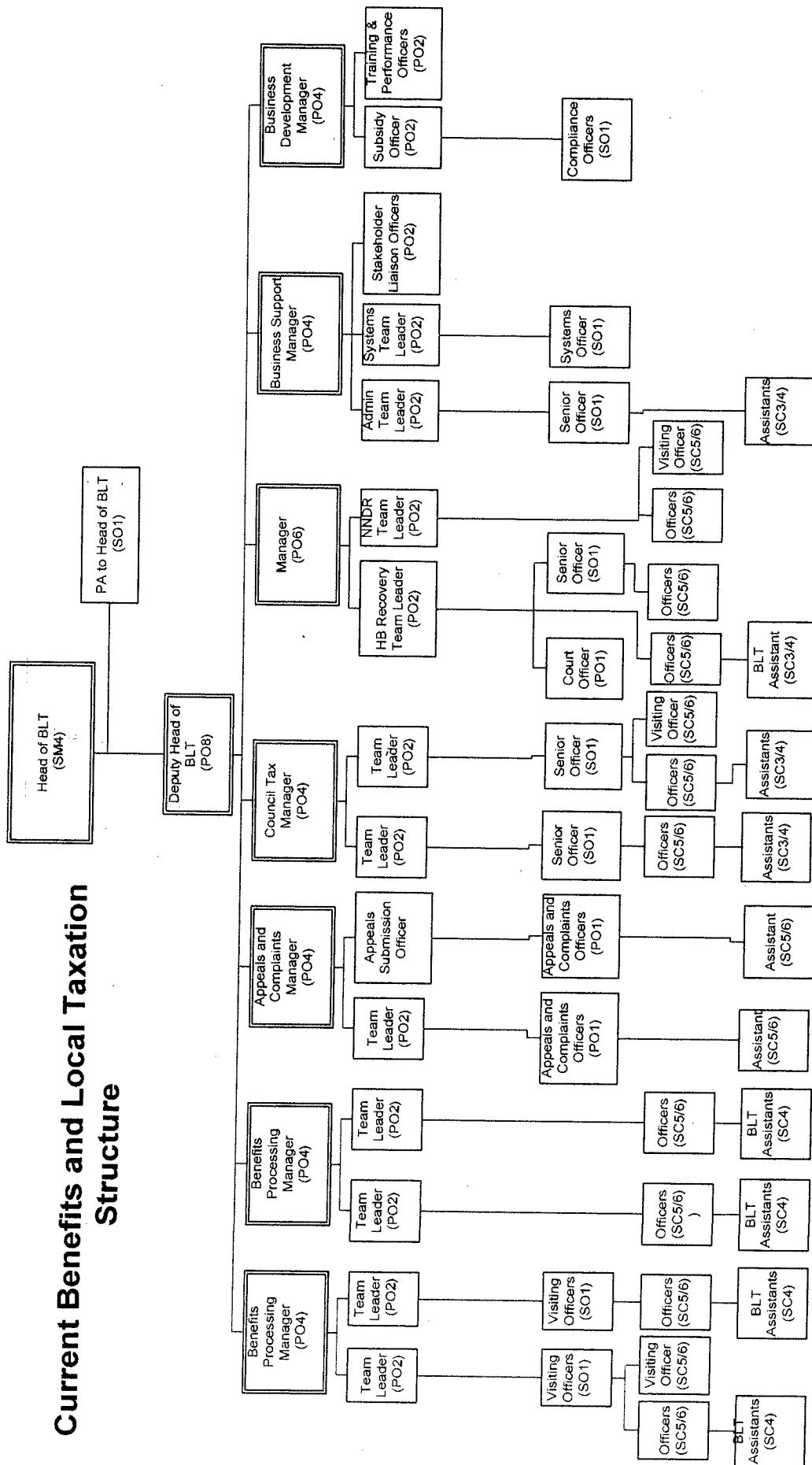
Demand for our services continues to increase as a direct result of the economic downturn and our benefit and revenues caseload has continued to consistently rise over the last two years. Haringey has experienced the sixth highest national caseload increase in 2010/2011.

Benefit payments make up a substantial amount of any Local Authority expenditure. Over £290 million pounds is paid out in benefit to Haringey residents on an annual basis. There is a considerable financial risk to the Council if our subsidy claim to the DWP is not managed well. Risks to subsidy repayment include a failure to maximise the subsidy claim, an inability to support our subsidy claim at audit stage, under or over claiming and subsidy penalties where consistent errors are uncovered.

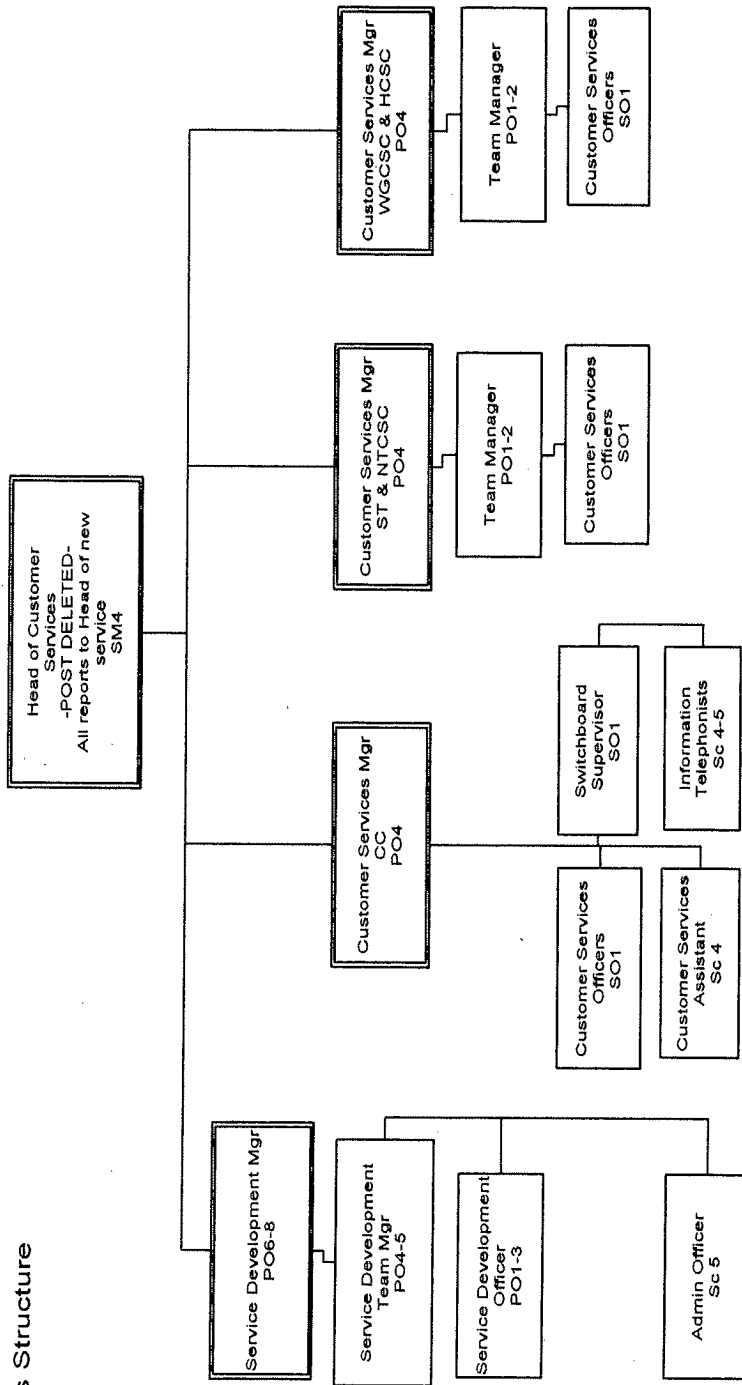
Following a successful trial in 2010/2011, the proposal is to create a new 'Compliance and Control' team, to ensure that our subsidy repayments are maximised, The team will undertake focussed quality assurance checks of benefit claims and where required, the team will make recommendations for improvement. Recommendations will range from individual feedback to Officers, new training proposals, competency based Officer testing and, in some cases, recommendations to review all similar claims of any given type where a significant risk to subsidy repayment has been identified.

The Compliance Team will also monitor and action 'control and exception reports' across the service in order to maintain the integrity of the database and ensure compliance to legislation and regulation is maintained, taxpayers are billed at the earliest opportunity and overpayments of benefit are minimised.

# Current Benefits and Local Taxation Structure

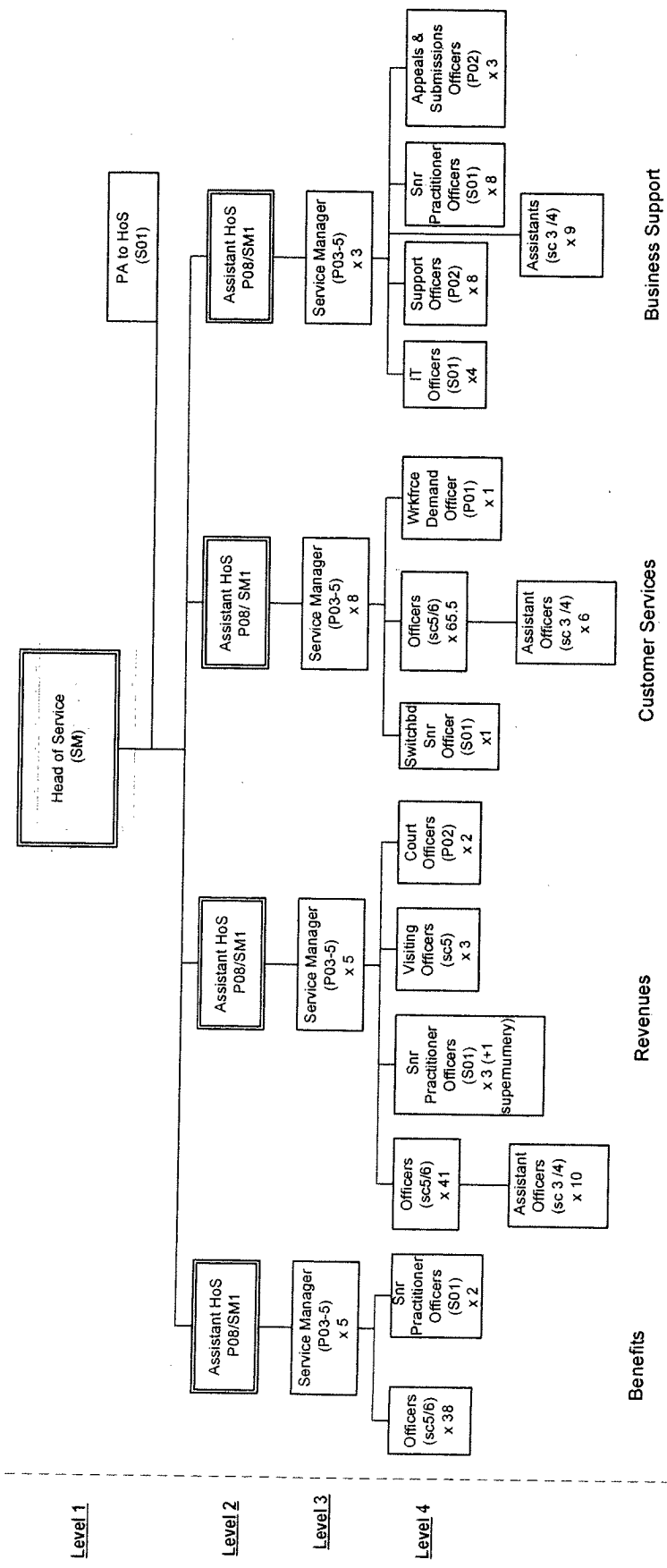


Appendix 3  
Current Customer Services Structure



Appendix 4

Revenues Benefits & Customer Services Proposed Integrated Structure 2011/12



( Draft - Indicative Grades)



Haringey Council

Agenda item:

**[No.]****Corporate Committee****On 21 July 2011**

Report Title: Internal Audit – Use of Consultants follow up	
Report authorised by: Director of Corporate Resources <i>J. Parker 13/7/11.</i>	
Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: <a href="mailto:anne.woods@haringey.gov.uk">anne.woods@haringey.gov.uk</a>	
Wards(s) affected: All	Report for: Information
<p><b>1. Purpose of the report</b></p> <p>1.1 The purpose of this report is to update members on the follow up review of the Use of Consultants audit, previously reported to Audit Committee on 19 April 2011.</p>	
<p><b>2. State link(s) with Council Plan Priorities and actions and/or other Strategies:</b></p> <p>2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing key services and making recommendations for improvement where appropriate. Follow up work is undertaken to ensure that managers implement agreed recommendations and improvements.</p>	
<p><b>3. Recommendations</b></p> <p>3.1 That the Corporate Committee notes this report.</p>	
<p><b>4. Reason for recommendation(s)</b></p> <p>4.1 The Corporate Committee is responsible for monitoring the completion of internal audit work completed and the implementation of agreed recommendations as part of its Terms of Reference. In order to facilitate this, reports are provided for review and consideration. The Audit Committee at their meeting on 19 April 2011 requested a follow up report on the implementation of the audit recommendations be brought to the Corporate Committee in the 2011/12 municipal year.</p>	

**5. Other options considered**

5.1 Not applicable

**6. Summary**

6.1 The follow up audit on the Use of Consultants has been completed. The findings are attached which show good progress has been made and the original recommendations made in the original report have been implemented.

6.2 In response to the Audit Committee's recommendation, work is currently ongoing to ensure that managers provide all outstanding documentation as soon as possible and also to improve systems for the future use and engagement of consultants.

**7. Head of Legal Services Comments**

7.1. The Acting Head of Legal Services has been consulted in the preparation of this report, and advises that there are no direct legal implications arising out of the report.

**8. Chief Financial Officer Comments**

8.1 The follow up work on the use of consultants has been undertaken as part of the annual audit plan and the Chief Financial Officer confirms that there are no direct financial implications associated with it as set out in section 12.0.

8.2 However, the Chief Financial Officer is concerned that, although the recommendations from the initial report have been implemented, a number of consultants are still engaged in the council for whom some key documentation is missing. Failure to comply increases both financial and reputational risk to the authority.

**9. Head of Procurement Comments**

9.1 Not applicable

**10. Equalities and Community Cohesion Comments**

10.1 This report deals with how risks to service delivery are managed across all areas of the Council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

**11. Consultation**

11.1 No external consultation was required or undertaken in the production of this

report. The follow up work referred to in this report has been agreed by the respective heads of service.

## 12. Service Financial Comments

12.1. There are no direct financial implications arising from this report. The work completed by Deloitte and Touche to undertake the annual audit plan, including follow up work, is part of the five year contract which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

## 13. Use of appendices

13.1 Appendix A – follow up audit report

## 14. Local Government (Access to Information) Act 1985

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

## 15. Background

15.1 Deloitte and Touche completed the audit on the Council's Use of Consultants as part of the agreed 2010/11 annual audit plan. The findings, reported to the Audit Committee on 19 April 2011, highlighted a number of areas of non compliance with the agreed Council policy and procedures in relation to the appointment and recruitment of consultants.

15.2 At the time of the original audit, it was identified that 54 Consultants were engaged across the Council, reduced from a total of 82 in June 2010. A sample of ten consultants was reviewed as part of the audit and the following findings reported:

- No evidence that the Consultant E-form had been used in all cases;
- A business case was in place in only five cases;
- The Consultant Induction Checklist had not been completed in all cases;
- Evidence of professional indemnity insurance cover was only available in six cases; and
- There was evidence of a contract being in place in only five cases.

