



**Resources Department
Town Hall, Upper Street, London, N1 2UD**

AGENDA FOR THE AUDIT COMMITTEE AND AUDIT COMMITTEE (ADVISORY)

Members of the Audit Committee and Audit Committee (Advisory) are summoned to a virtual meeting to be held by Zoom on **25 January 2021 at 7.00 pm.**

**Linzi Roberts-Egan
Chief Executive**

Link to the meeting: <https://weareislington.zoom.us/j/94604444682>

Enquiries to : Mary Green
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Despatched : 15 January 2021

Membership

Councillor Nick Wayne (Chair)
Councillor Andy Hull (Vice-Chair)
Councillor Troy Gallagher
Councillor Anjna Khurana

Substitute Members

Councillor Jenny Kay
Councillor Roulin Khondoker
Councillor Flora Williamson
Councillor John Woolf

Alan Begg (Independent member)
Alan Finch (Independent member)

Quorum: is 3 Councillors



A. Formal Matters

Page

1. Apologies for absence
2. Declaration of substitute members
3. Declarations of interest

If you have a **Disclosable Pecuniary Interest*** in an item of business:

- if it is not yet on the council's register, you **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent;
- you may **choose** to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency.

In both the above cases, you **must** leave the room without participating in discussion of the item.

If you have a **personal** interest in an item of business **and** you intend to speak or vote on the item you **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but you **may** participate in the discussion and vote on the item.

***(a) Employment, etc** - Any employment, office, trade, profession or vocation carried on for profit or gain.

(b) Sponsorship - Any payment or other financial benefit in respect of your expenses in carrying out duties as a member, or of your election; including from a trade union.

(c) Contracts - Any current contract for goods, services or works, between you or your partner (or a body in which one of you has a beneficial interest) and the council.

(d) Land - Any beneficial interest in land which is within the council's area.

(e) Licences- Any licence to occupy land in the council's area for a month or longer.

(f) Corporate tenancies - Any tenancy between the council and a body in which you or your partner have a beneficial interest.

(g) Securities - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

This applies to **all** members present at the meeting.

4. Minutes of previous meetings

1 - 12

B. Items for Decision

1.	Risk management update	13 - 16
2.	2020 - 21 Internal Audit Interim Report	17 - 54
3.	Whistleblowing Policy update	55 - 66
4.	Next steps on Strategy and Change - update since May 2020	67 - 72
5.	Housing Ombudsman Complaint Handling Code	73 - 102
6.	Local Government & Social Care Ombudsman (LGSCO) Annual Review performance report 2020	103 - 116
7.	Council Tax base	117 - 124
8.	The introduction of exit payments cap on redundancy/efficiency retirements	125 - 130

C. Urgent non-exempt items

Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

D. Exclusion of press and public

To consider whether, in view of the nature of the remaining item on the agenda, it is likely to involve the disclosure of exempt or confidential information within the terms of the Access to Information procedure rules in the Constitution and, if so, whether to exclude the press and public during discussion thereof.

E. Confidential/exempt items

1.	Exempt minutes of previous meetings	131 - 134
2.	Local Government & Social Care Ombudsman (LGSCO) Annual Review performance report 2020 - exempt appendices	135 - 142

F. Urgent exempt items (if any)

Any exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

The next meeting of the Audit Committee and Audit Committee (Advisory) will be on
16 March 2021

London Borough of Islington

Audit Committee and Audit Committee (Advisory) - 29 September 2020

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held via Zoom on 13 August 2020 at 6.30 pm.

Present: **Councillors:** Nick Wayne (Chair), Andy Hull (Vice-Chair), Troy Gallagher and Anjna Khurana

Independent Alana Begg and Alan Finch
members:

Councillor Nick Wayne in the Chair

152 APOLOGIES FOR ABSENCE (Item A1)

None.

153 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

154 DECLARATIONS OF INTEREST (Item A3)

None.

155 MINUTES OF PREVIOUS MEETINGS (Item A4)

RESOLVED:

(a) That, subject to the replacement of the final sentence of page 2, minute 139 of the minutes of the meeting held on 28 July 2020 to read as follows "The Internal Audit Team had supported the Fraud Team in providing anti-fraud advice in the period following lockdown", the minutes of 28 July 2020 be confirmed as a correct record and the Chair be authorised to sign them.

(b) That the minutes of the meeting held on 13 August 2020 be confirmed as a correct record and the Chair be authorised to sign them.

156 MEMBERSHIP, TERMS OF REFERENCE AND DATES OF AUDIT COMMITTEE 2020/21 (Item A5)

RESOLVED:

That the membership of the Audit Committee appointed by the Council on 24 September 2020, terms of reference and dates of meetings of the Audit and Audit (Advisory) Committee for the municipal year 2020/21, as set out in Appendix A of the report of the Corporate Director of Resources, be noted.

157

APPOINTMENTS TO THE PENSIONS SUB-COMMITTEE AND PERSONNEL SUB-COMMITTEE (Item A6)

RESOLVED:

Pensions Sub-Committee

a) That the size of the Pensions Sub-Committee and its Terms of Reference, as detailed in Appendix A of the report of the Corporate Director of Resources, be confirmed.

b) That the following members be appointed to the Pensions Sub-Committee for the municipal year 2020/2021, or until successors are appointed:

Councillors	Substitute Members
Paul Convery (Chair)	Sara Hyde
Satnam Gill OBE	Anjna Khurana
Michael O’Sullivan	John Woolf
Dave Poyser	(vacancy)

c) That Councillor Paul Convery be appointed as Chair of the Pensions Sub-Committee for the municipal year 2020/2021, or until a successor is appointed.

Personnel Sub-Committee

a) That the size of the Personnel Sub-Committee and its Terms of Reference, as detailed in Appendix A of the report of the Corporate Director of Resources, be confirmed.

b) That the following members be appointed to the Personnel Sub-Committee for the municipal year 2019/2020, or until successors are appointed:

Councillors	Substitute Members
Anjna Khurana (Chair)	All other Executive members
Richard Watts	Nick Wayne
Satnam Gill OBE	Roulin Khondoker
Jenny Kay	Troy Gallagher
Angela Picknell	Sara Hyde

c) That Councillor Anjna Khurana be appointed Chair of the Personnel Sub-Committee for the municipal year 2020/21, or until a successor is appointed.

Pensions Board

a) That the following appointments to the Pensions Board be noted:

i) Valerie Easmon-George as pensioner member representative, for a term of four years, from 3 June 2019.

- ii) Alan Begg as an independent member, for a term of four years, from 3 June 2019.
- iii) The appointment of the following members for a three year term, from 3 June 2019:
 - (i) Mike Calvert, Unison, as a member representative
 - (ii) Maggie Elliott – Chair of Governors at Montem School, as an employer representative.
- iv) The appointment of George Sharkey, GMB, as a member representative for a four year term, with effect from 26 May 2017.
- v) That there was an employer representative vacancy and a substitute pensioner member representative vacancy on the Pensions Board.
- b) That Maggie Elliott be reappointed as Vice-Chair of the Pensions Board.
- c) That Councillor Paul Smith be reappointed as a member and Chair of the Pensions Board.

N.B – Subsequent to the meeting, the Chair agreed an amendment to the terms of reference of the Pensions Sub-Committee by the addition of the following:

“Members of the Pensions Board shall be invited to attend meetings of the Sub-Committee as observers.”

158

STATEMENT OF ACCOUNTS 2019-20 (INCLUDING PENSION FUND ACCOUNTS) AND AUDIT FINDINGS REPORT (Item B1)

In introducing his report, the Corporate Director of Resources thanked all involved for their work on the production of the accounts in a timely fashion, despite the effects of the Covid pandemic. He also thanked all concerned for ensuring that the accounts had received a clean audit sign-off and an encouraging Audit Findings Report.

With contributions from other Finance officers, he gave a powerpoint presentation to the Committee on the major changes and highlights to the accounts this year. Members asked a number of questions on the presentation slides which officers responded to.

Members asked that an amendment be made to the “Debtors” slide, as it transpired during questions that the increase was actually “£24m”, rather than the “£19m” stated on the slide. With regard to the slide on “GF Earmarked Reserves and Provisions”, the Committee noted that additional funds to the £7.7m quoted on the slide had been received from Government in respect of Covid19. In total, approximately £60m was expected, of which £18m had been received to date. Referring to the narrative on page 72 of the agenda pack relating to the 2019/20 budget and the requirement of a budget of £215.8m, which actually became £241m after adjustments, the Committee suggested that all adjustments be included in the future to reflect the net budget. Following a question on progress on implementing

Digital Services improvements, the Corporate Director of Resources undertook to forward the latest report on progress to members.

Representative from Grant Thornton, the Council's external auditors, gave a verbal presentation to the Committee and responded to questions from members.

RESOLVED:

(a) That the 2019/20 Statement of Accounts, Pension Fund Accounts and the accompanying Annual Governance Statement, attached to the report of the Corporate Director of Resources, be approved.

(b) That the auditor's Audit Findings Reports and Value for Money conclusion, as detailed in the report and their verbal presentation to the Committee, be noted.

(c) That the action plans of recommendations in the Audit Findings Reports be approved.

(d) That the letter of representation set out in Appendix B of the report be approved.

(e) That Finance officers and representatives from Grant Thornton, the Council's external auditors, be thanked for the production of the accounts.

159 ANNUAL GOVERNANCE STATEMENT 2019-20 (Item B2)

RESOLVED:

That the minor amendments made to the 2019-20 Annual Governance Statement since its approval by the Committee on 28 July 2020, detailed in the report of the Corporate Director of Resources, be noted.

160 WHISTLEBLOWING REPORT - 1ST APRIL 2019 TO 31ST AUGUST 2020 (Item B3)

The Chair stated that an additional meeting of the Committee would be arranged for November/early December 2020 to follow up the whistleblowing complaints considered by the Committee in August 2020. He suggested that any other whistleblowing items be submitted to the additional meeting, including an outstanding item from Environment and Regeneration (dated May 2019)

RESOLVED:

(a) That the contents of the report of the Corporate Director of Resources detailing whistleblowing referrals made to Internal Audit between 1 April 2019 and 31 August 2020; together with referrals that have been carried forward from previous years, be noted.

(b) That an additional meeting of the Committee be arranged for November/early December 2020 for the consideration of progress on whistleblowing complaints considered by the Committee in August 2020, together with an issue related to Environment and Regeneration dated May 2019 and any other whistleblowing matters.

161 ANNUAL FRAUD REPORT - 2019/20 (Item B4)

The Committee considered an update on counter fraud activity undertaken by Internal Audit (Investigations) and Housing Investigations for the year 2019-20.

Members asked a number of questions about the investigations mentioned in the exempt appendix, to which officers responded.

Adam Jenner, the Head of Income and Home Ownership in Homes and Communities, reported on the work of the Housing Investigations Team.

RESOLVED:

(a) That the report of the Corporate Director of Resources providing an update on counter fraud activity undertaken by Internal Audit (Investigations) and Housing Investigations for the year 2019-20 be noted.

(b) That Chris Lobb, Audit Manager (Investigations) and Adam Jenner, Head of Income and Home Ownership, be thanked for their work.

162 INTERNAL AUDIT ANNUAL REPORT - 2019/20 (Item B5)

RESOLVED:

(a) That the contents of the report of the Corporate Director of Resources, outlining how the Internal Audit Plan was being delivered, highlighting service areas where high priority recommendations had been made and commenting on the level of implementation of audit recommendations by management, be noted.

(b) That the Internal Audit Team be thanked for their hard work and achievements, given the difficult circumstances, especially around Covid19.

163 PRINCIPAL RISK REPORT - SUMMER 2020 (Item B6)

Members of the Committee thanked the Internal Audit Team for their exceptionally comprehensive report, which demonstrated thought around the various challenges faced by the Council.

Alan Begg suggested that it would be useful for the Audit Committee to receive the Risk Management Strategy.