15.3 Members expressed concern at the findings and requested all managers be informed that no further consultants should be appointed unless Council procedures had been followed. Members further requested that a report should be presented to the Corporate Committee on progress against the agreed recommendations.

## 16. Follow up work

16.1 The follow up audit on the Use of Consultants has been completed and the results of the follow up audit are contained at Appendix A. The original recommendations have been implemented.

16.2 In response to the Audit Committee's recommendation, as at 1 July 2011, 12 consultants from the original list were currently engaged across the Council. It was identified that evidence of documentation was not held on the Council's contract management system (CMS) as follows:

- All required documentation was missing for two consultants (Place and Sustainability). Management have advised that the required documentation is being put in place for one consultant and one consultant has been given notice and the service will be sourced via an approved agency by 15 July 2011;
- One consultant had evidence of a business case, but no other documentation (CYPS - BSD), although this consultant had been issued with notice to end their contract and their last day of service will be 19 July 2011;
- One consultant had a business case in place, and the contract was with Legal Services for signature, but had no evidence of insurance cover in place (Place and Sustainability). Management have advised that evidence of this will be obtained;
- One consultant had a business case and insurance cover in place, but no contract (Place and Sustainability). Management have advised that a contract is being put in place; and
- In addition, one consultant had evidence of insurance cover in place, but this had expired in March 2010. Management have advised that a current insurance certificate has been requested.

16.3 Although it is the hiring manager's responsibility to ensure that Council procedures are followed and all required documentation is in place, work has been ongoing during the first quarter 2011/12 by both the Head of HR and the Head of Procurement to obtain outstanding documentation from managers. The Head of Procurement has blocked payments from 1 July 2011 for consultants which do not comply with Council policy and advised the hiring manager of this action.

16.4 A further two consultants are currently employed. A review of the information held on CMS showed that evidence of some documentation was not held as follows:

- One consultant had no evidence of contracts or insurance cover in place (Place and Sustainability). Management have advised that the required documentation is being put in place.



Detailed Progress Report - Outstanding Recommendations 2010/11

Ref	Recommendation	Priority	Original Deadline	Management Response	Progress/Status
<b>USE OF CONSULTANTS</b>					
1	<p>A formal reminder should be sent to all managers who are involved in the recruitment of consultants, reinforcing the requirement to comply with all aspects of the Council's Policy for Use of Consultants.</p> <p>The reminder should make it clear that all requests should be supported by documents required under the Council's Policy for Use of Consultants, which should include, as a minimum:</p> <ul style="list-style-type: none"> <li>• A Consultant E-form completed by the relevant budget holder;</li> <li>• A Consultant Business Case Form approved by the relevant Assistant Director;</li> <li>• A report authorised at the appropriate level;</li> <li>• A completed Consultant Induction Checklist;</li> <li>• Documentary evidence of adequate professional indemnity cover from the Consultant;</li> <li>• A signed contract between the</li> </ul>	1	June 2011	Agreed	<p><b>Implemented</b></p> <p>The Head of HR Shared Services confirmed that a formal reminder has not yet been issued as she is working with a group to review the process for the recruitment of consultants and therefore she is waiting for the new process being developed before issuing any instructions.</p> <p>The S.151 Officer issued an instruction to all Directors on 20 April 2011 requiring all Council policies in respect of the Use of Consultants to be adhered to. In addition, that all existing consultants should have relevant documentation put in place as soon as possible. This requirement was endorsed by the Chief Executive.</p> <p>The P2P Performance Manager in Corporate Procurement has implemented a new process under which no request to load a consultant or self employed individual on SAP will be processed until it is checked that all the required documentation is in place. The P2P Manager has confirmed that this provisional arrangement is in place, although only one request has been made since the internal audit report was issued.</p> <p>In addition, the London Boroughs Recruitment Consortium Partnership, led by Merton Council, is developing a framework of four agencies from</p>

## APPENDIX A

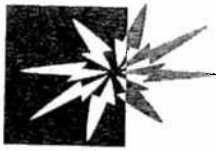
Ref	Recommendation	Priority	Original Deadline	Management Response	Progress/Status
	<p>Council and the Consultant; and</p> <ul style="list-style-type: none"> <li>Approved waivers, where applicable. All documents should be retained on file for audit purposes.</li> </ul> <p><i>Responsibility: HR Strategy/ Policy Consultant (Employment Strategy)</i></p>				<p>which consultants can be selected. The Head of HR Shared Services is preparing a report to consider the line of approach for using the framework, which is to be presented to the Asst Chief Executive.</p>
2	<p>The Policy for Use of Consultants/Self Employed Workers should be updated on Harinet and evidenced as such.</p> <p>A process should also be implemented for the document to be reviewed at least annually and updated, where necessary, to reflect relevant changes in local, statutory and EU requirements and thresholds.</p> <p>It is further recommended that, in light of the current expenditure restrictions across the Council, management should consider reviewing the Policy for Use of Consultants and Self-employed Workers to ensure that it is appropriate and is consistent with the Council's requirements.</p> <p><i>Responsibility: HR Strategy/ Policy Consultant (Employment Strategy)</i></p>	2	April 2011	<p>Noted</p> <p>Agreed</p>	<p><b>Implemented</b></p> <p>The page on HARINET for 'e-form - Notification of hired consultant/self employed worker' was viewed. The Consultants Policy linked to this page was obtained and it was found that the footer details on the document showed the source to be the Organisational Development shared drive and the date of the policy as 1 December 2010.</p> <p>Discussions with the Head of HR Shared Services confirmed that the Consultants Policy is currently under review as part of the formal review process referred to in 1 above.</p>

## APPENDIX A

Ref	Recommendation	Priority	Original Deadline	Management Response	Progress/Status
3	<p>Officers within the Corporate Procurement Team with responsibility for setting up consultants on SAP should be formally reminded of their responsibility to ensure that all requests are supported by all relevant documents required under the Council's Policy for Use of Consultants (referred to in Recommendation 2 above).</p> <p>Consideration should be given to developing a checklist covering all key documents required under the Council policy, for completion by the officer setting up the consultant on SAP, to confirm that all required documentation is in place. Any instances of non-compliance should be referred back to the relevant manager.</p> <p><i>Responsibility: P2P Performance Manager</i></p>	1	31/03/2011	<p>Officers responsible for creating SAP vendors have already been informed of the need to obtain key documents beforehand and a procedure / checklist will be produced and implemented.</p>	<p><b>Implemented</b></p> <p>As stated in 1 above, an interim measure has been implemented by the P2P Performance Manager, under which no requests for setting up a consultant will be processed on SAP until all relevant documentation have been sighted. A checklist has been developed, a copy of which was obtained by Internal Audit, to be used when setting up new consultants on SAP, which requires confirmation that all relevant documentation have been obtained, including business case, copy of contract, copy of relevant insurance cover, CRB check (where relevant) and confirmation HR have been notified through the E-Form on Harinet.</p> <p>The Head of HR Shared Services issued a reminder to the Service Manager reinforcing the requirement to complete the E-Form and submit relevant documentation.</p>
4	<p>A reminder should be sent to all relevant managers, reminding them of their responsibility to ensure that:</p> <ul style="list-style-type: none"> <li>• The requirements of the Council's Contract Standing Orders are complied with at all times with regard to the expenditure level; and</li> <li>• Corrective actions are taken to address poor performance, in line with the Council's Policy for Use of Consultants.</li> </ul>	1	31/03/2011	<p>Agreed</p>	<p><b>Implemented</b></p> <p>The Head of Procurement confirmed that the Use of Consultants process has been reviewed jointly by HR and Corporate Procurement and that both teams will be putting in place improvements. For instance, HR will establish a new framework access agreement (please refer to 1 above) through which consultants will be commissioned and management information provided. Corporate Procurement will block payments to consultants where the necessary business case, approved by a Director, is not</p>

APPENDIX A

Ref	Recommendation	Priority	Original Deadline	Management Response	Progress/Status
	<i>Responsibility: Head of Procurement</i>				<p>obtained.</p> <p>The Head of Procurement has issued a reminder to managers have regarding their responsibility to ensure timely monitoring of progress against the agreed assignment and that time and cost must be managed effectively.</p>



Haringey Council

Agenda item:

Corporate Committee

On 21 July 2011

Report Title: Corporate Risk Management Policy and Strategy 2011-12 and  
Corporate Risk Register June 2011

Report authorised by: Director of Corporate Resources

*J. Powell 13/7/11*

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

Tel: 020 8489 5973

Email: [anne.woods@haringey.gov.uk](mailto:anne.woods@haringey.gov.uk)

Wards(s) affected: All

Report for: Non-key decision

#### 1. Purpose of the report

- 1.1 To provide an updated Corporate Risk Management Policy and Strategy for review and approval.
- 1.2 To provide a copy of the current version of the corporate risk register for review.

#### 2. State link(s) with Council Plan Priorities and actions and/or other Strategies:

- 2.1 Audit and Risk Management contribute to the Council priority to deliver high quality, efficient services by ensuring that the Council's risk management framework is in place and operating effectively. Internal audit reviews key risk registers, and the controls in place to manage the identified risks; and recommendations for improvement are made, where appropriate, as part of the annual audit plan.

#### 3. Recommendations

- 3.1 The Corporate Committee reviews and approves the updated corporate Risk Management Policy and Strategy.

#### 4. Reason for recommendation(s)

- 4.1 The Corporate Committee is responsible for approving the Council's Risk Management Policy and Strategy as part of its Terms of Reference. In order to facilitate this, and provide information on its implementation across the Council,

progress reports are provided on a regular basis for review and approval by the Committee.

**5. Other options considered**

5.1 Not applicable

**6. Summary**

6.1 The Corporate Committee is responsible for approving the Council's Risk Management Policy and Strategy as part of its Terms of Reference. An annual review of the Policy is completed in order to ensure that it complies with best practice and current operational requirements. Changes to the previous year's policy and strategy are highlighted within the document.

6.2 In accordance with recommended best practice, a copy of the current version of the Council's corporate risk register is provided for review by Members.

**7. Head of Legal Services Comments**

7.1 The Acting Head of Legal Services has been consulted in the preparation of this report, and advises that there are no direct legal implications which arise out of the report.

**8. Chief Financial Officer Comments**

8.1 As stated in paragraph 12.1, there are no direct financial implications from this report as the work associated with implementing, updating and monitoring the Council's various risk registers is included within service budgets.

8.2 The highlighted risks themselves could have significant financial implications for the Council which is why regular review and challenge to existing and emerging risk is crucial. Should any significant risk materialise the impact, mitigation and reporting of these would normally be addressed in a separate report.

**9. Head of Procurement Comments**

9.1 Not applicable

**10. Equalities and Community Cohesion Comments**

10.1 This report deals with how risks are managed across all areas of the Council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

## **11. Consultation**

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors in the production of risk registers and internal audit reports. Their comments are included in the final report which is circulated in accordance with the agreed internal audit reporting protocol.

## **12. Service Financial Comments**

12.1 There are no direct financial implications arising from this report. The work within internal audit to monitor and review the Council's risk management framework is part of the contract with Deloitte and Touche which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract and managing the corporate risk management policy are contained and managed within the Audit and Risk Management revenue budget. Service departments manage risks as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

## **13. Use of appendices**

13.1 Appendix 1 – Corporate risk register June 2011  
Appendix 2 – Risk Management Policy and Strategy v7.0

## **14. Local Government (Access to Information) Act 1985**

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

## **15. Background**

15.1 The 2005 CIPFA publication 'Audit Committees – practical guidance for local authorities' recommends, as best practice, that the audit committee consider the effectiveness of the authority's risk management arrangements. In addition, the Institute of Public Finance (IPF) toolkit, which provides a framework for assessing the effectiveness of audit committees, recommends that the committee should review the council's corporate risk register on an annual basis. The responsibilities of the audit committee are contained within the Council's Corporate Committee from 2011/12.

15.2 In order to comply with CIPFA and IPF recommendations, risk management is included within the Corporate Committee's terms of reference. In order to demonstrate that these are fulfilled, the Council's Risk Management strategy and policy is reviewed and formally approved by Members on an annual basis to ensure that it reflects current operational requirements and best practice. The corporate risk register is also presented for review by Members on an annual basis. The risk management policy was

last reviewed and approved by the Audit Committee at its meeting on 25 March 2010. At the same meeting, the corporate risk register was presented for review.

## 16. Risk Registers

16.1 The Council uses an electronic system, Covalent, to record the risks faced by business units, departments and at a corporate level in a uniform and consistent manner. The output from Covalent is in the form of risk registers for business units, directorates and at the corporate level.

16.5 Covalent automatically sends email reminders to the business unit representatives when updates are due and the system provides an audit trail to allow for monitoring and follow up by Internal Audit. Internal Audit also include resources (as part of the annual internal audit plan) to review and test the effectiveness of key controls to manage identified risks and to ensure that all actions and updates are being done in accordance with the relevant timescales. The results of these audit reviews are reported separately to Members as part of the quarterly progress reports on internal audit work.

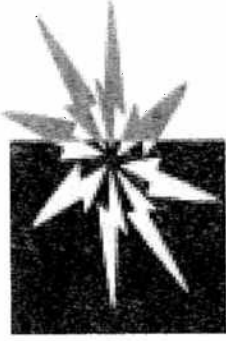
16.6 The corporate risk register is reviewed on a quarterly basis by the Chief Executive's Management Board. The latest review was undertaken at the meeting on 14 June 2011 and this version of the corporate risk register is attached as Appendix 1 to this report.

## 17. Risk Management Policy and Strategy

17.1 The corporate risk management policy and strategy brings together all key processes involving risk, including business planning, health and safety, business continuity planning, emergency planning, performance management and project management. A corporate Risk and Emergency Planning Steering Group is in place, with representatives from all directorates, which reviews key risk issues on a regular basis and ensures implementation of the risk management strategy across the council.

17.2 The risk management strategy and policy has been reviewed and updated to reflect the changes to operational practices and is attached at Appendix 2 for review and approval. In accordance with Members' requests, changes to the previous year's policy have been highlighted within the document.








**Haringey Council**

## Corporate Risk Register



Generated on: 30 June 2011




Risk Code	Risk Title	Internal Controls	Risk and Control Ownership	Date of last review	Residual Impact	Residual Likelihood	Residual Risk Score	RAG status	Further Action Code	Further Action(s)	Progress (% complete)	Further Action Completion Date
CEMB_R001	Poor national and local economic conditions impact adversely on Haringey Council, including an inability to deliver services due to increased demand	Demand led forecasts are employed by services in order to effectively profile budgets to meet demand. Contingency plans in place in order to deal with cases of service demand above forecast levels. Rethinking Haringey programme in place, addressing key service changes and ways of working more effectively at a corporate level via e.g. commissioning and procurement activities. Close links with partner organisations in health and other services to address key/high areas of demand e.g. housing, adult care	Risk Owner: Chief Executive. Control Owner: Director - CR; Director - A&HS	30-Jun-2011	6	6	36	●	AH02_R004_F001	Engaging with outgoing PCT and Gp collaboratives re joint commissioning opportunities and looking at opportunities for the Council to commission on behalf of GPs.	80 %	31-Mar-2012
									AH02_R006_F001	Feasibility of alternative packages to assist Commissioning in demand forecasting - CareTrak or FWI reports package under consideration.	70 %	31-Mar-2012
CEMB_R002	The Council does not perform or respond to required local and national performance	Regular briefings on central government policy updates and changes are provided to CEMB, senior managers and Members. New outcomes based corporate performance framework is	Risk Owner: ACE - P&OD. Control Owner: All Directors and ACE - P&OD; Head of Policy,	30-Jun-2011	7	3	21	▲	AH02_R007_F004 CEMB_R002_F001	Production of Adult Services Quality Assurance Framework Ensure performance framework processes are fully embedded across the Council by 31 March 2012	100 % 50 %	31-Mar-2011 31-Mar-2012



standards, or policy changes, which results in failing to deliver the desired outcomes for the borough.	linked to the Council's priorities and will take account of national frameworks e.g. OFSTED, adult social care etc. Regular reports to CEMB and Cabinet on performance issues. Ongoing data quality audits, based on risk, including a review of performance data to ensure its continued appropriateness. Local Code of Corporate Governance is in place which links key corporate and service policies and strategies to required CIPFA/SOLACE governance framework.	Intelligence and Partnerships	30-Jun-2011	9	6	54	CEMB_R00 004	The Council fails to identify and manage the required reductions in expenditure and fails to deliver its agreed budget	Completion of Annual Governance Statement action plan	90 %	31-Mar-2012
	Hearney Savings and Efficiency programme in place which has designated management arrangements and project sponsors and is subject to review by CEMB. Programme of Value for Money reviews, Support Function Reviews and strategic functions reviews taking place. Budget Holders and Directors monitor their budgets on an ongoing basis with support from Heads of Finance. Formal monthly budget monitoring process with report submitted to Cabinet. Three year financial strategy in place with regular reports to Members re Capital and Revenue budgets. Focused and urgent activity to reduce the cost of Emergency Accommodation by re-negotiation, disposal and replacement. Housing Subsidy Deficit Action Plan in place and Housing	Risk Owner: Director - CR. Control Owner: All Directors and ACE - P&OD	30-Jun-2011	9	6	54	CEMB_R00 4_F001	Four strategic commissioning pilots to inform future roll out to secure increased value for money - including Parking and Regulatory Services.	0 %	31-Dec-2011	
							CEMB_R00 4_F004	Support Functions Review to be completed and action plan for implementation agreed	40 %	30-Sep-2011	
							CEMB_R00 4_F006	Future Supporting People services are being profiled against an anticipated reduction in SP programme grant of 20% (Ref: AH01_R004)	100 %	31-Mar-2011	
							CEMB_R00 4_F008	Develop market management strategy to ensure VfM services.	50 %	30-Sep-2011	

CEMB_R005a	Lack of safety and well-being for clients within child protection services.	Improvement Plan in place and monitored on fortnightly basis. Establishment of Safeguarding & Strategic Services structure to embed controls and management oversight. Service departments undertaking ongoing budget review sessions. Supporting People allocation has been reduced - plans are in place to manage the impact on the level of services which can be commissioned.	Risk Owner: Director - CYPS. Control Owner: Deputy Director Children & Families	30-Jun-2011	8	3	24		CEMB_R005_F002	Ensure that the recommendations in the Safeguarding action plan are fully implemented and that governance and control issues are fully incorporated and embedded into operational working practices.	50 %	31-Mar-2012
CEMB_R005b	Lack of safety and well-being for clients within adult safeguarding services.	Action Plan in place and monitored regularly following annual external inspection of Adult services. Safeguarding training implemented with records of attendance at training courses maintained. Deprivation of Liberty Safeguards (DoLS) has been established as standard practice.	Risk Owner: Director - A&HS. Control Owner: Deputy Director Adult Services - A&HS	30-Jun-2011	6	2	12		AH02_R001_F002	New PAN London Procedures now published. Safeguarding staff are acquainted with new procedures and implementation to progress.	50 %	31-Mar-2012
CEMB_R005c	Lack of safety and well-being for staff, especially in light of reduced resources and	Risk Management strategy in place with links to health and safety requirements. Corporate Health & Safety audits undertaken.	Risk Owner: Chief Executive. Control Owner: All Directors and ACE - P&OD	30-Jun-2011	6	5	30		AH02_R001_F001	All establishments (including Sheltered Housing) to move to monthly Health & Safety Audits as currently undertaken by all residential homes.	80 %	31-Mar-2012








<p>(financial and staffing) for the Council's revenue and capital programme leads to non-achievement of Council objectives</p>	<p>monitored by CEMB and Members on a regular basis. Project Management arrangements in place which are monitored and reported on on a regular basis including key milestones. Equality Impact Assessments are completed for all key capital projects and programmes. Effective programme delivery arrangements in place for Greenest Borough Partnership. The Joint Leadership Team (Adults &amp; Housing) will monitor the progress of well being priorities and report to the Well-Being Partnership Board (WBPB). Specific projects being monitored in Place and Sustainability (PRE) in relation to the impact of wider economic developments</p>	<p>Control Owner: All Directors and ACE - P&amp;OD</p>	<p>30-Jun-2011</p>	<p>7</p>	<p>4</p>	<p>28</p>		<p>CEMB_R009_F001</p>	<p>Regular monitoring, review and prioritisation of action via Place &amp; Sustainability DMT and relevant project/programme/partnership board, i.e. Better Haringeay, and Better Places Partnership</p>	<p>0 %</p>	<p>31-Mar-2012</p>
<p>CEMB_R009</p> <p>Failure to meet corporate statutory and legal requirements and targets</p>	<p>Council Constitution including scheme of delegation and finance/contract procedure rules in place and reviewed regularly by officers and Members. Regular reports on compliance with national and local performance measures to CEMB and Members. Key legislation changes identified by Policy and Legal Services, with action plans in place to address e.g. 2010 Equalities Act Performance Improvement plans, Service Action Plans in place in response to external and internal Inspection processes Joint Leadership Team (LBH,</p>	<p>Risk Owner: ACE - P&amp;OD; Director - CR. Control Owner: Acting Head of Legal Services; All Directors and ACE - P&amp;OD</p>	<p>30-Jun-2011</p>	<p>7</p>	<p>4</p>	<p>28</p>		<p>CEMB_R009_F001</p>	<p>Regular monitoring, review and prioritisation of action via Place &amp; Sustainability DMT and relevant project/programme/partnership board, i.e. Better Haringeay, and Better Places Partnership</p>	<p>0 %</p>	<p>31-Mar-2012</p>

CEMB_R_010	Failure of corporate I.T. operating framework.	PCT, Vol Sector groups) in Adults & Housing in place. IT Strategy in place and subject to regular review Business process in place, including system disaster recovery and business continuity arrangements. Disaster recovery and business continuity plans in place and tested for all key corporate systems. Regular service review meetings with key IT providers.	Risk Owner: Director - CR. Control Owner: Head of IT Services	30-Jun-2011	7	4	28						
CEMB_R_011	Failure to ensure viability of services delivered through partnership working, especially where changes to funding arrangements occur	Public Health resources joined with the Council. Partnership arrangements subject to high level review and monitoring by CEMB. Establishment and development of key relationships with external organisations and business sectors. Code of Governance for the HSP implemented. Executive level performance management group for HSP in place. Ongoing work with statutory and voluntary/ community sector partners, e.g. the Police, LDA, Employment Service, Small Business Service and Health agencies.	Risk Owner: ACE - P&OD. Control Owner: Corporate Head of Performance & Policy, Director A&HS	30-Jun-2011	6	5	30		AH02_R00 8_F002	Shadow Health & Wellbeing Board to be established. Priorities now set.	85 %	31-Mar-2012	
CEMB_R_012	Council policies and procedures fail to manage the risk of fraud appropriately	Anti-fraud and corruption strategy, whistle-blowing policy and fraud response plan in place and reviewed on a regular basis. Programme of pro-active fraud work in internal audit and Housing Benefit plans. Risk of fraud included in departmental risk registers.	Risk Owner: Director - Corporate Resources. Control Owner: All Directors and ACE - P&OD; Head of Audit & Risk Management	30-Jun-2011	9	3	27		CEMB_R01 2_F001	Publish details of successful fraud investigations and prosecutions on a regular basis	0 %	31-Mar-2012	

CEMB_R013	<p>Failure to prepare appropriately for an emergency e.g. severe weather, or emerging events e.g. 2012 Olympics, increasing risks to residents and staff.</p>	<p>Fraud awareness briefings provided on a regular basis in Team Brief and Smart Talk. Clear link between internal audit plans and the outcome of fraud work. Council participates in the National Fraud Initiative, work with departments during 2011 to investigate latest matches. Corporate anti-fraud team created within Corporate Resources.</p>	<p>Risk Owner: Joint Director of Public Health, ACE - P&amp;OD, All Directors. Control Owner: Emergency Planning &amp; Business Continuity Manager</p>	30-Jun-2011	7	2	14		CEMB_R014_F001	Ensure that positive media coverage is achieved across all Council departments	50 %	31-Mar-2012
CEMB_R014	<p>Failure to promote the Council's achievements successfully and enhance its</p>	<p>Corporate contingency plan is in place, which complies with statutory requirements (Civil Contingencies Act), and has been approved by CEMB. Planning groups in place, with key services and partners, for specific events e.g. 2012 Olympics Risk &amp; Emergency Planning Group in place and meeting on a regular basis to identify and manage key risks and issues. Critical services to be maintained during a flu pandemic have been identified and plans are in place to ensure continuity of service. BCP's in place for all business units. Vaccination programme in place for key/frontline staff. Adults &amp; Housing business continuity and emergency planning sub-group meet bi-annually.</p>	<p>Risk Owner: ACE - P&amp;OD. Control Owner: Head of Communications &amp; Consultation</p>	30-Jun-2011	8	5	40					

	reputation locally and nationally	national and local media; Addressing the recommendations within external inspections.																	
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Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown



## 8 HOW ARE RISKS REVIEWED AND REPORTED?

8.1 The council has various means of measuring and recording risks. The reporting of each of these areas, together with the links between each process, is set out below.

8.2 Risk registers are subject to regular review and update on a six monthly or quarterly basis, depending on risk, by business units, departments and CEMB. The timing for the reviews coincides with and forms part of the annual business planning process. Key risks are escalated from business unit registers to departmental registers (where applicable) and ultimately on to the corporate register where the realisation of the risk may impact on the ability to achieve corporate or statutory objectives.

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8.3 The Corporate Business Continuity Plan (BCP) is reviewed on a quarterly basis, and subject to test on an annual basis. The Emergency Planning and Business Continuity Planning team maintain the corporate plan, incorporating lessons from incidents and exercises. Business Unit BCP's should be reviewed twice a year in line with the business planning cycle (in September and April). Reports are provided to CEMB and members detailing the implementation and management of the council's BCP's. Key BCP risks are included on business unit, departmental and the corporate risk register as appropriate.

8.4 The council's project management framework requires risks affecting each project to be reviewed prior to the completion of each project highlight report and reported to the relevant project board. Reports to CEMB and members are provided on a regular basis as part of the reporting cycle. Projects which carry significant risks to the achievement of business unit or departmental objectives should be included in business unit or departmental risk registers, with escalation to the corporate risk register in cases where the failure of the project may impact on the ability to achieve corporate or statutory objectives.

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8.5 Health and safety risks are addressed based on the Health and Safety Executive's 'Sensible Risk Management' strategy, which the council has adopted. Managers at all levels are required to ensure that key assessment processes e.g. display screen assessments and safe working practices are completed on a regular basis. Reports to CEMB and members detailing compliance with the council's policies are provided on a regular basis.

8.6 Quarterly performance assessments against key service indicators and progress monitoring against departmental plans takes place in addition to reviews of performance monitoring and quality assessments within departments. The Council uses a dashboard reporting and RAG status format to highlight key risk areas.

**Deleted:** Performance management information, including statutory and local performance indicators, is provided on a regular basis to CEMB and members.

8.7 The Council has to produce an Annual Governance Statement every year, which is an assessment of the systems the Council has in place to control and manage the services they provide. Compliance with this risk management strategy and framework will provide assurance to CEMB and members that risks are being properly managed.

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September	Complete Pre-Business Plan Review	BU Head	Policy and Performance Team

## The completion of risk registers

### 1. Identification of risks

- 1.1 Risk registers should allow Business Unit Heads, Directorate Managers and members of CEMB to record those risks and controls which have been identified as the most important in making sure that the Council delivers its services effectively.
- 1.2 The first stage of the process is to identify the risks (including opportunities) facing the Business Unit/Directorate/Council. In line with the CIPFA/SOLACE guidance, Haringey's risk management framework is linked to business and service delivery objectives. These business objectives are identified by departments and business units as part of the annual planning process.
- 1.3 The Council has a corporate risk register which identifies the most significant risks facing it. Each department has its own risk register (where appropriate) which identifies the key high level risks which could impact on the directorate or the Council as a whole. All business units within the Council also have their own risk registers which should focus on the key risks affecting each individual service, although some of the risks may have an impact on whether the department or the Council meets its objectives.
- 1.4 Business Units may choose to include only the key (high level) risks facing them on their risk register and to set up subordinate risk registers within Covalent, which can be cross-referenced to the business unit register. This would allow specific projects or risks to be allocated to service managers to monitor and report on and allow the business unit and departmental management teams to focus on managing and reviewing the key risks.

### 2. Assessment of risks

- 2.1 When all the relevant key risks have been identified, a numerical scoring system is used to determine which are the key risks to the department or business unit. Risks are scored using two factors:
  - **Likelihood.** An assessment is made of how likely the risk is to occur in practice; and
  - **Impact.** An assessment is made on if the risk did occur, what would be the impact on the department, business unit, or system.
- 2.2 Managers decide on the likelihood and impact of each of the risks identified for their department or business unit as they are in the best position to be able to assess the likelihood and impact of each of the risks on their specific departments.
- 2.3 In order to ensure a consistent approach across the Council, specific criteria have been agreed for the likelihood and impact scores. The Impact and Likelihood Scales are attached at Appendix A1, which also provides further detail on when the relevant managers should take action, or further action, to manage risks effectively and consistently.
- 2.4 The impact/likelihood scores are based on a 12 month assessment period, in line with the Council's business planning process, although with review of risk registers on a quarterly basis this is effectively a rolling 12 month assessment. The impact and likelihood of individual risks may change over time, depending on changing circumstances, therefore it is important to review the assessments which have been made on a regular basis.

## The completion of risk registers

2.5 The identified control in place to manage each risk should either reduce the likelihood that a risk will occur, or the impact if it were it to occur. If the score is still at an unacceptably high level having considered the controls in place, additional actions may be required in order to reduce the risk level further.

2.4 The Council's objective is to make sure that the most cost-effective controls are in place for each risk, and that managers have considered the cost against the benefit of the control. This may mean that certain risks have a high residual score because the cost of reducing the risk may be higher than the potential cost, if the risk actually happens.

2.5 The risk registers therefore contain the following:

- key risks and which officer is responsible for managing those risks;
- controls in place to manage the risks, and who is responsible for implementing and managing those controls;
- risk scores; and
- any further actions required, and who is responsible, together with a timescale for completion.

### 3. Assurances on the effectiveness of key controls

3.1 The Council wants to ensure that the controls which managers say are in place to manage the key risks are both in place and working effectively. The annual programme of internal audit work includes resources to test the key controls specified within the risk registers, based on the level of risk involved.

### 4. Monitoring of risks

4.1 Setting up the risk registers is only one part of the risk management process. In order to achieve real benefits from implementing risk management, it is important that the risk registers are reviewed and kept up to date, in accordance with the corporate risk management strategy. Managers should review all risks with a risk score of 32 or above on a quarterly basis. All other risks should be reviewed on a six monthly basis.