RESOLVED:

(a) That the contents of the report of the Corporate Director of Resources, detailing the Principal Risks facing Islington and actions currently being undertaken/planned to mitigate those risks, be noted.

(b) That the updated risk management framework be submitted to a future meeting.

164 ANNUAL REPORT ON STANDARDS AND MEMBER CONDUCT (Item B7)

In response to a question raised by Councillor Hull as to whether the complaint against a member referred to in paragraph 3.12 (1) of the report was the same as

that which the Acting Director of Law and Governance had recently written to members about, officers undertook to provide a response.

RESOLVED:

(a) That the report of the Acting Director of Law and Governance providing an annual report on standards of member conduct, including a summary of complaints received under the Code of Conduct Complaints Procedure and their outcome, be noted.

(b) That officers respond to Councillor Hull in relation to his question on the complaint referred to in paragraph 3.12 (1) of the report.

165 REDMOND REVIEW OF LOCAL AUTHORITY FINANCIAL REPORTING AND AUDIT (Item B8)

RESOLVED:

(a) That the results of an independent review, led by Sir Tony Redmond, into the effectiveness of local authority financial reporting and audit, and outlined in the report of the Corporate Director of Resources, be noted.

(b) That it be noted that, as a result of the findings in the report, a number of recommendations were made, with the key ones outlined in the report.

166 EXCLUSION OF PRESS AND PUBLIC (Item)

RESOLVED:

That the press and public be excluded during consideration of the following items as the presence of members of the public and press would result in the disclosure of exempt information within the terms of Schedule 12A of the Local Government Act 1972, for the reasons indicated:

<u>Agenda item E1</u>	<u>Title</u>	<u>Reasons for exemption</u>
	Exempt minutes of the Meeting held on 13 August 2020	<u>Category 3 –</u> Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<u>Agenda item E2</u>		
<u>Agenda item E3</u>	Whistleblowing complaints - exempt appendix	Ditto
	Annual Fraud report- exempt appendix	

167 **EXEMPT MINUTES OF THE PREVIOUS MEETING (Item F1)**

RESOLVED:

That the exempt minutes of the meeting held on 13 August 2020 be confirmed as a correct record of proceedings and the Chair be authorised to sign them.

168 **WHISTLEBLOWING REPORT - 1ST APRIL 2019 TO 31ST AUGUST 2020 - EXEMPT APPENDIX (Item F2)**

Noted.

169 **ANNUAL FRAUD REPORT - 2019/20 - EXEMPT APPENDIX (Item F3)**

Noted.

170 **ADDITIONAL MEETING OF THE COMMITTEE (Item)**

The Chair reminded members that, as agreed at the meeting on 13 August 2020, arrangements would be made for an additional meeting of the Audit Committee at the end of November 2020 for the purpose of consideration of progress on whistleblowing matters and any other outstanding matters.

The meeting ended at 9.20 pm

CHAIR

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Audit Committee and Audit Committee (Advisory) - 30 October 2020

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held via Zoom on 30 October 2020 at 5.00 pm.

Present: Councillors: Nick Wayne (Chair), Andy Hull (Vice-Chair) and Troy Gallagher

Also Present: Independent members: Alan Begg and Alan Finch

Observer: Councillor Satnam Gill

Councillor Nick Wayne in the Chair

171 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillor Anjna Khurana.

172 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

173 DECLARATIONS OF INTEREST (Item A3)

None.

174 IN THE MATTER OF AN EMPLOYEE (Item C1)

RESOLVED:

(a) That the options available to the Committee and the implications for the Council and the employee, as detailed in the report of the Acting Head of Law and Governance and Monitoring Officer, be noted.

(b) That the need to ensure the most appropriate and reasonable outcome is achieved for the employee and the Council, be noted.

(b) That the Acting Director of Law and Governance and Monitoring Officer be authorised to take the actions outlined in the exempt appendix to the report.

175 IN THE MATTER OF AN EMPLOYEE - SERVICE EFFICIENCY (Item D1)

RESOLVED:

That, in order to ensure that the most appropriate and reasonable outcome is achieved for the employee and the Council, the Corporate Director of Resources be authorised to take the actions outlined in the exempt appendix of the report of the Corporate Director of Resources.

176 **EXCLUSION OF PRESS AND PUBLIC (Item)**

RESOLVED:

That the press and public be excluded during consideration of the following items as the presence of members of the public and press would result in the disclosure of exempt information within the terms of Schedule 12A of the Local Government Act 1972, for the reasons indicated:

<u>Agenda item F1</u>	<u>Title</u>	<u>Reasons for exemption</u>
	In the matter of an employee- exempt appendix	<u>Category 3 –</u> Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<u>Agenda item G1</u>		
	In the matter of an employee – service efficiency - exempt appendix	Ditto

Audit Committee and Audit Committee (Advisory) - 24 November 2020

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held via Zoom on 24 November 2020 at 7.00 pm.

Present: **Councillors:** Nick Wayne (Chair), Andy Hull (Vice-Chair), Troy Gallagher and Anjna Khurana

**Independent
Members:** Alan Begg and Alan Finch

Observer: Councillor Satnam Gill

Councillor Nick Wayne in the Chair

179 APOLOGIES FOR ABSENCE (Item A1)

None.

180 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

181 DECLARATIONS OF INTEREST (Item A3)

None.

182 AUDIT COMMITTEE APPOINTMENTS (Item A4)

RESOLVED:

That Councillor Troy Gallagher be appointed to the Personnel Sub-Committee to replace Councillor Angela Picknell for the municipal year 2020/21, or until a successor is appointed.

183 ACTION PLANS ARISING FROM OUTCOME OF EXTERNAL INVESTIGATIONS (Item C1)

RESOLVED:

That the contents of the exempt report and exempt Appendix 1 on progress towards implementing the actions arising from external investigations be noted.

184 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the press and public be excluded during consideration of the following items as the presence of members of the public and press would result in the disclosure of exempt information within the terms of Schedule 12A of the Local Government Act 1972, for the reasons indicated:

<u>Agenda item F1</u>	<u>Title</u>	<u>Reasons for exemption</u>
	Action Plans arising from outcome of external investigations- exempt appendices	<u>Categories 1 and 2 –</u> Information relating to an individual and information which is likely to reveal the identity of an individual

Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	25 th January 2021	All

Delete as appropriate		Non-exempt
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SUBJECT: Risk Management Update – December 2020

1. Synopsis

- 1.1 Audit Committee requested, at its meeting of 28th July 2020, that a Risk Management update be included on Committee's agenda as a standing item. The purpose of standing item is to provide Committee with an update on risk management activity that has taken place in between comprehensive reports being brought to Committee. The paper is also intended to provide Committee with an insight of risk management activity that occurs outside of the Principal Risk Reporting cycle.

2. Recommendations

- 2.1 Committee is asked to note the report; which includes key activity since the last comprehensive Principal Risk Report to Committee in September 2020.

3. Principal Risks and related mitigating activity

- 3.1 The next comprehensive Principal Risk Report is tabled for Committee in May 2021. Committee noted the last Principal Risk Report on 29th September 2020. Actions to mitigate Principal Risks continue to be implemented to target dates (as listed in Appendix 2 of the report , a copy can be accessed [here](#)). The Council's Risk Manager has continued to provide steer to risk leads as requested.

4. Covid-19

Covid-19 has seen a wide-ranging and large-scale impact on Islington as a borough – affecting our citizens, partners and businesses and us as an organisation. This has resulted in shifts in the delivery of services, changes in where and how people work, and resourcing and financial challenges. As a result, a number of our principal risk scores were changed and new Principal risks were added to the September 2020 Principal Risk Report to reflect the current external environment and the ongoing risks associated with the pandemic. These risks continue to be monitored and risk leads are progressing mitigating actions as outlined in the September 2020 Principal Risk Report shared with Audit Committee. The Council’s Lateral Flow Testing began in December 2020.

On 5th January 2021 the United Kingdom entered a state of National Lockdown. Our emergency response is activated, with Gold and Silver command in place.

5. Transformation

5.1 The Council landed an approach that ensured that the Council’s Transformation Service worked proactively with the Risk Management Service to determine how the risk management framework could support the development of Corporate Delivery Board’s governance in relation to defining risks and issues. Advice was provided by the Risk Management Service to the Strategy and Change team and training will also be delivered as needed to risk owners.

6. EU Exit Resilience

6.1 As included in our last update to Committee in September 2020, the Council has undertaken comprehensive planning and risk mitigation to ensure that key risks arising from UK’s Exit from European Union are effectively managed. Following the UK’s exit from the European Union the UK announced the agreement of a trade deal with Europe in late December 2020. The Brexit Resilience Group will work through the new trade deal to identify and manage potential risks.

6.2 The Risk Management Service has supported the Council’s Brexit Resilience Group to develop a tailored three-strand risk management approach as outlined below:

- long term planning to ensure business continuity across direct and partner delivered services in key areas including workforce availability, supply chain disruption, and information management;
- action to ensure that affected residents and staff secure Settled Status;
- focus on high velocity risks (ie. those most likely to materialise most quickly) in the immediate run-up to the end of transition.

6.3 The Brexit Resilience Group has governed this activity and helped provide assurance that the Council is as well-prepared as possible given the continuing uncertainty and wider context of Covid-19 and an economic downturn.

7. Risk Management Workshops

7.1 The Risk Management Service has provided a number of workshops and Risk Management discussions across the Council’s services. These workshops and discussions are planned and delivered to support services in implementing the Risk Management framework.

8. Director Engagement

8.1 Following a positive exercise over Summer/Autumn 2020 in landing the Council's risk profile in light of Covid 19 and our focus on Tackling Inequalities, the Council was keen to maintain momentum and focus on pro-active risk management. In order to ensure that Directorates were well equipped to manage risks as we approached the winter and a potential second wave of Covid-19; Corporate Directors were provided with information on the following to take forward with their Departmental Management Teams (DMTs):

- Strategic Risk Assessment (SRA) - an exercise which focusses on new objectives and identifying risks and actions, whilst ensuring maximisation of existing strengths. During this time of change as DMTs navigate the renewal/recovery process, it was useful to take time to consider any potential barriers to success, whilst also recognising any existing enablers.
- Risk velocity - a tool to assist with prioritisation of resources. Risk velocity is an indicator which describes the speed of impact of a risk. The Brexit Resilience Group employed this tool successfully and it was felt that roll-out would be useful in this environment of fast paced change.

9. Implications

9.1 Financial implications:

The programme of work has been met from within the existing risk management budget. The financial implications of individual principal risks are met by local budgets.

9.2 Legal Implications:

There are no legal implications arising from this report. Legal advice and support will be provided, where necessary, in relation to individual risks.

9.3 Environmental Implications

There are no environmental implications arising from the recommendations in this report.

9.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

10. Reason for recommendations

This report provides an overview of key risk management activities since the last update to Committee in September 2020.

Final report clearance:



Signed by: David Hodgkinson

Date: 07/01/2021

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REPORT ENDS

Report of: Corporate Director - Resources

Meeting of:	Date	Agenda item	Ward(s)
Audit Committee	25 th January 2021	-	All

SUBJECT: Internal Audit Interim Report 2020-21

1. Synopsis

- 1.1. The provision of a continuous internal audit service provides independent and objective assurance on the control environment that supports the delivery of the Council's objectives.
- 1.2. This report is intended to support Audit Committee in obtaining assurance over the Council's governance, risk management and internal control environment. It does this by demonstrating that the Internal Audit plan is being delivered, highlighting service areas where high priority recommendations have been made and commenting on the level of implementation of audit recommendations by management.

2. Recommendations

- 2.1. Committee is asked to note the report.

3. Background

- 3.1 The 2020-21 Internal Audit Plan was approved by Audit Committee in May 2020. This report presents a summary of the work that Internal Audit has undertaken as part of the 2020-21 audit plan and the position of the plan at 30 November 2020.