Deleted: on a quarterly basis,

4.2 CEMB will review and update the corporate risk register on a quarterly basis. The update may take the form of new risks, changes to or additional controls, and changes to risk scores. Key triggers for significant changes to risk registers will be new or changing regulations, implementation of new departmental or corporate projects, high staff turnover, changes in the external environment, and Internal Audit reviews.

4.3 The Corporate Committee will, on an annual basis, review the corporate risks identified and confirm their acceptance of both the risks which have been identified, and the actions in place to manage them.

Deleted: Audit

4.4 Using the framework, a consistent methodology for measuring and scoring risks is applied throughout the Council. What managers need to do to deal appropriately with risks at various levels, is detailed at Appendix A1.

## The completion of risk registers

## APPENDIX A1 – Impact and Likelihood Scales

To be used as a guide in assessing risk ratings:

Descriptor	Impact Guide	Likelihood Guide
1	No impact	<1% likely to occur in next 12 months
2	Financial loss up to £5,000 or no impact outside single objective or no adverse publicity	1%-5% likely to occur in next 12 months
3	Financial loss up to £10,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
4	Financial loss up to £50,000 or minor regulatory consequence or some impact on other objectives	10%-20% likely to occur in next 12 months
5	Financial loss up to £100,000 or impact on other objectives or local adverse publicity or strong regulatory criticism	20%-30% likely to occur in next 12 months
6	Financial loss up to £300,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports)	30%-40% likely to occur in next 12 months
7	Financial loss up to £500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions	40%-60% likely to occur in next 12 months
8	Financial loss up to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration	60%-80% likely to occur in next 12 months
9	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months

The completion of risk registers

Measuring what is an acceptable risk

Impact	9	9	18	27	36	45	54	63	72	81
	8	8	16	24	32	40	48	56	64	72
	7	7	14	21	28	35	42	49	56	63
	6	6	12	18	24	30	36	42	48	54
	5	5	10	15	20	25	30	36	42	48
	4	4	8	12	16	20	24	28	32	36
	3	3	6	9	12	15	18	21	24	27
	2	2	4	6	8	10	12	14	16	18
	1	1	2	3	4	5	6	7	8	9
		1	2	3	4	5	6	7	8	9
		Likelihood								

Red  
Amber  
Green

Risk Score	Value	Action required
12 or less	Up to £50k	No further action is required to reduce risks, but managers should ensure that the specified controls are operating effectively. Managers should review the controls for low risk areas to ensure there are not too many controls in place, or the controls outweigh the cost of any potential system failure.
14 – 30	£5k - £300k	Implementation of further action and additional controls may be required. The costs and benefits of additional controls should be considered. The relevant departmental management team may agree that no further action should be taken. This decision must be recorded on the risk register within the relevant 'controls' section.
32 or more	£50k – £1m and over	Implementation of additional controls is required for any new risk with a risk score of 32 or higher. If the Business Unit or Department does not want to introduce any more controls, CEMB must consider and agree their approach. The approval should be recorded on the risk register. If the impact of the risk is considered significant (impact score of 5 or 6) and/or the likelihood of the risk happening is thought to be high (likelihood score of 8 or 9), the relevant departmental management team must review them and agree the approach to manage them. If the impact of the risk is considered substantial, major or catastrophic (impact score of 7, 8 or 9), CEMB must review them and agree the approach to manage them.

## Project and Programme Management

Projects are one-off activities which bring about change. Projects tend to be risky for two reasons, because:

1. the organisation has limited, if any, experience of undertaking the work before; and
2. the impact of change cannot always be predicted from the outset.

To minimise risk to work done in a project environment project managers follow Haringey's Project Management Framework (PMF). The PMF outlines:

- set project management processes;
- roles and responsibilities;
- guidance on governance; and
- the monitoring structure, sign-off procedures, and quality assurance provided by the Programme Management Office.

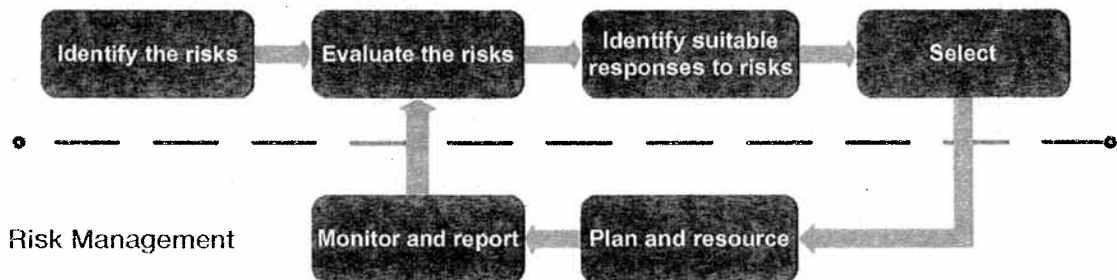
It also contains standard templates for all key documents and guidance on how they should be completed.

The Council also has a Corporate Programme Management Office (PMO) to oversee compliance with the PMF and to manage risk at a programme level.

### The Risk Management Cycle

All risks within the project environment, whether programme or project level, are handled according to the standard risk management cycle. See diagram below:

#### Risk Analysis



### Risk Management at Programme vs. Project level

Programme-level risks are those risks which affect the intended benefits of a programme. There are two main types of programme level risks:

- a) those risks which affect all or a number of projects within the programme; and
- b) those risks which so substantially affect the benefits of a key project that they put the programme benefits at risk.

These risks are held by the Corporate PMO in the Programme Risk and Issue Log. The Corporate PMO manages the log by:

- Horizon scanning for risk;
- Holding and updating the log, whether risks are raised inside or outside the PMO;

- Circulating the log to the Programme Boards and through the Chairs of the Boards to CEMB and other key stakeholders to ensure that there is an awareness of risks; and
- Monitoring whether risk owners are undertaking management action as assigned.

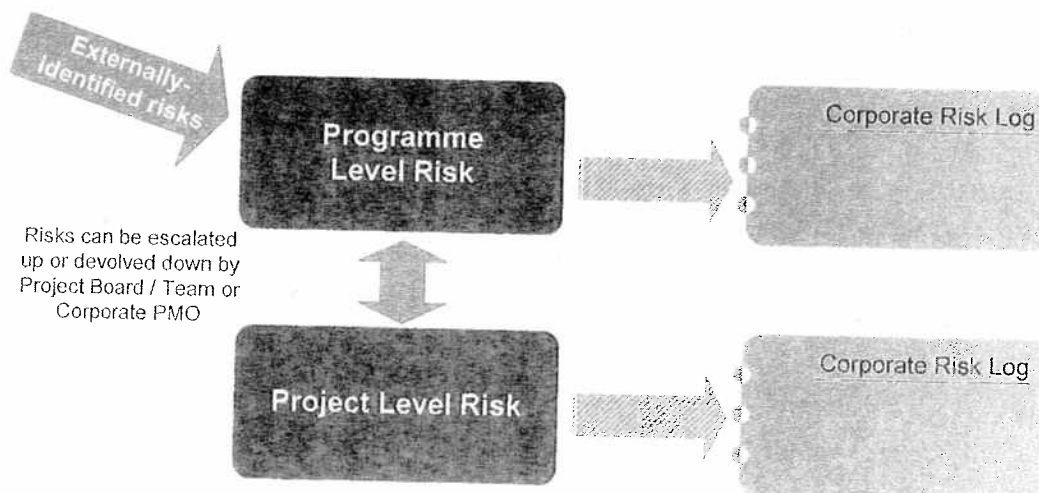
Project-level risks are those risks which affect the intended outputs or benefits of the project. Project managers are responsible for managing and logging project level risks. Project managers may delegate the management of risk to appropriate risk 'owners', but they retain accountability for the management of risk. Project managers are expected to keep unwanted outcomes to an acceptable minimum.

Project managers should review the project risk log every time they submit a Project Highlight Report. A full risk review of the project should be undertaken at the end of every project stage.

### Link with Corporate Risk Management Processes

The steps in project and programme risk management are as follows:

1. Risks which are identified at project level are logged by the project manager in the project risk log, and if this places the directorate's objectives at risk, it should also be logged on the Corporate Risk Register for the Business Unit.
2. Corporate PMO receive a copy of each project's risk log as part of the monthly Project Highlight Report.
3. Corporate PMO assess whether the risks are deemed significant at programme level. If they are, the risk is logged in the Programme Risk Log. The Programme Risk Log is circulated to all project managers, sponsors, and the senior management team.
4. Programme-level risks may also be picked up by Corporate PMO and other stakeholders through horizon-scanning. If they are also significant at the project level they may be devolved down to the project manager for monitoring within the project environment too. This process is shown in the diagram below:





## Business Continuity Plans

### 1. Overview

- 1.1 Business Continuity Plans allow Business Unit Heads, Departmental Managers and members of CEMB to manage threats or incidents that have the potential to disrupt the delivery of services or the conduct of Council business.
- 1.2 By focusing on the impact of disruptive events, BCM identifies the critical services and function the organisation depends on, and what is required for the organisation to continue to meet its obligations to its many stakeholders. This allows the organisation to:
- Take steps to protect its people, premises, IT, supply chain, reputation etc
  - Plan to respond effectively to disruptive events and challenges
- 1.3 Business Continuity Management is a cyclical process, and is designed to manage and control risks which can be described as “low probability, high impact” events. It involves four stages:
- Understanding the organisation
  - Determining the Business Continuity Strategy
  - Developing and implementing the BCM Plans
  - Exercising maintaining and reviewing
- 1.4 It requires both leadership and ownership from senior management, and understanding and support throughout the organisation. For this reason, Business Continuity Management is a mainstream activity, that is required of all Business Units.

### 2 Roles and responsibilities

- 2.1 The Emergency Planning and Business Continuity Team are responsible for :
- maintaining the corporate Business Continuity Plan, and advising CEMB of key Business Continuity risks, and mitigation strategies.
  - providing advice and training to Business Units to support their Business Continuity planning.
  - Providing a programme of exercising to validate corporate and Business Unit plans.
- 2.2 Heads of Business Units are responsible for:
- Considering the risk of business continuity disruption in their Risk Register
  - Ensuring Business Continuity Plans are in place and reviewed twice a year.
  - Providing data to the Emergency Planning and Business Continuity Team to inform the corporate Business Continuity strategy.
- 2.3 Each Directorate should appoint a Tier 2 lead on Business Continuity who will:
- Lead on and champion Business Continuity within the Directorate
  - Represent the Directorate on the corporate Business Continuity Management team in the event of an incident requiring a corporate response.

### 3 Understanding the organisation

3.1 There are two aspects to this stage of Business Continuity Planning:

- Identification and assessment of Business Continuity risks
- Analysis of the criticality of services and functions, and the resources required to support them.

3.2 Business continuity risks are identified by the Emergency Planning and Business Continuity Team, based on the Community Risk Register compiled in conjunction with the Emergency Services. Other Business Continuity Risks are identified by the IT Services.

3.3 Guidance on the likelihood of these risks occurring is provided centrally to Business Units, who must then consider the impact of these risks on their own operations and services. Business Units are expected to enter into their Risk Register any individual BC risks that are of particular significance to them, or a generic BC risk if no individual risk is significant.

3.4 Analysis of the criticality of services and functions of a Business Unit is undertaken on the basis of the length of time the service could cease to function for, before a "Level 5" impact was felt on the Council Risk Management Framework Impact scale (see Appendix B1). Since this prioritisation of services will determine the order in which the Council recovers its services in the event of an incident, these priorities should be agreed with the responsible Cabinet Member.

3.5 Each service is also required to identify and report to the Emergency Planning and Business Continuity Team annually on the resources they would require to maintain their service, considering:

- People
- Premises / workspace
- Resources
- Suppliers
- IT
- Vehicles

### 4 Determining the Business Continuity Strategy

4.1 The Councils Business Continuity Strategy operates at two levels: local strategies developed by Business Units and services managers, and the corporate strategy for dealing with larger events.

4.2 Each Business Unit is required to identify local actions they can take to maintain services in an incident. These can include remote working, temporary suspension of non-key functions, supplier management strategies etc. Business Units should also consider what actions they can take to improve the resilience of their operations – for example by changing operational processes, identifying alternative suppliers of goods and services, identifying changes to the configuration of premises or infrastructure.

4.3 Corporate Business Continuity strategy focuses primarily on larger disruption of access to premises, and major workforce disruption. This strategy is developed based on an analysis of the data provided by the Business Units (see 2.5).

4.4 This plan is linked to the IT Disaster Recovery Plan, and provides the priority order for recovery of IT Services in aftermath of an incident affecting IT Services.

## **5 Developing the Business Continuity Plans**

5.1 The Business Continuity Response is again split into corporate and local actions. The Corporate Business Continuity Plan sets out the incident management framework for the Council as a whole, roles and responsibilities, notification and escalation processes.

5.2 Business Unit or service Business Continuity Plans are produced according to a corporate template, and include local notification and incident management arrangements and checklists, along with the recovery requirements and actions plans for restoration of services.

5.3 Every Business Unit must have a Business Continuity Plan or plans covering every aspect of their service.

5.4 Business Units are also required to verify the Business Continuity arrangements of their key suppliers and partners.

## **6 Exercising, maintaining and reviewing**

6.1 The Corporate Business Continuity Plan is reviewed on a quarterly basis, and exercised annually. The Emergency Planning and Business Continuity Planning team maintain the plan, incorporating lessons from incidents and exercises.

6.2 Business Unit plans are required to be reviewed twice a year (in September and April). These reviews should take account of lessons from incidents and exercises, and organisational and operational changes that have occurred since the last review.

6.3 In addition, the Emergency Planning and Business Continuity Plan will audit a number of Business Unit plans each year on a risk basis.

6.4 Business Units plans will be exercised at least every three years, based on a corporate programme developed by the Emergency Planning and Business Continuity Team.

APPENDIX B1: Service Prioritisation Guide

What are your priorities for Business Continuity, in the event of an incident, and the target recovery time?

Emergency Response (immediate)	Critical Services (Recover within 4 hours) <i>List individual services</i>	High Priority (Recover within 24 hours) <i>or aspects of services</i>	Medium Priority (Recover within 3 days) <i>in these boxes according</i>	Low Priority (1 week +) <i>to their priority.</i>
<p>At what point would service disruption have a "Level 5" Impact: i.e. Financial loss up to £100,000 or impact on other objectives or local adverse publicity or strong regulatory criticism</p>				
<p>Likely to be project work, consultation, strategy development etc.</p> <p>Likely to be services with a public-facing element, but not immediately time-critical. For example, street cleansing can be delayed for a few days, without serious consequences.</p> <p>Services which are very visible to the public may well fall into this category. Services like IT, on which many other services depend, may also fall into this category.</p> <p>In general, the only services that fall into this category are those where the welfare of the public is immediately affected. For example, Home Care Services – if this was suspended, clients who were not visited may well be at a serious health risk.</p> <p>The Council will prioritise services needed to respond to the immediate needs of the public in an emergency. If no emergency response is required – for example if the incident is purely internal to the Council – then these services will not be prioritised.</p>				

## Performance Management Framework

### An overview

Haringey has developed an outcome based performance framework for 2011/12 onwards. A sharper focus on achieving key council priorities and outcomes – is at the heart of the new approach.

The new framework, agreed by Management Board on 15<sup>th</sup> February 2011, is an integral part of *Rethinking Haringey* and key in ensuring the Council is on track to achieve the outcomes set out in that document. These are:

**Thriving** - Regenerating the borough; creating opportunities for employment and educational attainment; tackling low income and poverty; providing a balance of different types of homes which offer quality, affordability and sustainability

**Healthier** - Tackling health inequalities amongst children and adults; promoting healthier lifestyles and independence

**Safer** - Reducing the incidents and fear of crime and anti-social behaviour; safeguarding children and adults

**Sustainable** - Tackling climate change and managing our environmental resources more effectively; ensuring an attractive, clean, sustainable environment

**Empowered** - Promoting opportunities for community involvement and volunteering; enabling self reliant communities

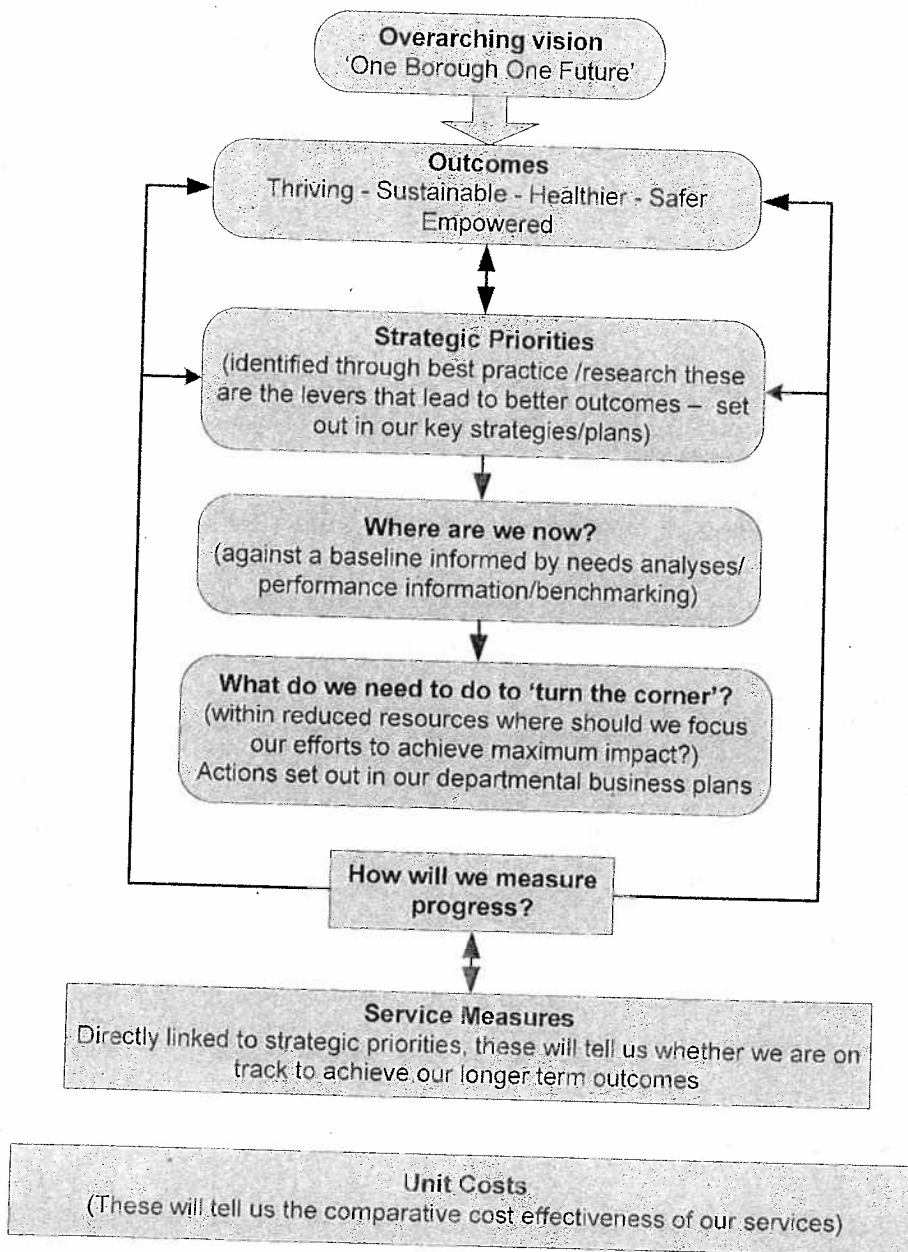
### Key elements of the outcomes framework

The key components of the framework are:

- **Priorities**- identified through needs analysis, research and consultation as the strategic levers that will lead to better outcomes.
- **Actions** – these are set out in our departmental plans.
- **Service measures** - directly linked to strategic priorities, these will tell us whether we are on track to achieve our longer term outcomes. Over time these will build a picture that will tell us whether our policies and activities are having the expected impact.
- **Unit costs**- these will tell us the cost effectiveness of our services. These will be developed for our front facing services and reviewed annually.

The diagram below shows our approach to performance management and how all the component parts fit together.

**Haringey's Outcomes Based Performance Framework**

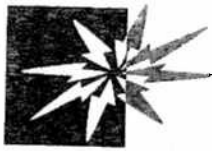


Targets for improvement are set out in our departmental plans within the resources allocated in the Council's Financial Strategy. Performance against these targets is reviewed quarterly by the Council's Management Board and Cabinet. Progress on completion of milestones as set out in the departmental plans is reported quarterly alongside performance information.

Departmental Management Teams review performance including local and operational data on a monthly basis to ensure timely intervention where necessary.

The views of our residents are important to us and we consider them as key indicators of our performance. Every year we commission an independent residents survey which tracks perceptions over time and against other London authorities. This information informs our departmental and other strategic plans. Complaints and Members' Enquires are key in identifying problem areas and in learning from our mistakes in order to improve services.

At the end of each year we complete a self evaluation across the Council assessing our progress towards achieving the agreed outcomes. We publish this in accessible format on the Council's website.



Agenda item:

**Corporate Committee** **On 21 July 2011**

Report Title: Internal Audit Progress Report – 2011/12 Quarter 1

Report authorised by: Director of Corporate Resources

*J. Parker 13/7/11*

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

Tel: 020 8489 5973

Email: [anne.woods@haringey.gov.uk](mailto:anne.woods@haringey.gov.uk)

Wards(s) affected: All

Report for: Non-key decision

**1. Purpose of the report**

- 1.1 To inform the Corporate Committee of the work undertaken during the first quarter by the Internal Audit Service in completing the 2011/12 annual audit plan and reports issued for outstanding 2010/11 audits, together with the responsive and housing benefit fraud investigation work.
- 1.2 In addition, to provide details of the work the Council's Human Resources business unit has undertaken in supporting disciplinary action taken across all departments by respective council managers.

**2. State link(s) with Council Plan Priorities and actions and/or other Strategies:**

- 2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing key services and making recommendations for improvement where appropriate. Follow up work is undertaken to provide assurance that managers have implemented agreed recommendations and improvements.

**3. Recommendations**

- 3.1 The Corporate Committee is recommended to note the audit coverage and progress during the first quarter 2011/12.
- 3.2 That the Corporate Committee notes the progress and responses received in respect of outstanding audit recommendations and confirms that the actions taken during

the first quarter to address the outstanding recommendations are appropriate.

**4. Reason for recommendation(s)**

4.1 The Corporate Committee is responsible for monitoring the completion of the annual internal audit plan and the implementation of agreed recommendations as part of its Terms of Reference. In order to facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Corporate Committee.

4.2 Where further action is required or recommended, this is highlighted in the covering report and associated appendices and included in the recommendations for the Corporate Committee.

**5. Other options considered**

5.1 Not applicable

**6. Summary**

6.1 The internal audit service makes a significant contribution to ensuring the adequacy and effectiveness of Internal control throughout the Council. This report looks at the work undertaken in the quarter ending 30 June 2011 and focuses on:

- Progress by Deloitte and Touche on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised;
- Progress in implementing outstanding internal audit recommendations with particular attention given to priority 1 recommendations;
- Details of investigative work undertaken relating to fraud and/or irregularities including those within the remit of the Housing Benefit Fraud Investigation Team, and information in respect of disciplinary action taken.

6.2 The information has been compiled from information held within the Audit & Risk Management business unit and from records held by Deloitte and Touche and the Council's corporate Human Resources business unit.

**7. Head of Legal Services Comments**

7.1 The Acting Head of Legal Services has been consulted in the preparation of this report, and advises that there are no direct legal implications which arise out of the report.

**8. Chief Financial Officer Comments**

8.1 The Chief Financial Officer confirms that the internal audit activity outlined in the report can be met from the existing budget in Audit and Risk Management.



8.2 Only 68% of the planned audit work for the first quarter of 2011/has been completed as at 30 June 2011. This is below the planned target, and this needs to be carefully monitored.

8.3 The Chief Financial Officer notes the positive work carried out by the fraud team and the outcomes being achieved as set out in sections 17 & 18.

#### **9. Head of Procurement Comments**

9.1 Not applicable

#### **10. Equalities and Community Cohesion Comments**

10.1 This report deals with how risks to service delivery are managed across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

#### **11. Consultation**

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors during the audit process and in the production of individual internal audit reports and follow up programmes. Their comments are included in the final report which is circulated in accordance with the agreed internal audit reporting protocol.

#### **12. Service Financial Comments**

12.1 There are no direct financial implications arising from this report. The work completed by Deloitte and Touche is part of the five year contract which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

#### **13. Use of appendices**

13.1 Appendix A – Deloitte and Touche Progress report  
Appendix B – In-house Team – investigations into financial irregularities  
Appendix C – Council-wide disciplinary information

#### **14. Local Government (Access to Information) Act 1985**

14.1 For access to the background papers or any further information please contact

Anne Woods on 0208 489 5973.

## 15. Performance Management Information

15.1 Although there are no national or Best Value Performance Indicators, key local performance targets have been agreed for Audit and Risk Management. These form part of Corporate Resources' reporting processes, but are detailed below for information. Table 1 below shows the targets for each key area monitored in 2011/12 and gives a breakdown between the quarterly and cumulative performance.

Table 1

PI Ref.	Performance Indicator	1 <sup>st</sup> Quarter	Year to date	Target
1	Audit work – Days Completed vs. Planned programme	68%	17%	95%
2	Priority 1 recommendations implemented at follow up	80%	80%	95%
3	Benefit fraud cases completed and accepted for prosecution	9	9	50
4	Overpayments recovered (including POCA and confiscation awards)	£74k	£74k	£250k

## 16. Internal Audit work – Deloitte and Touche contract

- 16.1 The activity of Deloitte and Touche for the first quarter of 2011/12 to date is detailed at Appendix A. It has been agreed that the previous reporting arrangement, whereby Members of the Audit Committee received detailed summaries of all projects for which a final report has been issued on a monthly basis to allow for any issues to be raised and discussed in a timely manner, will continue for the Corporate Committee. Appendix A provides a list of all final reports which have been issued during the quarter, together with detailed summaries of all reports which are issued with a 'limited' assurance rating.
- 16.2 Appendix A also provides detailed summaries of all recommendations which were previously recorded as outstanding at the time of the follow up audit work. Members have been monitoring the progress and implementation of these at the previous Audit Committee meetings to ensure that managers were taking appropriate action to address outstanding recommendations. Only 5 recommendations from prior years remains outstanding: 2005/06 - One Priority 2 recommendation remains partly implemented; 2009/10 – four Priority 2 recommendations remain partly implemented. Work is ongoing to address these and internal audit is satisfied that managers' actions are appropriate to manage the lower priority risks facing the Council. Internal Audit will continue to monitor implementation of recommendations to ensure appropriate actions are taken to mitigate identified risks.

- 16.3 A summary of all follow up audit projects for 2010/11 work which have been undertaken is also included in Appendix A (page 8). We have followed up on 35 recommendations to date and found that 26 have been implemented, three are no longer applicable, one is in progress, and five recommendations had not reached their due date. Overall, a compliance rate of 91% has been achieved for the first quarter. One Priority 1 recommendation (out of five) followed up to date, where the deadline for implementation has passed, remained partly implemented.
- 16.4 Deloitte planned to deliver 250 days of the 2011/12 annual audit plan (1000 days) during the first quarter. Deloitte actually delivered 170 days audit work during the quarter, which is 68% of the planned work. To date, 17% (170 days) of the annual planned programme of 1000 days has been completed as at 30 June 2011. This is below the planned target, but Deloitte and Touche have been undertaking planning and preparation work for the 2011/12 year and it is expected that the annual target of 95% will be achieved. Ongoing monthly contract monitoring reviews ensure that performance levels are kept under review.
- 16.5 In conjunction with the Director of Corporate Resources, Directors are kept advised of the outstanding recommendations and any actions required to ensure that implementation of recommendations is achieved. From 2008/09 onwards, the implementation of Priority 1 recommendations has been included in the performance reporting requirements for all departments. During quarter one, Internal Audit are satisfied that managers have been taking appropriate action to address the issues raised in the original recommendations prior to 2010/11.
- 17. In-house Team – Fraud investigation/Pro-active work**
- 17.1 In accordance with the Council's Constitution, Internal Audit investigates all cases that fall outside the remit of the Housing Benefit Fraud Investigation Team and the Information Security Policy. Appendix B details the individual cases that were completed by the In-house Team to date in 2011/12 and any which were brought forward from 2010/11. The listing at Appendix B also includes any referrals made using the Council's whistle blowing policy which were investigated by Internal Audit. During the first quarter, two whistle blowing referrals were made.
- 17.2 Within the first quarter, twelve new cases were referred to Internal Audit for investigation, and nine cases were completed during the quarter involving Council employees. This included cases brought forward from 2010/11. Internal Audit work closely with officers from personnel and the service involved to ensure that the investigation is completed as quickly as possible.
- 17.3 During the first quarter of 2011/12, the team has been investigating the potential data matches provided to the Council as part of the statutory National Fraud Initiative exercise. Work has been undertaken to investigate pension payments, blue badges, and housing tenants. The outcomes of these investigations will be reported to the Corporate Committee later in the year as work is concluded.

17.4 The section has begun working with Homes for Haringey and the Strategic and Community Housing Service on developing an approach to target and investigate housing and tenancy fraud. Two training sessions have already been run for Homes for Haringey staff and the Housing Assessment teams and further sessions will be rolled out to staff during the next quarter. An agreed referral and investigation process has been put in place for all suspected cases of tenancy fraud and the corporate team will work closely with all officers in housing, legal services and Homes for Haringey to investigate cases.

## **18. Housing Benefit counter-fraud**

18.1 During the first quarter, the HB Fraud team completed investigations on nine benefit fraud cases and submitted these to Legal Services for prosecution at crown court. In the same period, a further eight investigations into benefit fraud cases were completed and three lower sanctions (cautions) were applied. The HB Fraud team is waiting to serve cautions on the remaining five cases.

18.2 In the first quarter, seven cases were heard at crown court, including two cases which were prepared and submitted for prosecution during the same quarter. All seven prosecution cases found in favour of the Council. All seven cases identified that an overpayment had been fraudulently obtained by the claimants. The total overpayment identified for the seven cases was £143.4k, of which £39.7k (27.6%) has already been recovered. Overpayment plans are in place to recover the remaining amounts.

18.3 In addition, the HB Fraud team also submitted a case under the Proceeds of Crime Act (POCA) during the first quarter. The Council claimed £29.6k under POCA and was successful in obtaining judgement in its favour for the full amount. The court also awarded the Council £5k costs and an additional £4.7k confiscation order. All costs awarded have been recovered under this judgement by the Council. The team will be working with the HB recovery team and Legal Services going forward to ensure that all options for recovery are considered when fraud has been proven.