- 3.2 The work of Internal Audit, in accordance with the annual audit plan, is directed towards key risk areas as identified with the Council's Principal Risk Report. Internal Audit provide assurance on the actions being taken to mitigate principal risks through delivery of the audit plan.
- 3.3 The audit plan is delivered by the in-house team across the Shared Internal Audit Service (with LB Camden) and a co-sourced partner (PwC).

4 Outcomes and follow up activity

- 4.1 The report details the outcomes of delivery of the 2020-21 audit plan at Appendices 1 and 2, and outcomes of follow up audits in Appendix 3, as at 30 November 2020. The report also identifies and gives more detail on those areas where the overall assurance statements were less than 'moderate' at Appendix 2.
- 4.2 Internal audit projects result in a statement of assurance of either 'substantial', 'moderate', 'limited' or 'no' assurance. These conclusions are based on the number of critical and high priority risks identified in the report. These statements are indicators of the assurance we can give at the time of the audit and may reflect control design or compliance issues. We are pleased to report a positive response to final audit reports with satisfactory management responses to audit recommendations. Internal Audit routinely conduct follow up reviews to assess the level of implementation of audit recommendations. Where implementation of recommendations is protracted, Internal Audit may provide support to auditees in-year.

5. Covid-19

- 5.1 Due to the Covid-19 emergency and the immediate response that followed, Internal Audit was required to temporarily pause completion of a number of core audit reviews. Internal Audit utilised this time to provide risk and control advice surrounding the Council's Covid-19 response, including in areas such as purchase ordering and the payment of suppliers. The Internal Audit team also supported the Council's Audit Manager (Investigations) to formulate advice related to Covid-19 related anti-fraud measures. While the core reviews were temporarily paused, the team's work focussed on providing ongoing assurance through the delivery of an accelerated programme of follow up activity. As detailed in Appendix 1, reviews that were paused as auditees were engaged in the Council's Covid-19 response have now either completed or will be conducted as part of the 2020-21 plan.
- 5.2 To maximise productivity of the Internal Audit team during lockdown, key monitoring controls that existed pre-lockdown continued to be applied i.e. outcomes monitoring and a weekly progress tracker detailing how auditor time had been spent. Internal Audit have successfully obtained electronic access to documents/audit evidence from auditees and held video meetings via Microsoft Teams.

6. Implications

6.1 Financial implications

The programme of work has been met from within the existing Internal Audit budget. The financial implications of individual audit recommendations are met by local budgets.

6.2 Legal implications

The Local Audit and Accountability Act 2014 sets out the regulatory framework for the audit of local authorities. The Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Accounts and Audit Regulations 2015 (SI 2015/234), regulation 5). The Public Sector Internal Audit Standards 2017 provide a set of public sector internal audit standards, which are supplemented for local government by CIPFA standard setting guidance.

6.3 Environmental implications

There are no known environmental implications arising from the recommendations in this report.

6.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding. A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

7. Reason for recommendations

7.1 To note outcomes of delivery of the audit plan at Appendices 1-3.

Appendices:

Appendix 1 – 2020-21 Internal Audit Plan update

Appendix 2 – High priority recommendations

Appendix 3 – Follow Up Outcomes

Final report clearance:

Signed by:

David Hodgkinson



Date:

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REPORT ENDS

APPENDIX 1 – 2020-21 INTERNAL AUDIT ANNUAL REPORT

Internal Audit Annual Report Audit Committee 25th January 2021

Introduction: This Appendix gives summary details of the 2020-21 audit plan that was agreed by Audit Committee in May 2020. It shows the indicative scope as well as the completion status of each individual project. It is included to provide Audit Committee with assurance that the audit plan – which is the key vehicle for providing the Council with independent assurance – is being effectively delivered.

* Denotes a principal risk

1.1 AUDITS BROUGHT FORWARD FROM 2019/20

Page 21

Number	Audit title	Indicative scope	Days	Status – November 2020
HASS19-6	Housing Revenue Account (HRA)	The purpose of this review is to assess the adequacy of the design and operation of controls in place for management and ongoing monitoring the HRA's financial viability, in order to ensure that the HRA meets the Council's strategic and corporate objectives, complies with relevant legislation and provides value-for-money to residents.	20	Completed. Moderate assurance.
HASS19-5	Voluntary Sector Organisation (VSO) - Disability Action in Islington	Risk-based review of VSO monitoring arrangements. To include a visit to one VSO.	15	Completed – management letter issued. Five high priority findings were raised, details of which can be seen at Appendix 2.
AD19-02	Conewood Children's Centre	This additional review was undertaken at management's request.	15	Completed – management letter issued. Five high priority findings were raised, details of which can be seen at Appendix 2.

1.2 CORPORATE / CROSS-CUTTING

Number	Audit title	Indicative scope	Days	Status – November 2020
CC20-1	Landlord Duty of Care *	On-going programme of assurance against this area of Principal Risk. Cross-cutting review of the Council's arrangements for ensuring compliance with health and safety requirements across its property portfolio. Scope to include progress towards implementation of recommendations arising following the Grenfell review.	20	It was agreed that the focus of this audit would be lift repairs, maintenance and capital replacements within the Council's residential buildings. Fieldwork is underway and will complete in November 2020, with a draft report scheduled for December 2020.
CC20-2	Change Programme Delivery *	Assurance surrounding key actions to mitigate this principal risk. Scope to include deep-dive into a sample of key projects/work-streams.	20	<p>Completed – management letter issued.</p> <p>The 2019/20 Project Management Office (PMO) audit (CC19-2) was deferred to 2020/21 due to Covid-19. It reviewed the redesign of the Council's PMO and conducted project health checks across a sample of three programmes (as agreed by Corporate Delivery Board in summer 2020).</p> <p>The following high priority findings were raised, details of which can be seen at Appendix 2:</p> <ul style="list-style-type: none"> • PMO redesign – four high priority findings; • People: Adult Social Care transformation – six high priority findings; • Housing: PFI 2 – one high priority finding; • Environment and Regeneration: Fleet Electrification – six high priority findings.
CC20-3	Financial Strategy *	Risk based review of key programme objectives. Scope to include assurance surrounding the mitigation actions recorded against this principal risk.	20	<p>Terms of reference have been drafted for this review, which will look at the design and operation of programme controls in place for delivering required savings in accordance with planned targets, focusing on:</p> <ul style="list-style-type: none"> • Strong governance and reporting; • Clear scope; and • Smart financing.

Number	Audit title	Indicative scope	Days	Status – November 2020
				Fieldwork is scheduled for December 2020 and January 2021.
CC20-4	Capital programmes *	Risk based review with a focus on funding and approval of spend. Scope to include governance and financial monitoring arrangements, including deep-dive into a sample of key projects.	20	<p>Terms of reference have been drafted for this review, which will assess the design and effectiveness of controls to ensure that capital programmes are approved in line with the Council's strategy and subsequently monitored to provide assurance that they are being delivered within funding and expenditure expectations. A sample of two capital programmes has been identified. The review will look at the following areas:</p> <ul style="list-style-type: none"> • Roles and responsibilities; • Programme approval; • Programme management; • Management information; and • Monitoring and reporting. <p>Fieldwork is scheduled for December 2020 and January 2021.</p>
CC20-5	Information Governance *	Scope to be refined in-year to focus on high risk areas.	10	Given the high level of audit activity in this area over recent years and the satisfactory levels of assurance obtained, work in this area will be limited to an extended follow up of CC18-5 – Records Management. An interim update was received in Summer 2020 and fieldwork is scheduled for Q4 20/21.
CC20-6	Contract Management *	On-going programme of assurance against this area of key risk. To include follow up of previous audit recommendations.	20	Audit fieldwork is underway and three contracts have been selected for review with a particular focus on social value. Fieldwork will complete and a draft report will be produced in December 2020.
CC20-7	Commercial Property	Risk based review to ensure that the Council fulfils its statutory and legislative duties as a responsible landlord, and to maximise the generation and collection of income.	-	Deferred to 21/22 based on discussion with Community Wealth Building Leadership Group (CWBLG) on 8 th July 2020 as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. CWBLG advised that inclusion on 21/22 plan would be helpful as post-Covid recovery will be key in this area.

Number	Audit title	Indicative scope	Days	Status – November 2020
CC20-8	Risk management – assurance mapping	Internal Audit input into assurance mapping for principal risks.	20	This exercise takes place annually as part of the formulation of the next year's audit plan. The exercise is due to be undertaken late Q3 ahead of DMT visits in Q4 to agree the 21/22 audit plan ahead of Audit Committee approving the plan in March 2021.
CC20-9	Fraud support	Internal Audit input into the reactive investigations to be undertaken in-year.	20	Internal Audit have already provided a significant amount of fraud support during the Covid emergency period in April and May 2020. However the team remain available to support reactive investigations where control advice is needed.
CC20-10	Annual Governance Statement (AGS) and audit plan production	Preparation of the Council's Annual Governance Statement and audit plan.	10	The AGS is produced in Q1 of each year covering the preceding year. The 2019-20 AGS was taken to Audit Committee in September 2020. The annual audit plan is produced late Q3 and agreed by DMTs/CMB in Q4 ahead of Audit Committee in March 2021 (see CC20-8 above).
CC20-11	Follow ups	Follow up of recommendations made in 19-20.	100	Follow ups are a key indicator of the value of Internal Audit, and provide assurance that audit recommendations have in fact enhanced the control environment. Internal Audit have invested additional time in follow ups in 2020/21 to ensure that more in-depth review and a greater depth of testing is possible, and to ensure that the quality of follow up work is not negatively affected by the challenges of remote working. The team focused its efforts over Summer 2020 on follow up activity to ensure that meaningful assurance could still be obtained at a time when the core audit plan was disrupted because of the unavailability of key officers due to the Council's Covid-19 response. The total follow up budget for 2020-21 has increased to 241 days, of which: - 118 days have been delivered to date

Number	Audit title	Indicative scope	Days	Status – November 2020
				<p>- 54 days are scheduled using existing in-house staff and our co-sourced audit partner</p> <p>- 26 days are provisionally scheduled for a new Principal Auditor</p> <p>- 43 days will be delivered in early Q1 21/22.</p>

1.3 RESOURCES

Number	Audit title	Indicative scope	Days	Status – November 2020
FR20-1	Continuous Audit Monitoring (CAM)	Review of 5 key financial systems in line with the rolling CAM plan.	50	<p>The CAM budget for 20/21 has been allocated to a deep dive control design assessment of four key financial areas:</p> <ul style="list-style-type: none"> - Accounts payable/outflows - Payroll and staff expenses - Income - VAT <p>The purpose of this review is to:</p> <ul style="list-style-type: none"> • Understand the financial risks that exist in key areas of the finance service and across the Council as a whole; • Identify the controls mitigating these risks and ownership of controls; • Assess the design and strength of these controls; and • Strengthen the financial control environment to enable process improvement. <p>Terms of reference have been agreed and fieldwork is scheduled to start in December 2020.</p>

Number	Audit title	Indicative scope	Days	Status – November 2020
				A follow up of 19/20 CAM recommendations is planned for Q4 20/21.
FR20-3	IT Application Reviews	Key controls testing, including a deep-dive into one IT application. Focus on key controls and risks related to availability, integrity, confidentiality and accountability.	20	The focus of this review will be the Civica Payments system (CivicaPay), which is an integrated payment solution that allows the Council to process payments online, over the phone, or via third party channels such as AllPay and Barclays. Terms of reference have been agreed and fieldwork is underway.
FR20-4	IT Audit Reviews	IT audit reviews to be undertaken focussing on high risk areas. To include extended follow-up of Cyber Security and Technology Debt reviews undertaken in 2019-20.		IT audit reviews will consist of extended follow ups of three 19/20 audits: <ul style="list-style-type: none"> - Cyber Security - Symology - Technology Debt The follow up of Technology Debt is underway. The other two follow ups are scheduled to start in January 2021, as the due date for a number of recommendations is 31 December 2020.
FR20-5	Use of Agency & Consultancy staff	Risk based review of key controls regarding the use of agency and consultancy staff. Scope to include controls surrounding approval, extension, vetting and financial monitoring.	20	Terms of reference have been agreed and fieldwork is underway. Due to resource pressures in the audited team, fieldwork is scheduled to complete in January 2021.