## **19. Council-wide disciplinary statistics**

19.1 Appendix C details the number of disciplinary suspensions and/or action taken in the first quarter of 2011/12. The data is taken from SAP and the information has been provided by the Council's Human Resources business unit in line with Council statistics reported elsewhere.

19.2 During quarter one, the number of disciplinary cases investigated was 43, with 30 remaining 'open' at the end of the quarter. The average length of time taken to resolve disciplinary cases in quarter four was 96 days, which represents an increase compared to the fourth quarter of 2010/11, but broadly in line with the previous two quarters in 2010/11.

APPENDIX A

**Internal Audit  
Quarter 1 Internal Audit Report  
2011/2012  
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.  
July 2011

**DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12**

**APPENDIX A**

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# DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12

## APPENDIX A

### Executive Summary

#### Introduction

This is our first quarter report to the Corporate Committee for the 2011/12 financial year including details of all reports which are now at final stage. The report provides information on those areas which have achieved full or substantial assurance and gives an indication of the direction of travel for key systems work which will provide Members with information on how risks are being managed over time. The format of this report is also designed to highlight the key risks facing individual departments and the Council which have been identified during the course of our internal audits. A more detailed summary of the limited assurance audit findings is included for information. The report draws together the summary information which is provided on a monthly basis to Members of the Corporate Committee. Members of the Committee will also be provided with full copies of our audit reports upon request.

All recommendations are agreed with Council officers, and any disputes are discussed prior to the final report being issued. All recommendations to address any control weaknesses highlighted within this report have been agreed. Officers' actions to address the recommendations, including the responsible officer and the deadline for completion, are fully detailed in the individual final audit reports.

The attached tables reflect the status of the systems at the time of the audit, and recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Audit Committee.

As a reminder, our recommendations are prioritised according to the following categories:

- Priority 1* - major issues for the attention of senior management
- Priority 2* - other recommendations for local management action
- Priority 3* - minor matters and/or best practice recommendations

#### Key Highlights/Summary of Quarter 1 2011/12 – Final Reports issued (all relating to 2010/11):

- Accounts Receivable (Sundry Debtors);
- Accounts Payable (Creditors);
- National Non-Domestic Rates (NNDR);
- Council Tax;
- Cash Receipting;

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- Certificates of Lawfulness;
- Sports Approved Supplier Framework;
- Internal payments and Recharge Procedures;
- Safeguarding Adults; and
- Commissioning and Placement.

### Delivery of 2011/12 Internal Audit Plan

As part of the 2011/12 Internal Audit Plan, we have started our planning work with regards to agreeing the scope and start date for individual audits. The following audits were started in June 2011, for which draft reports are expected to be issued in July 2011:

- OHMS Application;
- Parking Services – Pay & Display;
- Haringey Park Children's Home (Children & Families Establishment audit);
- Haslemere Road Family Centre (Children & Families Establishment audit); and
- Voluntary Redundancy Programme.

The above list does not include schools which have been visited in Quarter 1.

### Follow Up of Prior Years' Recommendations

The results of our follow-up work are as follows:

#### 2005/06

One Priority 2 recommendation remains outstanding; work is ongoing to address this.

#### 2009/10

Four Priority 2 recommendations remain outstanding; work is ongoing to address this.

#### 2010/11

To date we have followed up 35 recommendations and found that 26 (74 %) have been implemented, one (3 %) has been partly implemented, five (14%) are not yet due for completion and three (9 %) are no longer applicable.

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**Audit Progress Summary:**

The following table sets out the audits finalised in Quarter One of 2011/12, all relating to the 2010/11 financial year, and the status of the systems at the time of the audit. It must be noted that the recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Audit Committee.

Detailed summaries of all audits which do not receive 'Full' or 'Substantial' assurance ratings are also provided for Members' information.

Audit Title	Date of audit	Date of Final Report	Assurance level	Direction of Travel	Number of Recommendations (Priority)		
					1	2	3
<b>2010/11</b>							
Certificates of Lawfulness	July 2010	25.05.11	Substantial	N/A	0	6	0
Sports Approved Supplier Framework	September 2010	04.04.11	Substantial	N/A	1	6	0
Internal Payments & Recharge Procedures	September 2010	14.06.11	Substantial	N/A	0	5	0
Accounts Receivable (Debtors)	November 2010	25.05.11	Substantial	↔	0	1	1
Accounts Payable (Creditors)	January 2011	11.04.11	Substantial	↔	1	0	1
NNDR	January 2011	20.04.11	Substantial	↔	0	2	0
Council Tax	January 2011	05.05.11	Full	↗	0	0	0
Safeguarding Adults	January 2011	31.05.11	Substantial	N/A	1	2	0
Commissioning & Placements	February 2011	19.05.11	Substantial	N/A	0	3	1
Cash Receipting	February 2011	25.05.11	Substantial	↔	0	1	1

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**Detailed Progress Report - Implementation of Recommendations 2005/06**

Ref	Recommendation	Priority	Original Deadline	Progress/Status
<b>PLACE &amp; SUSTAINABILITY</b>				
<b>TOREX Leisure Management System</b>				
1	Management should contact the software suppliers with a view to investigating whether and how 'failed logon attempts' can be included in the existing Audit Trail logging, as are successful logons and logouts currently.	2	Ongoing/ May 2008	<p><b>Partly Implemented</b>  <i>Update 4 April 2011:</i>                      Version 9.6 of the software has now been released on the market. A project has been set up within the Council to implement it. It is planned that it will be implemented within the next 3-6 months.</p>

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Detailed Progress Report - Outstanding Recommendations 2009/10

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
<b>CORPORATE RESOURCES</b>				
<b>IT AUDIT - PLANNING &amp; CONTROL APPLICATION</b>				
1	A procedure should be established to reconcile payments received from the Planning Portal and iPlan as well as e-Forms on the Haringey website and iBuild application via the Haringey e-Payments system. This should ensure that all payments received via the Cash Receipting interface are reconciled to the Planning Portal application and e-Forms.	2	31 August 2010	<p><b>Partly Implemented:</b></p> <p>Implementation date is unclear at present due to costs involved, however, in the interim we have developed a workaround whereby before applications are formally completed, SAP is checked for payments received.</p> <p><b>Management Update 25/1/2011:</b></p> <p>No implementation date provided as this is outside of Haringey's control. Central IT are aware of the integration issues between the payment systems and i-LAP. In the interim the Service will instigate a manual update system. 31/03/11.</p> <p><b>Management Update 6/04/2011</b></p> <p>The situation is as above; however, this was raised with the suppliers, with an indicative implementation date of June 2011, depending on whether the suppliers want to incorporate the Council's service request.</p> <p><i>Revised deadline: June 2011</i></p>

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
2	<p>The current audit trail in place on the iPlan and iBuild application should be reviewed to ensure audit trail functionality specifies the tables required for auditing. This should be completed with management to help ensure that all system activity is recorded for the following areas:</p> <ul style="list-style-type: none"> <li>• Changes to system files or fields;</li> <li>• User access to the system; and</li> <li>• Unauthorised access attempts and user lockouts.</li> </ul>	2	31 August 2010	<p><b>Partly Implemented:</b></p> <p>It has been agreed that this recommendation is not going to be implemented at this time due to the way that the i-LAP is configured. However, as with the input controls above, an enhancement request based upon the recommendation will be submitted.</p> <p><b>Management Update 25/1/2011:</b></p> <p>No implementation date provided as this is outside of Haringey's control. Formal enhancement request has been submitted to Northgate.</p> <p><b>Management Update 06/04/2011:</b></p> <p>The Council has raised this with Northgate; however, Northgate have not implemented this request at the time of the follow-up. It is considered unlikely that this will be done soon; however, this issue will be raised in the quarterly meetings with Northgate.</p> <p>The revised deadline of June 2011 is indicative, depending on Northgate's response.</p> <p><i>Revised deadline: June 2011</i></p>

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
<b>ADULTS AND HOUSING SERVICES</b>				
<b>MENTAL HEALTH</b>				
3	The Assessment and Care Management Manual is reviewed and updated, to ensure that its contents are in line with the strategic direction and objectives of the Council as a whole. Evidence of this should be retained e.g. through the use of version control.	2	March 2011	<p><b>In Progress</b></p> <p><b>Management Update 6 April 2011:</b></p> <p>The procedures have not yet been reviewed due to the implementation of the Personalisation Agenda. An audit of this area is currently being undertaken by Grant Thornton, the Council's external auditors, which will cover review of procedures. It is expected that the report from Grant Thornton will be issued in the second quarter 2011/12.</p> <p><i>Revised deadline: July 2011</i></p>
<b>CHIEF EXECUTIVE</b>				
<b>VOLUNTARY ORGANISATIONS</b>				
4	The monitoring spreadsheet maintained by the Finance and Monitoring Support Officer to record the dates of monitoring visits to voluntary organisations in receipt of grant aid should be updated on a regular basis. It is further recommended that the standard pro-forma used to record details of the visits should be utilised consistently for all organisations, and should be updated to include a field for the follow-up of issues raised at the previous monitoring visit.	2	Immediately	<p><b>Partly Implemented</b></p> <p>Monitoring spreadsheets have been maintained and recent visits have been recorded on these. A standard pro-forma has been used and follow up issues have been raised. However, the form should be updated to include a field for the follow-up of issues raised at the previous monitoring visit.</p> <p><i>Revised Deadline: 30 April 2011</i></p>

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**Follow Up Table – 2010/11 Audit Work**

AUDIT AREA	Assurance Level	Recommendations											Priority 1 Recs. Outstanding					
		Category			Implemented					Not Implemented								
		1	2	3	Total	1	2	3	Total	N/A	Not Imp.	In Progress		Not due				
<b>Corporate Resources</b>																		
Use of Consultants (Procurement audit)	Limited	3	1	0	4	3	1	0	4	0	0	0	0	0	0	0	0	0
Management of Out of Hours Telephone Contact Service	Substantial	1	5	0	6	1	5	0	6	0	0	0	0	0	0	0	0	0
<b>Corporate Resources - IT</b>																		
Framework-i to SAP Payments Interface	Substantial	0	5	2	7	0	2	1	3	0	0	0	0	0	0	4	0	0
Children & Young People's Service																		
Catering Services	Substantial	0	7	2	9	0	5	2	7	2	0	0	0	0	0	0	0	0
<b>Adults &amp; Housing Services</b>																		
Strategic & Community Housing Services	Substantial	0	3	0	3	0	2	0	2	0	0	0	0	0	0	1	0	0
<b>Chief Executives</b>																		
Health & Safety	Substantial	1	2	1	4	0	2	1	3	0	0	0	0	1	0	0	1	0
Data Quality – National Performance Indicators	Substantial	0	1	1	2	0	1	0	1	1	0	0	0	0	0	0	0	0
<b>Total</b>		5	24	6	35	4	18	4	26	3	0	0	0	1	5	1	1	1

**Implemented** – officers has indicated through self-certification the progress of recommendations. We have verified a sample of responses.  
**N/A** – the recommendation is no longer applicable due to changes in the system, or alternative action has been taken to address the risk.  
**Not implemented** – the recommendation has not been addressed, alternative action has not been taken.  
**Partly implemented** – officers have started implementation of recommendations

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**Detailed Progress Report - Outstanding Recommendations 2010/11**

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
<b>CHIEF EXECUTIVE</b>				
<b>HEALTH &amp; SAFETY</b>				
1	A formal process should be put in place for each Directorate to submit, within a specified deadline, their Quarterly Health & Safety Directorate Service Reports. The process should include following up on Directorates that have not submitted their reports, and taking appropriate action to address any issues.	1	31.12.10	<p><b>Partly Implemented</b></p> <p><b>Management Update June 2011:</b></p> <p>It has been difficult to implement this recommendation for all Directorates due to current resource constraints across the Council. However, this issue has been cascaded to the Health &amp; Safety officers within each Directorate and progress will be monitored at directorate Health and Safety forum meetings.</p> <p><i>Revised deadline: 31 December 2011</i></p>

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## **Statement of Responsibility**

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. The assurance level awarded in our internal audit report is not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

**Deloitte & Touche Public Sector Internal Audit Limited**

**London**

**July 2011**

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APPENDIX B  
IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/11 – 30/06/11 & B/F FROM 2010/11

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 30/06/2011	No. of officers subject to disciplinary investigation	Disciplinary Outcome	Value (£) (if known)
Assistant Chief Executive	Allegation of irregular canvassing	1	1	1	Dismissed	
Children's Service	Allegation of misuse of purchasing account	1	1	1	Resigned	
	Allegation of theft of parking income	1	1	1	Dismissed	
	Allegation that employee failed to declare second employment	1	1	1	Dismissal Upheld at Appeal Warning	
Corporate Resources	Allegation of second employment	2	0	0	N/A	
Place and Sustainability	Allegation that employee absent without leave	1	1	1	Dismissed	
	Allegation of bringing Council into disrepute	1	0	0	N/A	
	Allegation of theft of fines Income	1	1	1	Resigned	
<b>TOTAL</b>		<b>9</b>	<b>6</b>	<b>6</b>		

## Haringey Council – Corporate Committee

## Disciplinary Case Analysis April to June 2011

## Introduction

The information in this report is taken from SAP, covering the period 01 April 2011 – 30 June 2011.

The data is based on Haringey Council employees who

- hold Permanent, Temporary or Fixed Term Contracts

Note that this data excludes:

- Casual or Sessional Workers
- Schools
- Agency Workers

Legend	
Adults & Housing	AS
The Children & Young People's Service	C
Chief Executive	CE
Corporate Resources	CR
Public Health	PH
Place & Sustainability	PS
Haringey Council	HGY

The Council's Disciplinary Procedure is considered as a tool to assist in good management and not solely as a means of imposing sanctions or setting out procedures leading to dismissal.

The procedure aims to:

- Allow managers to address issues of unsatisfactory conduct and seek improvements in behaviour
  - Ensure that employees covered by the procedure are treated fairly and consistently
  - Ensure that proper and adequate procedures are observed before any disciplinary decisions are taken
  - Help and encourage all employees to achieve and maintain standards of conduct, attendance and job performance
  - Maintain discipline essential to the delivery of high quality services
  - Protect the health, safety and well being of staff, service users and members of the public
  - Safeguard the integrity and good reputation of the Council
- (Disciplinary Procedure July 2005)*

This section looks at the number of formal actions taken against employees under the disciplinary procedure.

Directorate	Cases Open	Cases Closed	No of cases	No of employees
AS	1	1	2	1
C	13	6	19	17
CE	1	0	1	1
CR	4	1	5	4
PH	0	0	0	0
PS	11	5	16	15
Grand Total	30	13	43	38

Please, note that the total number of cases is 43, but this only represents 38 employees. The reason being, that one employee can have more than one case running concurrently. For example, an employee's dismissal could count as one case and their appeal as another.

- **Children's** has the highest percentage of disciplinary cases against its workforce at **2.19%** in this quarter
- **30** cases remain 'open' at the end of this period

The following table looks at the stages of Disciplinary cases.

Stage	Cases Open	Cases Closed	Total	%
Invest. - not suspended	12	4	16	37
Invest. - suspended	13	8	21	49
ET	2	0	2	5
Appeal	3	1	4	9
Total	30	13	43	100

The following table identifies the outcomes of the 13 cases that were concluded.