1.4 PEOPLE

Ref	Audit title	Indicative scope	Days	Status – November 2020
PE20-1	Youth Offending/ Youth Crime *	Extended follow-up review of 2019-20 review in this area (currently being undertaken in Q4 19-20). Programme review of the governance arrangements in place surrounding the Council's strategy to tackling	20	The 2019/20 audit of the same area (PS19-2) was deferred to 2020/21 due to Covid-19. Fieldwork has concluded and findings have been discussed with management. A report is

Ref	Audit title	Indicative scope	Days	Status – November 2020
		youth offending/youth crime. Scope to provide assurance surrounding controls and mitigating actions included against this principal risk.		being drafted and formal management responses will be sought.
PE20-2*	Safeguarding Adults *	Risk based review focussing on the controls in place to support the identification and management of this area of Principal Risk, including arrangements for responding to safeguarding concerns regarding Modern Day Slavery and homeless people. Scope to be refined in year.	15	Terms of reference are being drafted and fieldwork is scheduled to start in January 2021.
PE20-3	Social Care Provider Failure *	Extended follow-up of the review undertaken in this area in 2016-17. Scope to include arrangements for identifying, preventing and responding to potential provider failure incidents within the Social Care market.	10	Fieldwork is underway and is scheduled to complete in December 2020.
PS20-4	High Needs/Special Educational Needs (SEN) Children's Placements	Carried forward from 2019-20. Risk based review of the controls in place surrounding high-needs children's placements. Scope to include monitoring and reporting of high cost care placements / packages.	-	Deferred to 21/22 based on discussion with People Directorate Management Team on 7 th July 2020, as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource has been reallocated to follow up work in 20/21.
PS20-5	Better Care Fund *	Cross cutting review across Children's and Adults including pooled budget arrangements.	-	Deferred to 21/22 based on discussion with People Directorate Management Team on 7 th July 2020, as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource has been reallocated to follow up work in 20/21.
PS20-6	School – establishment reviews	Risk based review of 7 schools/children's centres	56	Six schools have been identified for audit, with one slot held as contingency to respond to any emergency requests. Fieldwork is underway on four school audits: <ul style="list-style-type: none"> • Robert Blair Primary School; • Blessed Sacrament Roman Catholic Primary School; • Sacred Heart Catholic Primary School; and • Gillespie Primary School.

Ref	Audit title	Indicative scope	Days	Status – November 2020
				Two further school audits are scheduled for Q4: <ul style="list-style-type: none"> St Luke's Church of England Primary School Moreland Primary School
PS20-7	Domestic Violence *	Risk based review of the effectiveness of the controls in place to mitigate the key risks surrounding intervention and support services, safeguarding, relationships with key partners and intelligence gathering (including trend analysis and early identification and intervention).	15	Terms of reference have been drafted for this review. While it was initially planned as a Q2 audit, it has been moved to Q4 so that two audits of the same area aren't taking place concurrently (Domestic Violence and Youth Crime sit within the same team). Fieldwork is now scheduled for January 2021.

1.5 ENVIRONMENT AND REGENERATION

Page 28

Ref	Audit title	Indicative scope	Days	Status – September 2020
ER20-1	CCTV Project *	Continuation of risk and control design support to the CCTV Project Board.	-	Deferred to 21/22 based on discussion with Environment and Regeneration Leadership Team (ERLT) on 2 nd July 2020 as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. ERLT asked for this budget to be utilised on assurance surrounding Commercial Waste (see AD20-2 below for details).
ER20-3	Parking Services	Carried forward from 2019-20. Risk based review of the effectiveness of the governance arrangements in place surrounding the interpretation, monitoring and compliance with legislative requirements. Scope to focus on a sample of key projects in this area, including HGV and School street initiatives.	20	The 2019/20 audit of the same area (ER19-2) was deferred to 2020/21 due to Covid-19. Completed – Limited assurance. Four high priority findings were raised, details of which can be seen at Appendix 2.
ER20-3	Building Control	Risk based review to ensure that Council is fulfilling its statutory responsibilities for building owners and developers carry out work that complies with the Building Act and Building Regulations legislation.	-	Deferred to 21/22 based on discussion with Environment and Regeneration Leadership Team (ERLT) on 2 nd July 2020 as this area was no longer a principal risk within the revised

Ref	Audit title	Indicative scope	Days	Status – September 2020
				Principal Risk Report which was taken to that meeting. Resource has been reallocated to follow up work in 20/21.
ER20-4	Business Continuity Planning *	Risk based review surrounding the governance and monitoring arrangements for the Council's Business Continuity Planning framework, including alignment and coordination with IT Disaster Recovery Plans. Scope to include follow-up of recommendations raised within the 2019-20 Emergency Planning review.	10	During Internal Audit visit to Environment and Regeneration Leadership Team (ERLT) on 2 nd July 2020 scope was agreed to include a lessons learned exercise, as many business continuity plans had been tested in practice due to Covid-19. Fieldwork is scheduled to take place in Q4 20/21.

1.6 HOUSING

Ref	Audit title	Indicative scope	Days	Status – September 2020
HOU20-1	HomeBuild Programme	On-going programme of assurance against this area of Principal Risk. Risk based review focussing on key programme objectives. Scope to also include a follow-up of the recommendations raised within the 2019-20 review (currently in progress).	20	The 2019/20 audit of the same area (HASS19-1) was deferred due to Covid-19. Completed – Moderate assurance. One high priority finding was raised, details of which can be seen at Appendix 2.
HOU20-2	Tenancy Management Organisations (TMO)	Risk based review of four TMOs. On conclusion of 2020-21 TMO work, a 'common findings/lessons to be learned' paper will be produced for sharing across all TMOs	15	A significant exercise has taken place between September and November 2020, comparing the roles and responsibilities of the TMO management team with those of Internal Audit to ensure that there is no unnecessary duplication of assurance effort across the teams. Emerging from this exercise, a streamlined Terms of Reference has been prepared and issued to the TMO team. An updated work programme has been developed to streamline and focus testing on the key risk areas within the ToR. Fieldwork on an initial TMO will take place in December 2020. Risk management support has also been provided to the TMO team.

Ref	Audit title	Indicative scope	Days	Status – September 2020
HOU20-3	Voluntary Sector Organisation	Risk based review of two VSOs (to be confirmed and scoped in year).	15	Some 2020/21 budget has been used to carry out extended supplementary testing on Disability Action in Islington, which was audited as part of the 2019/20 plan. Discussions have been held with the Head of Communities, who confirmed that risk assessments have been carried out (Internal Audit provided input into the design of these assessments in previous years). These risk assessments have not identified VSOs which currently require audit. As such, the remaining budget will be held in Q4 20/21 to carry out a responsive VSO audit if issues arise which warrant IA involvement, or alternatively for investigation support in this area.
HOU20-4	Right-to-Buy	Risk based review of arrangements for processing and managing Right-to-Buy applications in accordance with legislative requirements. Scope to include fraud prevention/detection measures.	-	Deferred to 21/22 based on discussion with Housing Management Team (HMT) on 30 th June 2020 as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource has been reallocated to follow up work in 20/21.
HOU20-5	Health and Safety*	Risk based review of key risk area (scope to be agreed in year)	15	Preliminary discussions took place about this audit during scoping for the Landlord Duty of Care audit, with asbestos identified as a potential focus area for the work. Scoping is underway, and audit fieldwork will begin in February 2021.

1.7 ADDITIONAL REVIEWS

Two additional reviews (AD20-1 and AD20-2) have been requested in the 2020/21 year to date (with a combined audit budget of 20 days).





Ref	Audit title	Indicative scope	Days	Status – September 2020
AD20-1	Stronger Families	Added to the audit plan when the Troubled Families Programme was extended for an additional year to March 2021. Audit review and sign off of compliance with requirements within Memorandum of Understanding between the Council and MHCLG.	5	At the request of the auditee, this audit will now take place in Q4 20/21, due to Stronger Families checks being delayed by additional reporting required of the performance team as a result of COVID.

Ref	Audit title	Indicative scope	Days	Status – September 2020
AD20-2	Commercial Waste Recovery Plan	Added to the audit plan in response to emerging Covid-19 risks. The audit will provide support for the Commercial Waste post-Covid recovery plan.	15	Fieldwork has concluded and the drafting of the report is underway. A draft report will be distributed by December 2020.

1.8 AUDIT PLAN COMPLETION STATISTICS (as at 30th November 2020)

Audit status	Number of reviews
Total number of reviews included on the audit plan (see 1.1 to 1.7 above including six schools reviews under PS20-6).	35
Audits deferred to 21/22 (based on summer 2020 discussions with Departmental Management Teams) as resource was better utilised in other areas: 1. CC20-7 – Commercial Property; 2. PS20-4 – High Needs/SEN Children’s Placements; 3. PS20-5 – Better Care Fund; 4. ER20-1 – CCTV Project; 5. ER20-3 – Building Control; and 6. HOU20-4 – Right to Buy.	6
Remaining audits due for completion as part of the 2020-21 plan	29
Audits completed (management responses have been received and reports have been issued in final)	6
Audits in progress (including reviews that are at draft report stage and awaiting finalisation of management responses)	16
Audits scheduled for Q4 (scoping is in progress and fieldwork is scheduled for Q4)	7

1.9 Basis of our opinion and assurance statements

Level of assurance	
Substantial 	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.
Moderate 	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Limited 	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
No 	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.

APPENDIX 2 – High Priority Recommendations

2020-21 Internal Audit Annual Report Audit Committee 25th January 2021

Introduction

This appendix summarises high priority recommendations arising from audit reviews that attracted a less than 'moderate' assurance rating since our last update to Committee in September 2020. It provides an overview of findings in areas where control weaknesses have been identified that present a high risk to specific service objectives.

Satisfactory management responses to audit recommendations have been obtained. Follow up reviews will be conducted to assess the level of implementation of audit recommendations.

Reference	Audit Title
CC20-2	Change Programme/Programme Management Office (PMO)
	This extended review looked at the redesign of the Council's Programme Management Office (PMO) and conducted project health checks across a sample of three programmes (one each in Housing, Environment and Regeneration and People). High priority recommendations were raised in relation to the following areas: <u>Programme Management Office redesign</u> <ul style="list-style-type: none">• Programme level governance structures and activity was , in some cases, not consistent across the Council;• The PMO toolkit did not include Risks, Assumptions, Issues and Dependencies (RAID) logs and dependency tracking;• Risks and issues were not consistently managed across the Council's change portfolio; and• There was a lack of skills analysis or gap assessment of project management capabilities across the Council. <u>Project Health Checks</u> <p>It should be noted that the review found a varying level of findings based on the differing maturity of programmes in the sample. As such, some recommendations may include enhancements to the control environment which form part of existing plans, but which have not yet been executed:</p>

Reference	Audit Title
CC20-2	Change Programme/Programme Management Office (PMO)
<p><u>Housing: PFI 2</u></p> <p>The PFI 2 programme is more mature than other programmes included in scope for this audit, with a well-established programme management framework. Therefore one finding has been noted as follows:</p> <ul style="list-style-type: none"> • Lessons learned had not been captured. <p><u>People: Adult Social Care (ASC) Transformation</u></p> <p>At the time of the audit, the ASC Transformation programme was in the early stages of establishing a project management framework. Findings therefore reflect that this work was still in progress:</p> <ul style="list-style-type: none"> • There was a lack of overarching programme business case or owners; • There was a lack of robust assessment of financial risks to programme; • Investment was not yet secured for the entire programme and costs were not tracked against budget/milestones; • There was a lack of formal scope management; • There was a lack of quality acceptance criteria or metrics; and • A detailed benefits measurement case had not yet been documented. <p><u>Environment and Regeneration: Fleet Electrification</u></p> <p>At the time of the audit, the Fleet Electrification programme was in the very early stages of establishing a project management framework. Findings therefore reflect that this work was still in progress.</p> <ul style="list-style-type: none"> • The programme level governance structure was not yet complete; • There was a lack of a mechanism for stakeholder engagement; • A formal risk management process was not yet in place; • Finance and cost management was not robust and costs were currently not tracked against progress; • The scope and business case was yet to be formally agreed; and • Benefits were not yet tracked against business case. 	