Disciplinary Case Outcomes						
Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Compromise agreement	0	1	0	0	1	8
Dis. Appeal Dismissed	0	0	1	0	1	8
Dis. Appeal Part Upheld	0	0	0	0	0	0
Dis. Appeal Upheld	0	0	0	0	0	0
Dis. Appeal Withdrawn	0	0	0	0	0	0
Dis. Dismissal	0	2	0	0	2	15
Dis. ET Dismissed	0	0	0	0	0	0
Dis. ET Withdrawn	0	0	0	0	0	0
Dis. Final Written Warning	0	1	0	0	1	8
Dis. No Action	1	1	0	0	2	15
Dis. Other	2	1	0	0	3	23
Dis. Relegation/Demotion	0	0	0	0	0	0
Dis. Resigned	0	0	0	0	0	0
Dis. Verbal Warning	0	0	0	0	0	0
Dis. Written Warning	1	0	0	0	1	8
Escalated to next stage	0	0	0	0	0	0
Suspension Lifted	0	2	0	0	2	15
Total	4	8	1	0	13	100

- 23% of cases resulted in Dis. Other

This table displays reasons for Disciplinary action against employees.

Reasons for Disciplinary Cases				
Reason	Cases Open	Cases Closed	Total	%
Assault	1	0	1	2
Attendance	2	0	2	5
Behaviour	10	4	14	33
Fraud / Theft	6	3	9	21
Misuse of resources	1	1	2	5
Negligence	7	4	11	26
Other	3	1	4	9
Total	30	13	43	100

- The highest cause for disciplinary action was for Behaviour at 33%

This table looks at the ethnic breakdown and gender split for Disciplinary cases

Ethnic Class	Female		Male		All	
	Total	%	Total	%	Total	%
B & M E	14	64	8	36	22	58
White	5	31	11	69	16	42
Not Declared	0	0	0	0	0	0
Total	19	50	19	50	38	100

- 32% of the workforce is male, but the male representation with disciplinary cases is significantly higher at 50%

The following table looks at the ethnic breakdown per Directorate and across grade bands.

Dir	Ethnic Group	SC1-SC5		SC6-SO2		PO1-PO3		PO4-PO7		PO8+		TOTAL	
		T	WF	T	WF	T	WF	T	WF	T	WF	T	WF
AS	B & ME	3	50	0	0	0	0	0	0	0	0	3	50
	White	2	33	1	17	0	0	0	0	0	0	3	50
	Total	5	83	1	17	0	0	0	0	0	0	6	100
C	B & ME	2	12	1	6	5	29	4	24	0	0	12	71
	White	0	0	1	6	0	0	4	24	0	0	5	29
	Total	2	12	2	12	5	29	8	47	0	0	17	100
CE	B & ME	0	0	0	0	0	0	0	0	0	0	0	0
	White	0	0	0	0	1	100	0	0	0	0	1	100
	Total	0	0	0	0	1	100	0	0	0	0	1	100
CR	B & ME	2	40	1	20	0	0	0	0	0	0	3	60
	White	0	0	2	40	0	0	0	0	0	0	2	40
	Total	2	40	3	60	0	0	0	0	0	0	5	100
PH	B & ME	0	0	0	0	0	0	0	0	0	0	0	0
	White	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0
PS	B & ME	3	33	0	0	0	0	1	11	0	0	4	44
	White	3	33	0	0	0	0	0	0	2	22	5	56
	Total	6	67	0	0	0	0	1	11	2	22	9	100
HGY	B & ME	10	26	2	5	5	13	5	13	0	0	22	58
	White	5	13	4	11	1	3	4	11	2	5	16	42
	Total	15	39	6	16	6	16	9	24	2	5	38	100

## Suspensions

This table shows a summary of suspension cases.

Summary of Suspension Cases	
Case status	Total
No. of cases heard	8
No. of cases not concluded	13
No. of cases not concluded - leaver	0
Total	21

### Timescales (no of days) of Suspension Cases

The table below looks at the 21 suspension cases and identifies the no. of working days each case has taken. If a case has not concluded by the end of the quarter, the number of working days is calculated from the start date of the suspension to the end of the quarter.

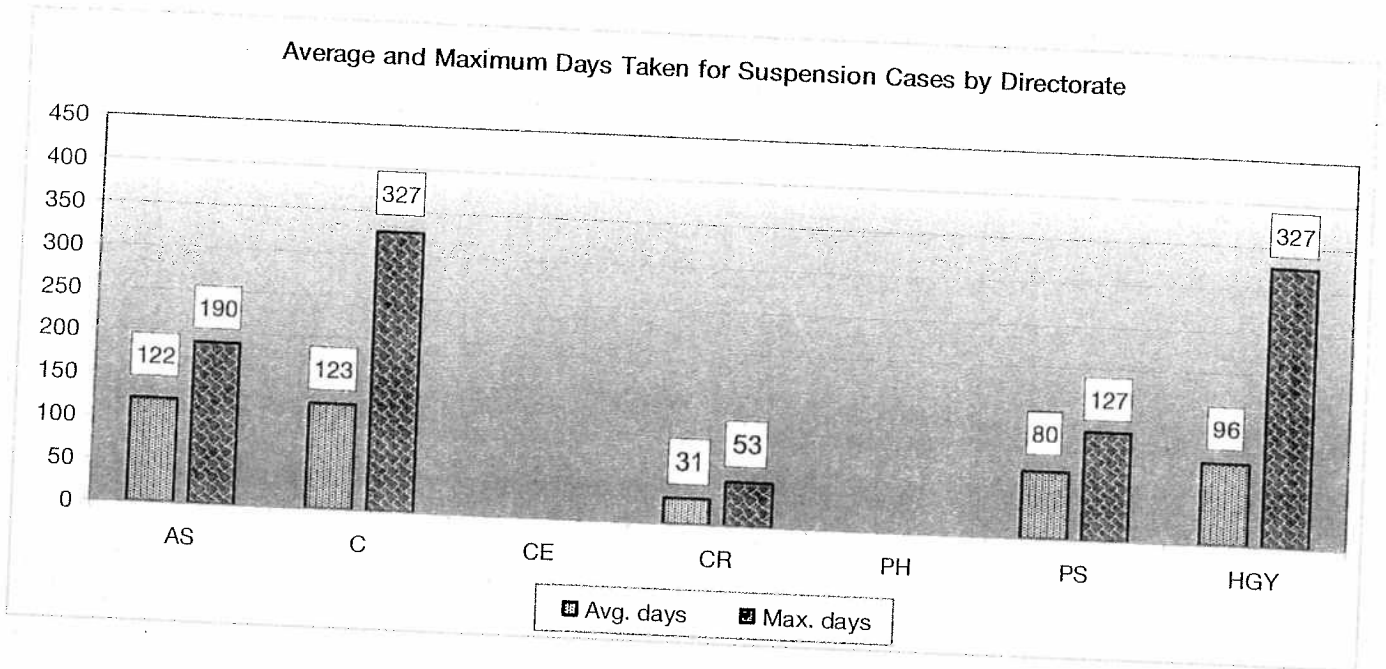
The table also identifies, by directorate, the average number of days suspension for all cases, the maximum days for a single case and average days suspension for cases heard within that period.

Timescales (no of days) of Suspension Cases										
Directorate	1-60	61-120	121-180	181-240	240+	Total cases	Total days	Avg days of total cases	Max. Days	Total cases heard
AS	1	0	0	1	0	2	243	122	190	1
C	2	2	3	0	1	8	985	123	327	4
CE	0	0	0	0	0	0	0	0	0	0
CR	2	0	0	0	0	2	62	31	53	0
PH	0	0	0	0	0	0	0	0	0	0
PS	3	4	2	0	0	9	719	80	127	3
HGY	8	6	5	1	1	21	2009	96	327	8
Total cases closed	2	3	1	1	1	8				

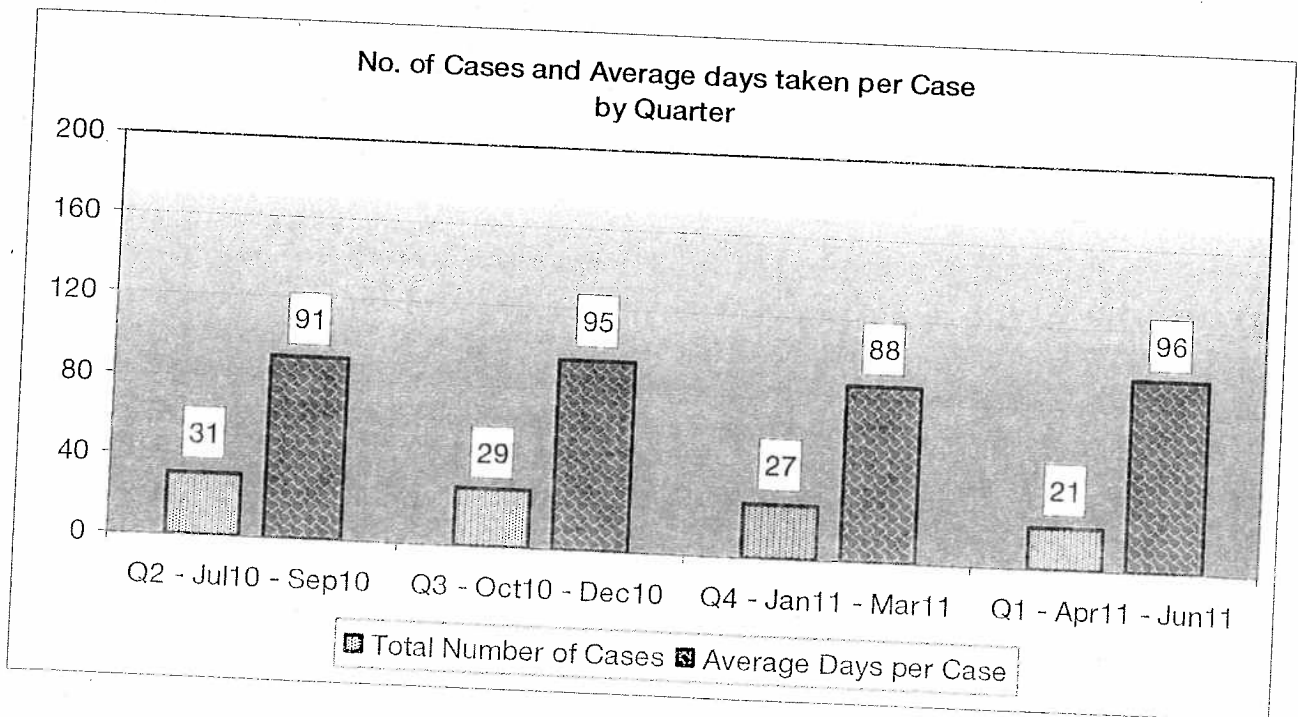
On average, 96 days were spent on each suspension case within the quarter.



The chart below illustrates the average and maximum number of days taken for a suspension case by Directorate for the quarter.



The chart below looks at the number of suspension cases per quarter for a rolling year and highlights Haringey Council's average number of days per case.



The average number of days suspended for the last quarter was 96. This has slightly increased since Quarter 4, however, the number of suspensions cases has reduced from 27 to 21 cases.

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Haringey Council

**[No.]**

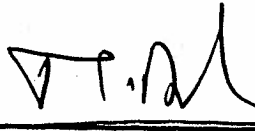
Corporate Committee

20 June 2011

Report Title. Establishing a Shared Economic Development Service

Report of Lyn Gardner, Director, Place and Sustainability

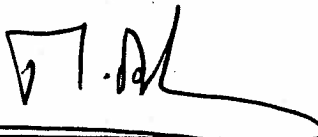
Signed:


 MARC DORFMAN 13/7/11

Contact Officer : Marc Dorfman, Assistant Director, Planning &amp; Regeneration

[Marc.dorfman@haringey.gov.uk](mailto:Marc.dorfman@haringey.gov.uk)

02084895538



Wards(s) affected: ALL

Report for: Non-Key Decision

**1. Purpose of the report**

- 1.1 To get approval to establish the new Shared Economic Development Service for Haringey and Waltham Forest following the formal consultation with staff and their Trades Unions. The outline service description, and proposed organisational chart and ring-fenced recruitment schedule are appended.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. Not applicable

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1 Rethinking Haringey – Outcome 1 Thriving  
Regenerating the borough; creating opportunities for employment and educational attainment; tackling low income and poverty; providing a balance of different types of home which offer quality, affordability and sustainability
- 3.2 Sustainable Community Strategy outcome – Economic vitality and prosperity shared by all

**3.3 Regeneration Strategy - To put People, Places and Prosperity at the heart of regeneration in Haringey.**

**4. Recommendations**

- 4.1. To agree the ongoing work on developing the new shared service including establishing the service based on the appended organisational structure and ring fenced recruitment process.
- 4.2. The Head of Economic Development in Waltham Forest will be seconded to Haringey for 6 months as Interim Head of Shared Economic Development Service to establish the service and develop the service offer for both boroughs including accountability and location.
- 4.3. Recruitment to the posts below Head of Service including Economic Development Manager to proceed as set out in ring fence recruitment schedule in Appendix 1.
- 4.4. To have due regard to the authority's public sector equality duties in relation to the agreement of Recommendation 4.1.
- 4.5. As the Council is currently reviewing its approach on tackling worklessness this report focuses on the core economic development service as set out in the Cabinet report of 8 February 2011. Delivery and Programme Management posts are covered by a separate report and process.
- 4.6. To note that this is a separate restructure to the Planning, Regeneration and Economy (PRE) restructure agreed at the Committee's June meeting, but will sit within the PRE service.

**5. Reason for recommendation(s)**

- 5.1. Haringey and Waltham Forest Councils have already agreed to develop a shared Economic Development Service – to be established by the summer of 2011. This recommendation will enable ongoing work on creating the service to proceed to schedule and secure the efficiencies and savings outlined in 2011/12.

**6. Other options considered**

- 6.1. Other options considered were maintaining separate services but these would not deliver the scale of efficiencies needed and will not facilitate greater sub-regional working and linkages.

**7. Summary**

- 7.1. Haringey and Waltham Forest Councils are working to establish a Shared Economic Development Service which will involve collapsing both current services into a single reconfigured service.
- 7.2. This report sets out the establishment of the new shared service and required proposed changes to the current establishment.
- 7.3. The current establishment includes 20 staff including 3 fixed term posts (after 4

have taken voluntary redundancy) with 9 in the core Economic Regeneration service funded through council revenue, 2 in Programme Management funded through LDA grant (fixed term) and 9 in current direct delivery teams Families into Work and Employment Action Network funded through ABG and LDA grant plus the Future Jobs Fund Co-ordinator funded through ABG (fixed term.) This report focuses on changes to the core Economic Regeneration service funded through council revenue. Programme Management and delivery teams are covered by a separate report and process.