Reference	Audit Title
ER20-3	Parking Services
<p>Four high priority recommendations were raised in relation to the following areas:</p> <ul style="list-style-type: none"> • The debt recovery process was not consistently followed; • Cancelled Penalty Charge Notices (PCNs) did not, in some instances, follow process; 	

Reference	Audit Title
ER20-3	Parking Services
<ul style="list-style-type: none"> • Spot checks of enforcement decisions were not carried out; • Contract management of debt enforcement agents was not consistently taking place. 	

Reference	Audit Title
HOU20-1	HomeBuild Programme
<p>One high priority recommendation was raised in relation to the following area:</p> <ul style="list-style-type: none"> • The Finance team was not consistently represented at governance forums. 	

Reference	Audit Title
HASS19-5	Disability Action Islington (Voluntary Sector Organisation)
<p>Five high priority recommendations were raised in relation to the following areas:</p> <ul style="list-style-type: none"> • Disclosure and Barring Service (DBS) checks were not consistently carried out; • Contracts of employment were not signed; • Articles of Association were not reviewed; • Financial management arrangements were not sufficiently robust; and • Consultancy expenditure was not robustly monitored. 	

Reference	Audit Title
AD19-02	Conewood Children's Centre
<p>Five high priority recommendations were raised in relation to the following areas:</p> <ul style="list-style-type: none"> • Financial policy and governance arrangements was not clear; • Financial management arrangements were was not sufficiently robust; • Payroll and Human Resources decisions were not appropriately authorised; • Instances were noted where pensions and investments information was incorrect; • Petty cash was not operated as an imprest account. 	

APPENDIX ENDS

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APPENDIX 3 – FOLLOW UP OUTCOMES

2020-21 Internal Audit Annual Report Audit Committee 25th January 2021

Introduction: This appendix gives details of the results of follow up of recommendations. It provides an indication of the level of implementation of audit recommendations by management. This demonstrates how well the initial audit delivered a value adding output as well as how successful management have been in mitigating the identified risk exposure.

1.1 CORPORATE / CROSS CUTTING

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
CC17-10	Gift & Hospitality and Declarations of Interest	Review of the processing, recording, administering and monitoring of gifts and hospitality and declaration of interests processes.	Limited assurance.	The original audit review concluded in 2017-18, and follow up discussions were held with the Interim Director of Human Resources (HR) subsequently. The original audit report and contents of follow up discussions were shared with new Director of HR in November 2020 and the full follow up audit is scheduled to take place in Q4 20/21.
CC17-5	Contract Management	To assess organisational oversight of third parties, to determine controls in place around business disruptions, data security, and regulatory noncompliance.	Limited assurance.	Completed. This was the second follow up of this audit. The original report, finalised in August 2018, raised eight findings (four high priority and four medium priority). Based on the evidence reviewed during the follow up audit, we noted that: <ul style="list-style-type: none">Recommendations relating to four findings (two high priority and two medium priority) have been implemented.

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
				<ul style="list-style-type: none"> Recommendations relating to four findings (two high priority and two medium priority) have been partially implemented. Partially implemented high priority findings related to: <ul style="list-style-type: none"> - Management information (revised implementation date 31 March 2021); and - Dedicated contract management time (revised implementation date 31 December 2020). <p>Two of the partially implemented actions will be revisited as part of the ongoing Contract Management audit (CC20-6). Updates will be sought on the remaining partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>

1.2 RESOURCES

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
FR18-1	Payroll – key controls review	Review of the administration of salaries, addition of staff to payroll, removal, amendments, payroll payments, deductions, overpayments, overtime. Review of staff expenses	Limited assurance.	<p>Completed.</p> <p>The original report, finalised in August 2019, raised 11 findings (four high priority and seven medium priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p>

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
		and any special payments to staff. Include maintenance of master establishment list and processing and recording of holiday pay.		<ul style="list-style-type: none"> • Recommendations relating to one medium priority finding have been implemented. • Recommendations relating to three findings (two high priority and one medium priority) have been partially implemented. Partially implemented high priority findings related to: <ul style="list-style-type: none"> - Overpayments (revised implementation date 30 November 2020); and - Leavers (revised implementation date 30 November 2020). • Recommendations relating to six findings (four high priority and two medium priority) have not been implemented. High priority findings that we not implemented related to: <ul style="list-style-type: none"> - Policies and procedures (revised implementation date 31 December 2020); - Changes to standing data (revised implementation date 30 November 2020); - IT contingency planning (revised implementation date 30 November 2020); and - Expenses (revised implementation date 31 December 2020). • Recommendations relating to one medium priority finding (that the service should maintain a risk register) were not accepted

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
				<p>by management during the original audit and did not require follow up.</p> <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
FR18-4	Procurement	Risk-based review of the end-to-end procurement process.	Moderate assurance.	<p>Completed.</p> <p>The original report, finalised in December 2019, raised three findings (one medium priority and two low priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that recommendations relating to all findings have been implemented.</p>
FR18-5	Capital expenditure	Risk based review of the effectiveness of key controls in place surrounding the Council's capital programme.	Moderate assurance.	Follow up work was originally scheduled to take place in Q2 20/21, however at the request of the auditee this work has been deferred to Q4 20/21 to accommodate additional pressures on the team due to Covid-19.
FR19-2	Right to Work Vetting Arrangements	Risk based review of the Council's processes and controls for undertaking, recording, verification and monitoring 'right to work' checks in accordance with	Limited assurance.	Outcomes of the original audit review were shared with the new Director of Human Resources in November 2020 and the follow up audit is scheduled to take place in Q1 21/22.

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
		legislative requirements. Review to cover controls surrounding right to work checks for internal staff, agency staff, contractors and voluntary sector organisations.		
FR19-1	Continuous Auditing and Monitoring (CAM)	Review of three key financial systems in line with the rolling CAM plan: <ul style="list-style-type: none"> • Accounts Payable • Cash Management • Treasury 	Limited assurance.	Follow up work scheduled to take place in Q4 20/21. A meeting was held with the Corporate Director of Resources to discuss the report and actions, with a tracker taken to the Finance Management Team (FMT) meeting in November 2020 to ensure that implementation of actions is tracked by FMT.

1.3 PEOPLE

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
CS18-6-6	Holloway (Beacon High)	Risk based review of school/childrens' centre.	No assurance.	Completed. The original report, finalised in July 2019, raised 14 findings (nine high priority and five medium priority). Based on the evidence reviewed during the follow up audit, we noted that: <ul style="list-style-type: none"> • Recommendations relating to six findings (three high priority and three medium priority) have been implemented.

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
				<ul style="list-style-type: none"> • Recommendations relating to seven findings (five high priority and two medium priority) have been partially implemented. Partially implemented high priority findings related to: <ul style="list-style-type: none"> - Invoice payments (revised implementation date 31 March 2021); - Income and banking (revised implementation dates 1st September 2020 and 31 October 2020); - Income receipts (revised implementation date 1 September 2020); - HR and payroll (revised implementation date 1 September 2020); and - Data protection (revised implementation date 30 September 2020). • Recommendations relating to one high priority finding have not been implemented. The not implemented high priority finding related to: <ul style="list-style-type: none"> - Lettings (revised implementation date 31 October 2020); <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
CS17-2	SEN transport	To review the impact of increasing costs and demographic issues on service delivery as well as arrangements for ensuring ongoing viability.	No assurance.	<p>The original report, finalised in June 2018, raised nine findings (seven high priority and two medium priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> • Recommendations relating to five high priority findings have been implemented. • Recommendations relating to four findings (two high priority and two medium priority) have been partially implemented. Partially implemented high priority findings related to: <ul style="list-style-type: none"> - Management information and budgetary control (revised implementation date 31 January 2021); and - Passenger profiles and risk assessments (revised implementation date 31 December 2020 and 31 January 2021). <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
CS18-6-4	Christ the King Roman Catholic Primary School	Risk based review of school/childrens' centre.	Limited assurance.	<p>Completed.</p> <p>The original report, finalised in June 2019, raised 10 findings (three high priority and seven medium priority).</p>

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
				Based on the evidence reviewed during the follow up audit, we noted that recommendations relating to all findings have been implemented.
PS19-1	Placement Commissioning 16-17 year olds*	Cross-cutting review with Adult Social Care. To review the Council's commissioning processes for Looked After Children and Children in Need to ensure that best value is obtained and care quality is monitored in line with Children's Services Joint Commissioning Policy. To also include a review of the effectiveness of assessment/placement processes, budget monitoring and/or contract management.	Limited assurance.	<p>Completed</p> <p>The original report, finalised in August 2019, raised six findings (three high priority and three medium priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> • Recommendations relating to four findings (three high priority and one medium priority) have been partially implemented. Partially implemented high priority findings related to: <ul style="list-style-type: none"> - Placement request referral forms (revised implementation date 31 October 2020); - Risk assessment forms (revised implementation date 30 November 2020); and - Housing benefit (revised implementation date 30 November 2020). • Recommendations relating to two medium priority findings have not been implemented. <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised</p>

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
				implementation date. Outstanding actions will be revisited regularly until they are closed.
CS18-6-5	Rotherfield Primary School	Risk based review of school/childrens' centre.	Moderate assurance.	<p>Completed.</p> <p>The original report, finalised in August 2019, raised six findings which were accepted by management (one high priority, three medium priority and two low priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> • Recommendations relating to three findings (one medium priority and two low priority) have been implemented. • Recommendations relating to three findings (one high priority and two medium priority) have been partially implemented. The partially implemented high priority finding related to: <ul style="list-style-type: none"> - Management information and budgetary control (revised implementation date 30 November 2020). <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
CS18-6-7	Winton Primary School	Risk based review of school/childrens' centre.	Moderate assurance.	<p>Completed.</p> <p>The original report, finalised in July 2019, raised eight findings (one high priority, five medium priority and two low priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> • Recommendations relating to seven findings (one high priority, four medium priority and two low priority) have been implemented. • The recommendations relating to one medium priority finding has not been implemented. <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
CS18-6-2	St John Evangelist RC Primary School	Risk based review of school/childrens' centre.	Moderate assurance.	Follow up work is underway, with reporting scheduled for December 2020.
CS18-6-3	Highbury Quadrant Primary School	Risk based review of school/childrens' centre.	Moderate assurance.	Follow up work scheduled to take place in Q1 21/22.
CS18-3	Schools Financial Monitoring	Risk based review of the schools' finance team to review the Council's	Management letter issued.	Completed.

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
		ongoing financial monitoring arrangements in respect of schools.		<p>The original report, finalised in August 2019, raised one medium priority finding.</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> Recommendations relating to the medium priority finding have been partially implemented. <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
AD19-2	Conewood Children's Centre	Risk based review of school/childrens' centre. Audit following concerns.	Management letter issued.	Follow up work scheduled to take place in Q4 20/21.
PS19-5	Direct Payments	Risk-based review of the effectiveness of controls in place to mitigate key risks relating to the assessment, payment, management and monitoring of Direct Payments for Adults and Children.	Limited assurance.	Follow up work scheduled to take place in Q1 21/22.

1.4 ENVIRONMENT AND REGENERATION

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
ER18-1	Blue Badge	Risk based review surrounding the administration and issue of blue badges. To include a review of controls surrounding enforcement.	Moderate assurance.	Follow up work is underway, with reporting scheduled for December 2020.
ER18-5	Greenspace Income	Risk based review.	n/a – a management letter was issued.	The follow up is scheduled for Q1 21/22 (follow up is not due till Q1 21/22).
ER19-3	Emergency Planning / Response *	Risk based review of the governance framework, internal controls and processes in place for responding effectively to a disruptive event within the community within a suitable timeframe.	Moderate assurance.	Follow up work is underway, with reporting scheduled for January 2021.
ER19-4	S106	Risk based review surrounding the Council's arrangement for managing and monitoring S106 obligations in accordance with Council policy and legislation.	Moderate assurance.	Follow up work scheduled to take place in Q1 21/22.