- 7.4. The proposals for a shared service will see a core shared Economic Development service of 8 posts to cover both boroughs. A proposed ring fenced recruitment schedule to these posts is appended at Appendix 1.
- 7.5. The shared service reorganisation will sit within the wider PRE service. The proposed PRE structure will consist of the following services:
- Building Control
  - Carbon Management and Sustainability Service
  - Development Management and Planning Enforcement
  - Shared Economic Development Service (with Waltham Forest)
  - Business Development and Technical Support
- 7.6 Recruitment to the shared service will be in line with Haringey's and LBWF recruitment processes under restructuring policy and a range of support is available to staff through the Haringey Supporting Change programme to support staff in preparing for interviews etc. Recruitment panels will include staff from both boroughs for the shared service. Previous open ring fences have now been changed to closed ring fences with the exception of the Economic Development Officer (Contracts & Monitoring) which remains an open ring fence. The job descriptions for respective roles for both boroughs are generic and aligned to reflect the respective grades according to the Borough pay grading structure. Normal periods of notice and redeployment will be adhered to for affected staff.
- 7.7 The Head of Economic Development in Waltham Forest will be seconded to Haringey for 6 months as Interim Head of Shared Economic Development Service to establish the service, develop the service offer for both boroughs including accountability and location. Recruitment to the posts below Head of Service including Economic Development Manager to proceed as set out in ring fence recruitment schedule in Appendix 1. The permanent Head of Service post to be recruited to after 6 months.
- 7.8 On employment staff currently employed by Haringey will continue to be employed by Haringey if and when appointed to the shared service, disciplinary and grievances will be dealt with by and under a staff member's employing authority. This will be an interim arrangement until the shared service model is established and long term agreements and arrangements on accountability and governance are established. There will also be considerations for secondment opportunities between both boroughs.
- 7.9 Work is ongoing on establishing the shared service model including governance and accountability. This will include agreements on reviews of shared services. Staff in the respective economic development services are and will continue to be employed by the Authority which employed them prior to the (partnership agreement) and are ultimately accountable to their respective Head of Paid service. To the extent that staff make decisions on behalf or for one or the other

of the authorities, they do so on the basis of specific or general delegated authority from the relevant Authority.

- 7.10 Staff will continue to work from their current locations and attend relevant meetings in the two boroughs. Staff will also be able to work flexibly in both boroughs. Currently staff attend out of borough meetings and this will not change in the shared service.
- 7.11 The shared service will be funded by both Haringey and Waltham Forest Councils on an equal 50/50 basis sharing full costs.
- 7.12 A full service offer will be developed which will set out the service to each borough ensuring parity of service.

#### **8. Chief Financial Officer Comments**

- 8.1. The draft budget proposals for 2011-12 assume a £75,000 saving from the creation of a Shared Services model for Economic Development. This is based on the new structure being implemented around June/July 2011 and thus three quarters of the full year saving of £100,000 is achievable. Delays to establishing the service by September will reduce savings in 2011/12 to £54,000. The reductions in post numbers are consistent with this level of saving being achievable. The total savings from the base budget are £100,000 p.a.

#### **9. Head of Legal Services Comments**

- 9.1. In considering the recommendations, particularly that at 4.1, the Committee should take into account the outcome of the consultation with staff and trades unions presented to the Committee at its June meeting.
- 9.2. The decision in principle must pay due regard to the authority's public sector equalities duties, including consideration of the attached equalities impact assessments
- 9.3. The carrying out of this proposal must comply with the Council's procedures concerning restructuring. The position of staff who may be displaced as a result of this reorganisation will need to be considered under the terms of the Council's procedures regarding redeployment and redundancy.

#### **10. Head of Procurement Comments – [ Required for Procurement Committee]**

- 10.1. Not Applicable

#### **11. Equalities & Community Cohesion Comments**

- 11.1. An Equality Impact Assessment on the shared service re-organisation has been carried out and was presented at the Committee's June meeting.

**12. Consultation**

- 12.1. Informal consultations have been undertaken with staff in Economic Regeneration at team meetings in January, February and March 2011
- 12.2. A formal consultation with staff and trades unions was carried out between 4 April and 6 May 2011 including a formal consultation meeting on 11 April 2011.
- 12.3. Responses were received from Unison, a collaborative staff response and 2 individual responses relating to the work roles of programme management staff and suggestions for a new post within the delivery team. The main issues raised were around consultations across two boroughs, recruitment to the new service, location, management, possible redundancies, employment rights, funding of the shared service, the future and make up of the delivery team (funding), governance and accountability of the new service.
- 12.4. The management responses were presented at the Committee's June meeting.

**13. Service Financial Comments**

- 13.1. As per the Chief Financial Officer comments above. Furthermore, any expenditure incurred in the setting up of the shared service will be contained within the existing revenue budget

**14. Use of appendices /Tables and photographs**

- 14.1. Appendix 1 – Shared Service outline

**15. Local Government (Access to Information) Act 1985**

- 15.1. Not Applicable

## Appendix 1

### A Shared Economic Development Service for Haringey and Waltham Forest

#### Background

Local authorities are facing substantial spending reductions which will impact on service delivery especially on non-statutory services. Further following Total Place initiatives and the development of the Coalition Government's "Big Society" approach combined with the current efficiency agenda puts shared service delivery in the centre ground of Government policy. No longer can public bodies automatically take the stance that undertaking any activity on a standalone basis is the most cost effective way of going forward. A new Shared Services approach is needed to release efficiencies across the system and support delivery more focused on customer needs. Shared services provide public service organisations with the opportunity to reduce waste and inefficiency by re-using assets and sharing investments with others.

Following agreement at Cabinets in February 2011 work on sharing Economic Development services in both boroughs is progressing.

#### The Shared Service

Economic Development covers work areas and priorities around employment and skills focussing on tackling worklessness, and attracting investment for business and enterprise with the overall objective of enabling economic prosperity for residents of both boroughs through supporting job creation and local enterprise.

Work programmes and streams covered by a shared economic development service include:

#### Strategy

- Develop agreed shared strategy and high level outcomes and KPIs
- Implementation and reporting on strategy and outcomes
- Cross-borough partnerships – enterprise, business, employment
- Liaising with and linking sub-regional and regional priorities, initiatives

#### Tackling Worklessness

- local programme delivery and programme management
- links with the Work Programme
- commissioning and contract management
- external funding
- cross-borough partnerships and delivery
- partnership working with JCP/DWP
- policy and strategy developments and responses
- procurement/contracts and local labour

#### Working with local businesses

- understand and address skills gaps in the labour market
- broker relationships with private sector businesses to secure job opportunities for local people

- develop and link to local enterprise initiatives
- inward investment
- encourage, support and promote an enterprising culture
- develop business support initiatives leading to job creation
- establishing apprenticeship opportunities
- policy and strategy developments and responses
- procurement/contracts and local businesses

**Developing and establishing a social enterprise**

- Outsourcing operational delivery of interventions and programmes of activity focussing on tackling worklessness, social inclusion and promoting youth employment initiatives into a new social enterprise.

**Location**

The Shared Service will have a physical presence in both boroughs with both the Head of Service and Economic Development Manager dividing their times between the boroughs and each borough having access to Economic Development Officers.

**Milestones**

Phase 1 - Development of service and model via Compatibility Analysis and the Implementation and Engagement Process - January 2011- March 2011

Staff consultation – April/May 2011

Recruitment to Shared Service – August 2011

Phase 2 - Shared Service established with Head of Shared Economic Development Service - September 2011

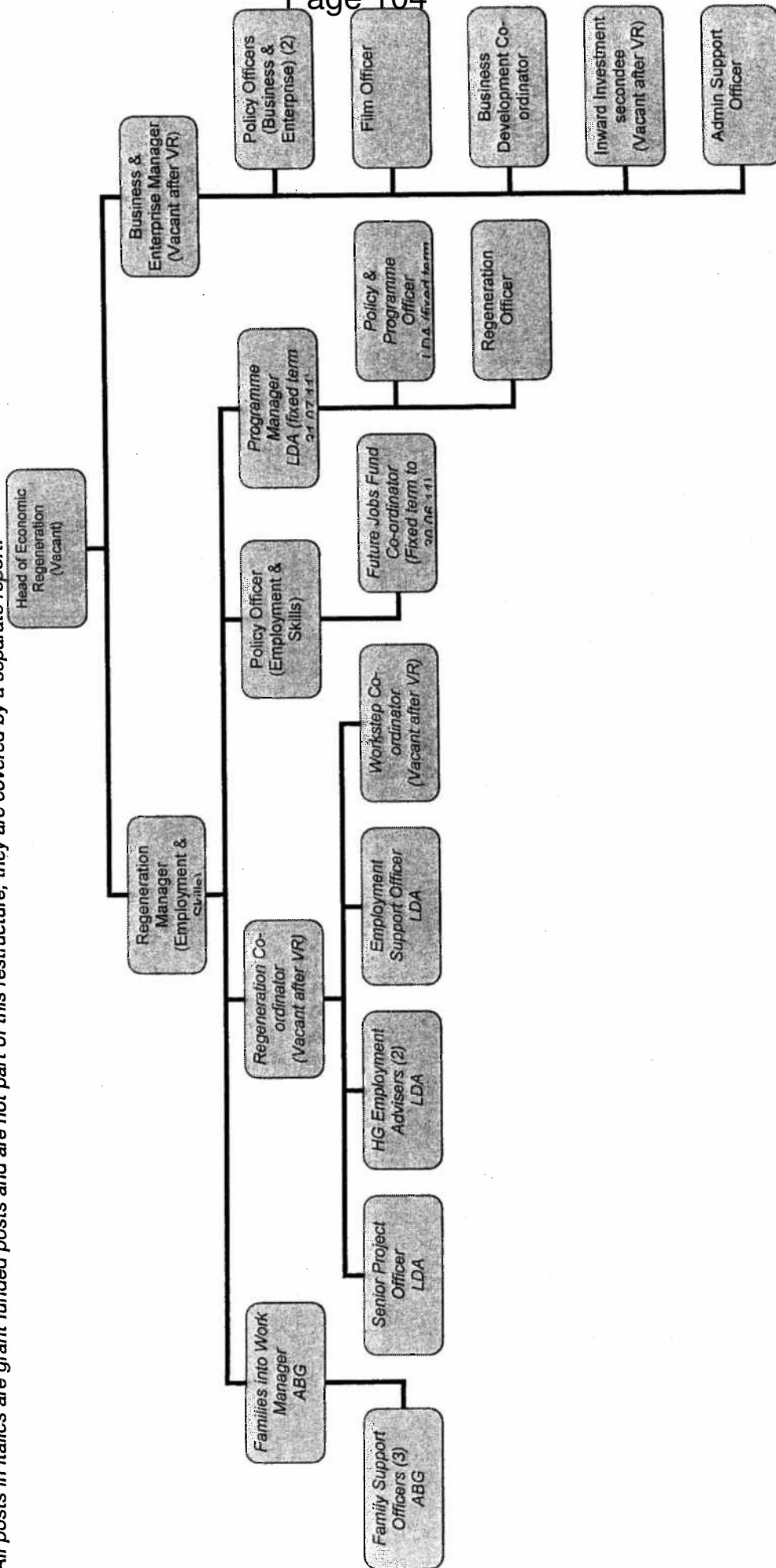
Develop agreed shared strategy and high level outcomes – September/October 2011

Develop agreed shared KPIs and reporting mechanisms – September/October 2011

Service work programme agreed – September 2011

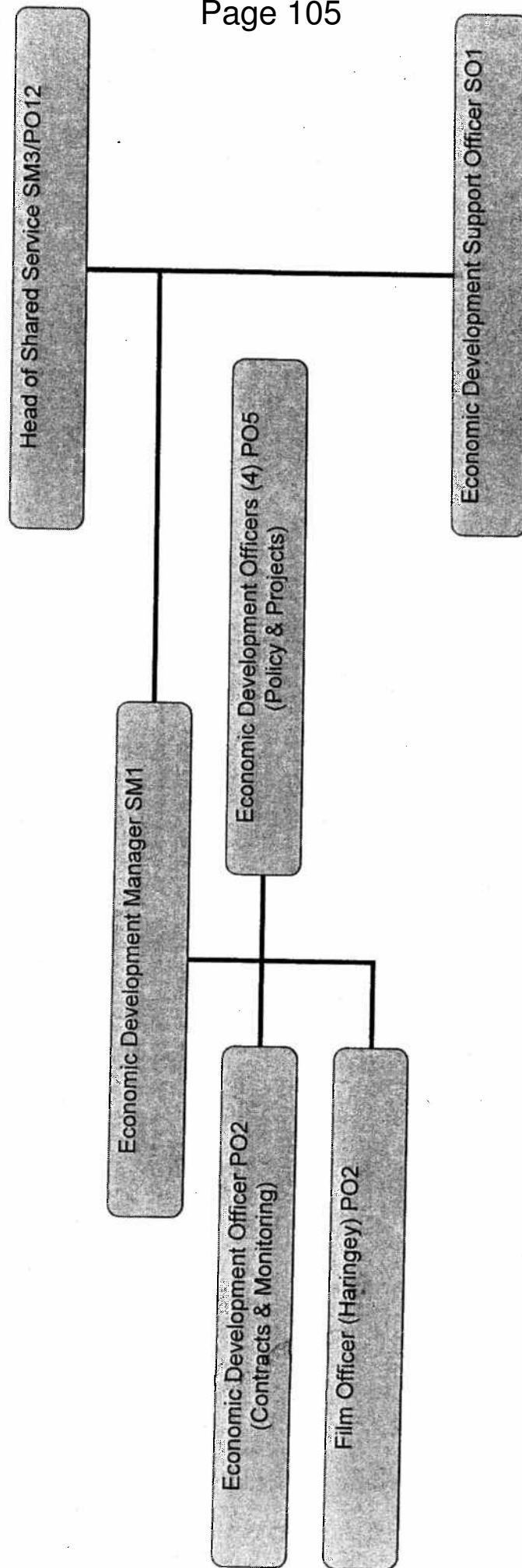
**Current Economic Regeneration Organisational Chart March 2011**

*All posts in italics are grant funded posts and are not part of this restructure; they are covered by a separate report.*





Shared Economic Development Service  
Proposed Organisational Structure



**Shared Service Costings and Savings**

**Haringey Economic Regeneration Service Salaries @ June 2011**  
(including on-costs pension, national insurance of around 30%)

Regeneration Manager (Employment & Skills)  
 Business & Enterprise Manager (Voluntary Redundancy April 2011)  
 Policy Officer (Employment & Skills)  
 Policy Officer (Business & Enterprise)  
 Policy Officer (Business & Enterprise)  
 Business Development Co-ordinator  
 Regeneration Officer  
 Film Officer (funded through film fees)  
 Administrator  
**TOTAL** £353004

**Waltham Forest Economic Development Service @ June 2011**

Head of Economic Development  
 Employment Manager  
 Project Manager  
 Employment & Skills Manager  
 Monitoring Officer  
 Monitoring Officer  
**TOTAL** £343352

**TOTAL Haringey & Waltham Forest Services**      **£694356**

**Shared Economic Development Service @ August 2011**  
(including on-costs pension, national insurance of around 30%)

Head of Service	
Economic Development Manager	
Senior Economic Development Officer	
Senior Economic Development Officer	
Economic Development Officer	
Economic Development Officer	
Regeneration Officer	
Regeneration Support Officer	
Film Officer (Haringey) (funded through film fees)	
<b>TOTAL</b>	<b>£466390</b>
<b>Cost of Service to Boroughs</b>	
Haringey	£233195
Waltham Forest	£233195
<b>TOTAL Savings from Shared Service</b>	<b>£227966</b>



**Haringey** Council

### Proposals For Ring Fenced Recruitment

Interim Head of Shared Economic Development Service	Head of Economic Development (LBWF) – 6 month secondment
Economic Development Manager	Regeneration Manager (LBH) Closed Ring Fence
Economic Development Officer (Policy & Projects) x 4	Closed ring fence Policy Officers (LBH) x3 Project Manager (LBWF)
Economic Development Officer (Contracts & Monitoring)	Open ring fence Business Development Co-ordinator (LBH) Regeneration Officer (LBH) Employment & Skills Officer (LBWF)
Economic Development Support Officer	Administrator (LBH) Assimilated into post
Film Officer (Haringey)	Film Officer (Haringey) Assimilated into post