1.5 HOUSING

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
HASS18-6	Voluntary Sector Organisation (VSO) – Hilldrop Area Community Association (ACA)	Risk-based review of VSO monitoring arrangements. To include a visit to one VSO.	Limited assurance.	<p>Completed</p> <p>The original report, finalised in November 2018, raised six findings (two high priority and four medium priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> • Recommendations relating to six findings (two high priority and one medium priority) have been implemented. • Recommendations relating to three medium priority findings have been partially implemented. <p>Updates will be sought on the remaining partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
HASS18-3	Rent Income & Recovery*	Risk based review of the effectiveness and efficiency of the Council's arrangements for rent collection and rent arrears following the introduction of Universal Credit.	Moderate assurance.	<p>Completed.</p> <p>The original report, finalised in August 2019, raised five findings (one high priority, three medium priority and one low priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p> <ul style="list-style-type: none"> • Recommendations relating to two findings (one medium priority and one low priority) have been implemented.

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
				<ul style="list-style-type: none"> • Recommendations relating to two medium priority findings have been partially implemented. • Recommendations relating to one high priority finding have not been implemented. The partially implemented high priority finding related to: <ul style="list-style-type: none"> - Rent level calculations (revised implementation date 31 December 2020). <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
HASS18-2	Mental Health Safeguarding Processes*	Risk based review of the arrangements and processes in place surrounding mental health safeguarding.	Management letter issued.	Follow up work was originally scheduled to take place in Q3 20/21, however at the request of the auditee this work has been deferred to Q4 20/21 to accommodate additional pressures on the team due to Covid-19.
HASS18-4	Housing Voids	<p>Risk based review to ensure that the following key objectives are being met:</p> <ul style="list-style-type: none"> • Sound policies and procedures in place for the management of 	Moderate assurance.	<p>Completed.</p> <p>The original report, finalised in May 2019, raised six findings (five medium priority and one low priority).</p> <p>Based on the evidence reviewed during the follow up audit, we noted that:</p>

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
		<p>empty Council properties (voids) and these are adhered to by all staff;</p> <ul style="list-style-type: none"> • Appropriate action is taken to minimise the time that Council properties are empty and classified as void. Relevant performance and financial information is produced and monitored in order to assist with this process; <p>Repairs to void properties are restricted to those essential to meet the Council's re-let standard. All rechargeable repairs are fully and promptly charged to the outgoing tenant and appropriate action is taken to recover the sums due.</p>		<ul style="list-style-type: none"> • Recommendations relating to three findings (two medium priority and one low priority) have been implemented. • Recommendations relating to two medium priority findings have been partially implemented. • Recommendations relating to one medium priority finding have not been implemented. <p>Updates will be sought on the remaining not implemented and partially implemented recommendations after the revised implementation date. Outstanding actions will be revisited regularly until they are closed.</p>
HASS18-5-2	Gambier House Tenant Management Organisation (TMO)	Risk based review of TMO.	Limited assurance.	Follow up work scheduled to take place in Q1 21/22.

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
HASS17-2	Annual Service Charges	To review the methodology for calculation to assess whether reasonable, fair and complete. To assess the adequacy of supporting documentation for charges. To determine whether income is maximised.	Limited assurance.	Follow up work scheduled to take place in Q1 21/22.
HASS19-2-1	Newbery House Tenant Management Organisation (TMO)	Risk based review of TMO.	No assurance.	Follow up work scheduled to take place in Q4 20/21.
HASS19-2-4	Arch Elm Tenant Management Organisation (TMO)	Risk based review of TMO.	No assurance.	Follow up work scheduled to take place in Q4 20/21.
HASS19-5	Disability Action in Islington – Voluntary Sector Organisation (VSO)	Risk-based review of VSO monitoring arrangements.	Management letter issued.	Follow up work scheduled to take place in Q4 20/21.

1.6 PUBLIC HEALTH

Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
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Number	Audit title	Indicative scope	Assurance rating	2020-21 follow up outcomes
PH18-1	Public Health	Risk based review based on risk assessment conducted in-year. The review focussed on key controls surrounding partnership arrangements, with a focus on sexual health services.	Moderate assurance.	Follow up work scheduled to take place in Q4 20/21.

* Denotes a principal risk

APPENDIX ENDS

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Report of: Corporate Director of Resources

Meeting of:	Date:	Ward(s):
Audit Committee	25 th January 2021	All

Delete as appropriate		Non-exempt
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SUBJECT: WHISTLEBLOWING POLICY

1. Synopsis

- 1.1. This report provides updates to the Council's Whistleblowing Policy, which was previously updated in May 2020. In line with good practice, the Council seeks to continually review its policies and procedures to ensure that they remain up to date. To this end, the Council's Whistleblowing Policy, which was last updated in May 2020, has been updated. Changes primarily provide clarity surrounding anonymity (at paragraphs 5.1 and 5.2 of the policy), complaints and allegations relating to Members of the Council (at paragraph 1.4), the authority for an external investigation to be conducted (at paragraph 3.1) and the decision to investigate (at paragraph 3.2). Where applicable, contact details have also been updated. Changes since the last iteration to Committee on 18th May 2020 have been highlighted for ease of reference. A summary of key changes is provided below.
- 1.2. While the Council will take all reasonable steps to maintain the whistleblower's anonymity, the change at paragraph 5.2 makes the whistleblower aware that their identity could be revealed during the investigative process. At Paragraph 5.1, the policy clarifies that feedback to anonymous whistleblowers will only be provided subject to sufficient evidence that the person seeking feedback is the same person who made the referral.
- 1.3. The Whistleblowing Policy clarifies at (Paragraph 1.4) that complaints or allegations relating to Members of the Council are subject to separate investigative procedures under the Islington Code of Conduct for Members and the relevant provisions of the Localism Act 2011. Paragraph 1.4 also clarifies the use of the Grievance Procedure instead of the Workplace Resolution Policy that was referred to in the previous iteration of May 2020.

- 1.4. At paragraph 3.1 the policy states that the Council's S151 Officer or the Chief Executive may provide authority for an external investigation to be conducted. At paragraph 3.2, the policy clarifies that a written record will be kept of the decision reached in relation to whether or not the Council will investigate.
- 1.5. This report is intended to support Audit Committee in obtaining assurance that the Council has a sound framework surrounding whistleblowing.

2. Recommendations

To agree the revised Whistleblowing policy at **Appendix 1**, including amendments as highlighted.

3. Background

- 3.1 Whistleblowing arrangements are a key element of the Council's overall governance arrangements. Whistleblowing allows employees, members, contractors and others, to confidentially raise concerns surrounding fraud and corruption. A review of the Council's whistleblowing policy was last undertaken in May 2020. The policy has now been reviewed and changes to the policy since the last iteration have been highlighted in Appendix 1.

4. Implications

4.1 Financial implications:

There are no specific financial implications associated with this report. Each referral will be determined on an individual basis and financial implications, if relevant, will be considered as part of this determination.

4.2 Legal Implications:

The original Public Interest Disclosure Act 1998 provisions, inserted in the Employment Rights Act 1996, were amended by the Enterprise and Regulatory Reform Act 2013 to introduce a new public interest requirement. The Council must have regard to the Government's Whistleblowing Guidance for Employers and Code of Practice.

4.3 Environmental Implications

There are no environmental implications arising from the recommendations in this report.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the recommendation being sought does not have direct impacts on residents.

5. Reason for recommendations

This report indicates that the Whistleblowing policy is in place and has been duly updated. Committee is asked to approve the policy as outlined in Appendix 1.

Appendices

- **Appendix 1** – Whistleblowing Policy

Final report clearance:

Signed by:



David Hodgkinson

Date: 05/01/2021

Report Author: Nasreen Khan, Head of Internal Audit, Investigations and Risk Management

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Financial Implications Author: Paul Clarke, Director of Finance

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REPORT ENDS

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Whistleblowing Policy and Procedure

1 BACKGROUND

1.1 Overall context

The council expects the highest standards of behaviour of all those who work for the council, councillors and its contractors.

The Whistleblowing Procedure is intended to encourage employees and others who are listed below to report inappropriate action by any of the above which would not normally be revealed due to fears of victimisation or retribution.

The procedure provides a framework for those with concerns to report such concerns and for them to be dealt with in an appropriate manner.

The procedure reassures employees that they will be protected from reprisals or victimisation for making reports of malpractice, in the public interest, which they reasonably believe to be true.

The council will ensure that its workers at all levels are trained appropriately in relation to whistleblowing law and this procedure.

1.2 Regulatory and legal context

This disclosure policy has been devised in accordance with the provisions of the Employment Rights Act 1996, Public Interest Disclosure Act 1998 and the Enterprise and Regulatory Reform Act 2013.

1.3 Scope of the procedure

This procedure applies to a report where it is the reasonable belief of the employee or other person making the report that it discloses past, present or likely future wrongdoing in any of the following categories:

- a criminal offence, including bribery or corruption,
- a failure to comply with a legal obligation,
- a miscarriage of justice,
- a danger to the health and safety of an individual,
- damage to the environment,
- a deliberate attempt to conceal any of the above

in relation to the conduct of the council's business, including activities carried out by contractors on its behalf.

1.4 Matters outside the scope of the procedure

Statutory whistleblowing protections do **not** normally cover day to day issues relation to an employee's terms and conditions of employment or a complaint about another employee, these can usually be referred to their line manager, or if necessary be pursued using the council's Grievance Procedure.

Note: Employees generally do not receive statutory protection as a whistleblower when they complain merely about breaches of their own employment contract. A protected whistleblowing disclosure should have a public interest aspect to it. A grievance by contrast has no public interest factors, as it is a complaint about a particular employment situation. A grievance should be reported using the council's Grievance Procedure, not the Whistleblowing Procedure. If employees are unsure about whether or not their concern raises a public interest matter, they may find it useful to seek further guidance from the sources of advice provided below.

Complaints or allegations relating to Members of the Council are subject to separate investigative procedures under the Islington Code of Conduct for Members and the relevant provisions of the Localism Act 2011.

There are other matters that may attract statutory whistleblowing protection, but nonetheless should be reported using other council procedures:

- Matters that would normally be dealt with by the council's collective bargaining arrangements with its recognised trade unions.
- Matters relating to child abuse which should be reported to the Referral and Advice Team: telephone **020 527 7400** or Email: csctreferrals@islington.gov.uk Further information is available on the Islington Council website: <https://www.islington.gov.uk/children-and-families/worried-about-a-child>
- Matters relating to the protection of vulnerable adults should be referred to the Access Team: telephone **020 7527 2299** or send an email to them at access.service@islington.gov.uk. Further information is available on the Islington Council website: <https://www.islington.gov.uk/social-care-and-health/abuse>
- You can also make a referral at: dolsoffice@islington.gov.uk or in an emergency telephone **0207 527 3828**
- For referral outside office hours in relation of child abuse or the protection of vulnerable adults contact the Emergency Duty Team on **020 7226 0992**.
- Allegations which you would normally make to Internal Audit concerning fraud or financial irregularity which should continue to be made direct to Internal Audit by calling **0207 527 4873** or E Mail at: internal.audit@islington.gov.uk
- Matters relating to modern slavery should be raised as under paragraph 4 below.
- Complaints from the public that relate to standard of service delivered by the council or its contractors which should be reported through the council's Complaints procedure see: <http://izzi/me/staff-essentials/communications-customer-service/dealing-customers/3complaints/2complaints/Pages/procedure.aspx>

1.5 Who is covered by the procedure?

All employees, contractors (and their staff), partner agencies (including the Health Authority and voluntary sector groups), casual and agency workers, consultants, trainees and self-employed people providing work for the council may make reports under this procedure outlining any concerns.

2 MAKING A WHISTLEBLOWING REPORT – Step 1

2.1 Reporting a concern within the management structure of your own Service Area

In the first instance you should normally report any concerns to your line manager or their manager, preferably in writing. However, if you feel the matter is extremely serious or sensitive or involves your line manager or their manager, you may report the matter to the relevant Corporate Director.

Before raising your concern, you may wish to take advice on the matter from any of those listed in paragraph 5.7 of this procedure or discuss your concerns with a colleague first. It is advisable that you report your concern as early as possible. A significant delay in reporting the matter may make the subsequent investigation difficult to pursue.

In raising your concern in writing, you should give as much detail as possible, i.e. the background and history, giving names and relevant dates and the reasons why you are particularly concerned about the situation.

If you feel hesitant about putting your concern in writing at this stage you should telephone the manager to whom you wish to make the report and arrange to meet them. Do bear in mind you may be asked to put the details in writing later.

Managers receiving a report under this section must notify the whistleblowing officer of the referral within 24 hours.

Any evidence you provide may be useful. However, you do not need to provide evidence in order to make a report under this procedure.

2.2 Reporting a concern to the council's Whistleblowing Officer

The Council's Whistleblowing Officer is the Head of Internal Audit, Investigations and Risk Management (Tel: 020 7974 2211)

You may also contact the Whistleblowing Officer via email at: internal.audit@islington.gov.uk. This mailbox is restricted and only accessed by authorised managers in Internal Audit.

You may make a written report to the council's Whistleblowing Officer if you:

- Have previously raised an issue to management within your department and feel that it has not been dealt with properly or the matter involves your Corporate Director, or
- Fear that you will be victimised if the matter is raised within your management structure, or
- Fear that relevant information may be concealed or destroyed if the matter is raised within your management structure.

If the matter you wish to raise involves the Whistleblowing Officer, you may make your report to the Chief Executive.

3 INVESTIGATION OF YOUR REPORT – Step 2

3.1 What will happen?

You will be advised whether the referral is appropriate for this procedure.

Receipt of your report will be logged by the Whistleblowing Officer, following which you will normally be interviewed. You may be accompanied at the interview by a trade union representative, a colleague or a friend if you feel this would help. In most cases you will be asked to provide a written statement detailing the allegations following the interview.

You will receive a written acknowledgement of your report and will be informed of the action that will be taken to investigate your concern within 10 working days of receipt. You will also be given an estimate of the likely timescale of the investigation, although this cannot be guaranteed.

Where possible, you will be kept informed of the progress of the investigation, unless the Investigator considers that there is a risk of the investigation being prejudiced by disclosures of the process being taken. You may not receive full details of the progress or the outcome of the investigation if provision of details would be inconsistent with obligations of confidentiality in relation to others.

In some circumstances the matter may be referred to an external agency, such as the police, if crime is involved. Where possible the Whistleblowing Officer will advise you of this before doing so.

It may be considered appropriate for the allegations in your report to be investigated on behalf of the Council by an external party. In these cases, the Council's Section 151 Officer or the Chief Executive will provide authority for an external investigation to be conducted. In exceptional circumstances, it may be considered appropriate to appoint a legal professional, such as a solicitor or barrister to conduct this investigation. In these cases, the Council's Audit Committee will provide the authority for an external investigation to be undertaken.

If you are not satisfied with the response from the Whistleblowing Officer, you may report this in writing to the Chief Executive.

3.2 Conclusion of the investigation – Step 3

If your allegation is not proven or there is insufficient evidence on which to base a conclusion, you will be advised accordingly.

In all cases a written record will be kept of the decision reached in relation to whether or not the Council will investigate.

In cases where action is necessary as a result of your allegation, a report will usually be sent to the Corporate Director responsible for the area under investigation. The

Corporate Director will be responsible for implementing the recommendations in the report. You will be advised when the investigation is complete but it may not always be possible to tell you the details of the findings as this may be confidential.

If the investigation concerns inappropriate action by the Corporate Director, the report will be sent directly to the Chief Executive. If you are concerned about the Corporate Director receiving the report you should discuss this with the investigator.

4 MODERN SLAVERY

- 4.1** Modern slavery is the illegal exploitation of people for personal or commercial gain, often in conditions which the victim cannot escape. Islington is committed to ensuring that this exploitation does not occur in any of the Council's activities and that staff and the public have the opportunity to report suspicions to the appropriate place.

Staff who suspect that modern slavery or human trafficking may be happening through any of the council's activities, particularly in service delivery via third parties, should contact the Council's Head of Internal Audit, Investigations and Risk Management immediately (Tel: 020 7974 2211).

More information and advice can be found on the government's website on modern slavery: <https://www.gov.uk/government/collections/modern-slavery>

5 GENERAL PROVISION

5.1 Anonymous reports

Whilst anonymous allegations do not carry the same weight, any such reports received by the council will be considered when the council believes this to be appropriate. When a decision is made to consider an anonymous allegation, appropriate investigations will be made into the circumstances, as far as possible. In exercising this discretion, account will be taken of the seriousness and credibility of the matters raised and the likelihood of confirming the allegation from the sources quoted.

Anonymous whistle blowers will not ordinarily be able to receive feedback. Anonymous whistle blowers may seek feedback through a telephone appointment or by using an anonymised email address. Please see the relevant contact details above. Such feedback will be provided subject to sufficient evidence that the person seeking the feedback is the same person who made the original complaint or allegation.

5.2 Anonymity

During the initial stages of the investigation, if you so wish, the council guarantees that your identity will only be disclosed to those directly involved in investigating the allegation. If you wish to remain anonymous, we will take all reasonable steps to maintain your anonymity throughout the enquiry. However, notwithstanding all reasonable steps being taken, it is possible that anonymity will not be maintained. For example, the matters to which your complaint relates may enable interviewees in an investigation to guess your identity. We may also be required by law to breach anonymity. For example, we may be required by law to disclose your identity to other investigating agencies, but we will discuss this with you before doing so.

5.3 Attendance at a disciplinary hearing

In cases where disciplinary action is taken, it may be necessary for you to provide witness evidence. We will try to gather evidence to support your allegation without requiring your attendance at a hearing, but this may not always be possible.

5.4 Non-disclosure agreements

Non-disclosure clauses in settlement agreements do not prevent you from making a disclosure under this policy or attracting the statutory protection.

5.5 Statutory protection

The Public Interest Disclosure Act 1998 and the Enterprise and Regulatory Reform Act 2013 provide individuals with protection from victimisation, dismissal or any other detriment provided they have a reasonable belief that what they have reported is true and the report is made in the public interest.

5.6 Protection to council employees

Action will not be taken against you by the council if you make a report with a reasonable belief that it is in the public interest even if it is not confirmed by the investigation.

The council will treat any victimisation or harassment of an employee because they made a report reasonably and in the public interest under this procedure as a serious disciplinary offence.

If you consider that you have been, are being or are likely to be victimised, dismissed, made redundant or made to suffer some other detriment as a result of making a report under this procedure, you should report your concerns to the Whistleblowing Officer. The matter will then be dealt with as a new referral under this procedure.

Employees should not make reports which they do not reasonably believe to be true or which are malicious. Disciplinary action may be taken against an employee who makes an allegation frivolously, maliciously or for personal gain.

If you are already the subject of a disciplinary, capability or redundancy procedure, this will not normally be halted as a result of your report.

5.7 Advice

If you wish to receive advice from a relevant professional in the council before making a report under this procedure, you should contact any of the following:

- Section 151 Officer (Tel: 020 7527 2294)
- The Corporate Health and Safety Manager. Email- CorporateHealthandSafety@islington.gov.uk

Alternatively, you may wish to ask for confidential help from your trade union:

- UNISON:
Jane Doolan Tel: 0207 527 8298

- email: secretary@islingtonunison.org.uk
- GMB:
 - Marie McCormack Tel: 0207 527 3805
 - email: Marie.McCormack@islington.gov.uk
 - George Sharkey 0788 1310682
 - email: george.sharkey@islington.gov.uk
- Unite:
 - Jasmin Suraya 020 7527 8344
 - email: jasmin.suraya@islington.gov.uk
 - Bobby Haddock Mobile 07813361144
 - email: Robert.Haddock@islington.gov.uk

Or your professional organisation.

You may also contact the following organisations outside the council for assistance with your concern:

- Public Concern at Work, now known as Protect Tel: 020 3117 2520 or visit their website: <http://www.pcaw.org.uk/>

For additional support you can contact the Employee Assistance Programme (EAP) Phone: 0800 243 458 or visit: <https://www.workplaceoptions.co.uk/member-login-2/>

Client ID: islington

Password: employee

The National Society for the Prevention of Cruelty to Children (NSPCC) has a national whistleblowing helpline for employees wishing to raise concerns about a child at risk of abuse.

You can find more information on this NSPCC whistleblowing helpline on their official website at: <https://www.nspcc.org.uk>

5.8 Reporting outside the council

This procedure is intended to provide you with an avenue within the council to raise concerns. The council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the council following completion of the process set out above, the following are possible contact points:

- HM Revenue & Customs,
- the Financial Services Authority,
- the Office of Fair Trading,
- the Health and Safety Executive,
- the Environment Agency,
- the Director of Public Prosecutions,
- the Department of Health,
- the Care Quality Commission,
- the Serious Fraud Office,
- Ofsted,

- or other appropriate regulatory body.

For a full list of bodies and person who you can make a disclosure to see:

<https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies>

A report made externally, i.e. to the police, media or Member of Parliament, will only be protected and count as a qualifying disclosure under the legislation if the following apply:

- the report is in the public interest: if you honestly and reasonably believed the information and any allegation contained in it to be substantially true,
- the allegation has not been made for personal gain,
- the allegation has already been raised with the council, unless you reasonably believed you would be victimised or that there may be a cover-up or that the matter is exceptionally serious.

Also a disclosure is not a qualifying disclosure if:

- by making the disclosure, you have committed an offence (e.g. under the Official Secrets Act 1989), or
- the information should be protected from disclosure because of legal professional privilege (e.g. the disclosure has been made by a legal adviser (or their secretary) who has acquired the information in the course of providing legal advice).

5.9 Review of the whistleblowing procedure

The procedure and reports made under it should be reviewed at least every four years. The Audit Committee will receive a regular monitoring report on the use of this procedure, detailing all referrals made under this procedure.

Previous Version May 2020
This Version January 2021



Report of: Director of Fairer Together, Strategy & Change, Chief Executive's Department

Meeting of:	Date:	Ward(s):
Audit	25/01/2021	N/A

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SUBJECT: STRATEGY AND CHANGE PROGRESS REPORT

1. Synopsis

1.1 This report responds to the commitment made to the Audit Committee on 18 May 2020 to provide a further update in due course on the implementation of new arrangements for Strategy & Change within the Council. In line with this commitment, this report outlines progress made in three key areas:

- a. Establishing **a new Transformation Unit** as a key driver for change across the Council.
- b. Establishing a **robust new corporate delivery framework**
- c. **Driving forward key transformation programmes**

1.2 It also highlights three key priorities for the next six months:

- a. Establishing **the new Strategic Transformation Board** to drive delivery of key strategic priorities
- b. **Strengthening the Programme Management Office (PMO)** informed by the findings of a recent audit report
- c. **Establishing a new Transformation Network** to embed transformation skills and approaches as a key aspect of the culture change we are aiming to achieve across the Council

2. Recommendation

2.1 To note the contents of this report.

3. Background

A. What's happened since May?

- 3.1 **A new Transformation Unit:** In line with the direction of travel set out to Audit Committee in May, a consultation proposal was approved in June 2020 to create a new Transformation Unit as part of the Strategy & Change function. The new Unit consists of: a Head of Transformation, with six Transformation Programme Leads each aligned to a directorate, a small PMO team of three (Manager, Officer and Apprentice) and two project managers.
- 3.2 The purpose of this new Unit is to drive delivery of the council's strategic transformation which includes the delivery of Medium Term Financial Strategy (MTFS) savings and performance. Transformation Programme Leads are responsible for framing, driving and delivering change for each directorate, against the Council's strategic priorities within a post Covid-19 context. This is supported by a robust PMO framework, setting a strong level of rigour and assurance and enabling confidence on required the strategic change.
- 3.3 We have successfully recruited to all roles, ensuring a diverse team with both internal and external appointments. This has enabled us to reduce our reliance on agency or interim staff within the Strategy & Change function.
- 3.4 **A new Corporate Delivery Framework:** The new Unit has led the introduction of a new corporate delivery governance framework focused on strategic priorities, savings and performance. Close work with directorates led to a set of focused Directorate Delivery Plans setting out strategic priorities, savings programmes and performance goals. From June 2020, our cycle of monthly Directorate and Corporate Delivery Boards commenced, assisted by a new monthly Directorate Delivery Highlight Report to ensure grip, challenge and support for delivery.
- 3.5 This new framework has improved corporate oversight of key projects and programmes as well as maintaining a clear focus on strategic imperatives e.g. the commitment to fairness, and balancing the ongoing management of the Covid-19 response against delivery of core services and an ambitious agenda for change.
- 3.6 **Driving forward key transformation programmes:** Through this framework, Programme Leads are able to ensure a strong level of rigour and assurance across change projects and programmes as set out in the table below. We have highlighted in bold those where we have already made a critical contribution to the design and delivery:

Directorate/ Programme	Programme area
Environment & Regeneration	<ul style="list-style-type: none">• iCo review• Commercial Waste review• Net Zero Carbon Strategy
People	<ul style="list-style-type: none">• Equalities in Education• Children's Services Strategy• Children's Services Transformation

	<ul style="list-style-type: none"> • Adult Social Care Transformation • Care UK review
Public Health	<ul style="list-style-type: none"> • Covid-19 LFT testing mobilisation
Housing	<ul style="list-style-type: none"> • Integrated Homeless Service • Allocations Policy review • Homelessness Service Transformation
Resources	<ul style="list-style-type: none"> • Finance Transformation • HR Transformation • Business Support Transformation • Census 2021
Fairer Together	<ul style="list-style-type: none"> • Integrated Community Wellbeing Offer • Integrated Strategic Commissioning and Investment • Customer Experience
Community Wealth Building	<ul style="list-style-type: none"> • Economic Wellbeing • Progressive Procurement • Inclusive Economy & Jobs • Enabling Assets

B. Priorities for the next six months

3.7 **A new Strategic Transformation Board:** as part of the new Corporate Delivery Framework, the Corporate Management Board has been meeting as a Corporate Delivery Board monthly since June 2020 to support enhanced grip and pace of our change and improvement projects. This proactive and consistent oversight of our change priorities has been positive. However, there have been updates from over 50 projects and programmes at each Board meeting, preventing in-depth quality conversations about key priorities and challenges. We have therefore adapted the approach accordingly with a new Strategic Transformation Board, which was introduced in December.

3.8 The new Strategic Transformation Board ensures focus on key strategic transformation programmes for the Council as per the following cycle:

Month 1 (rolling)	Month 2 (rolling)
Fairer Together Challenging Inequality Community Wealth Building New Zero Carbon	Adults Transformation Children's Transformation Housing Transformation Corporate Transformation

3.9 This replaces Corporate Delivery Board and encompasses a wider membership including the Chief Executive, Corporate Directors, key directorate staff and Transformation Programme Leads. The ultimate focus is on programme strategy, accountability and impact, moving away from routine updates on standard templates and towards tailored updates to fit the nature of the programme and its challenges.

The first Board took place on 15 December 2020 and was constructive in terms of moving forward delivery of the key programme discussed.

3.10

Strengthening the PMO: Internal audit undertook a review of the redesign of the council's PMO in summer 2020. It focused on seven key risks (governance; information management; change control; communication and training; project management capability; learning & assurance; streamlined reporting) and the existing change control environment against each of these. The review concluded that although the recent PMO redesign had laid a foundation for a more robust and effective PMO functions, aspects of the PMO redesign required enhancement to ensure a sufficient control environment.

3.11

The following recommendations were made:

- The development of a lessons learned framework
- Consistent reporting across all levels of governance
- Clear risk management framework across the change portfolio
- Holistic view of project management capabilities across the council's change portfolio
- Mandatory use of RAID (Risks, Assumptions, Issues, Dependencies log) under the PMO toolkit
- Clear risk escalation framework across the council's change portfolio
- Training and communication on changes to the redesigned PMO function to be extended to delivery teams

3.12

The Transformation Unit has accepted all recommendations and is in the process of developing an action plan to implement these, ensuring the PMO can more effectively facilitate successful change across the council.

3.13

A new Transformation Network: A clear PMO gap arising from the recent audit was a holistic understanding of project management capability across Islington and resultant skill gaps. This can result in inconsistent management of change projects and programmes across the council.

3.14

Furthermore, there is often an immediate request for project management support in moving forward key transformation priorities. The Transformation Unit are unable to always resource these requests due to restricted capacity. This can result in either delay to transformation delivery or the recruitment of interims as a quick solution.

3.15

The Islington Transformation Network will address both these issues, and is currently under development to commence early next year. The Network will have two core purposes:

1. To enhance project management capability and capacity across the council
2. To create a flexible pool of project managers to drive forward key transformation priorities

- 3.16 As well as increasing our capacity to manage change, this network will also support staff with career progression through a monthly learning offer alongside development opportunities that enable them to lead or contribute to specific projects.

4. Implications

4.1 Financial implications:

The Strategy and Change Team lead on corporate assurance for the delivery of MTFS three-year savings programme.

4.2 Legal Implications:

There are no significant legal implications arising from this report.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

There are no environmental impacts arising from this report.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The Strategy and Change team is focused on delivery of the Council's core commitment to fairness. We see fairness and equality as two sides of the same coin and in driving forward these new arrangements for corporate delivery will ensure that tackling inequality and promoting fairness are embedded in all delivery plans and reflected in key performance goals and indicators that will be reviewed regularly as part of the new corporate delivery framework. Resident Impact Assessments will be completed as appropriate.

5. Reason for recommendations

- 5.1 To provide a further update to the Committee on the Council's Strategy & Change work, as promised at the meeting on 18 May 2020.

Background papers: None.

Final report clearance:

Signed by: Amy Buxton Jennings

Date: 4 January 2021

Director of Fairer Together, Strategy and Change

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Report of: Corporate Director

Meeting of:	Date	Ward(s)
Audit Committee	25 January 2021	All

SUBJECT: Housing Ombudsman Complaint Handling Code – Self Assessment 2020

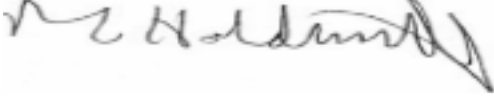
1.	Synopsis
1.1	Following the publication of The Housing Ombudsman’s Complaint Handling Code July 2020, this report provides a summary of the requirements of the code and the framework expected from landlord members, boards and executive members.
2.	Recommendations
2.1	To note The Housing Ombudsman’s Complaint Handling Code July 2020, See Appendix 1.
2.2	To note the completed self-assessment form, See Appendix 2 , which must be completed by 31 December 2020.
2.3	To note that, in the case of local authorities, a self-assessment outcome is reported to “elected members”.
2.4	To note that failure to comply with the conditions of membership may result in an Ombudsman’s determination of compliant handling failure and order to rectify within a given timescale (paragraphs 13 and 73 of the Housing Ombudsman scheme).

2.5	To note that failures under the Scheme and Code would result in a complaint handling failure order; list of failures under the scheme provided, Part C, points 1.3 of Appendix 1.
2.6	To note the Housing Ombudsman expects landlords to publish the outcome of their self-assessments. The Ombudsman may request sight of the assessment and evidence in support. The Ombudsman may require landlords to periodically repeat the self- assessment, following any amendments to the code or significant change to landlords organisational structure.
3.	Background
3.1	The purpose of the code is to enable landlords to resolve complaints raised by residents quickly and use the learning from complaints to drive service improvement.
3.2	The complaint handling code sets out requirements for member landlords that will allow them to respond to complaints effectively and fairly.
3.3	The codes set out six elements for landlords to review against existing policies and processes. <ol style="list-style-type: none"> 1. Definition of a complaint 2. Accessibility and awareness 3. Complaint team, procedure, timeliness and responsiveness 4. Fairness in complaint handling 5. Putting things right 6. Continuous learning and improvement
3.4	The Corporate Complaints Team and Complaints Lead Officers across the Housing Directorate have conducted a review against the Code and reflected on the Council's policy and process, which has resulted in the final self-assessment Appendix 2.
3.5	As expected by the Housing Ombudsman a regular review of the self-assessment will be conducted and appropriate action taken to ensure complaint handling is in line with the Code.
4.	Implications
4.1	Financial implications: There are no financial implications arising from this report.
4.2	Legal Implications: There are no legal implications arising from this report. Compliance with the code forms part of the membership obligations set out in the Housing Ombudsman Scheme. Landlords should comply with the requirements of the Code.
4.3	Environmental Implications and contribution to achieving a net zero carbon Islington by 2030: There are no environmental implications arising from this report.
4.4	Resident Impact Assessment: No change to resident's ability to make a complaint in relation to housing matters.
	The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard

	to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding. (No change to resident's ability to make a complaint in relation to housing matters.)
5.	Reason for recommendations
5.1	To ensure that Councillors are kept informed about complaint handling that have been reviewed by the Housing Ombudsman.

Appendices

- Appendix 1. The Housing Ombudsman's Complaint Handling Code July 2020.
- See Appendix 2. Housing self-assessment form.

Signed by:		
	 Maxine Holdsworth, Corporate Directors, Housing	Date 8/01/2021

Report Author:	Karen McKenzie
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**The Housing
Ombudsman's
Complaint Handling Code**

Published July 2020

Contents

Part A:

1. Introduction
2. The purpose of the Code

Part B: The Code

1. Definition of a complaint
2. Accessibility and awareness
3. Complaint team, procedure, timeliness and responsiveness
4. Fairness in complaint handling
5. Putting things right
6. Continuous learning and improvement

Part C:

1. Compliance
2. Self-assessment

Part A

1. Introduction

Complaint handling performs an important strategic role for an organisation, providing vital intelligence on its health, performance and reputation. Data on complaint handling should be considered alongside other management information to provide assurance and assess risks.

The Ombudsman's Complaint Handling Code promotes the progressive use of complaints, providing a high-level framework to support effective handling and prevention alongside learning and development. The Code ensures complaint handling data is being used consistently across landlord members, promotes engagement at different levels within a landlord and sets out expectations for boards or equivalent governance, senior executives and frontline staff.

For boards or equivalent governance, the Code supports culture setting and intelligence for assurance exercises, using complaint data alongside other management information on stock, services and customer feedback to provide insight into their organisation. It is important for governance to understand the complaints their organisations are receiving and the impact of their complaint handling on residents.

For chief executives and senior managers, the Code supports learning from complaints and promotes the open and transparent use of information to assess performance and risks.

For operational staff, the Code supports excellent complaint handling and engagement with the Ombudsman. If the requirements of the Code cannot be delivered this should prompt discussion about what needs to change.

Information on complaints can provide essential insight for governance and should include, although not necessarily be limited to:

- Regular updates on the volume, category and outcome of complaints, alongside complaint handling performance including timely compliance with the Ombudsman's orders
- Review, at least once a year, of issues and trends arising from complaint handling, including discussion of the Ombudsman's yearly landlord performance report and the inclusion of any organisational learning in the landlord's Annual Report
- Consideration of individual complaint outcomes where necessary, including findings of severe maladministration of the Ombudsman or any referrals by it to regulatory bodies, including scrutiny of any subsequent procedural or organisational changes
- Confirmation that the Complaint Handling Code is being applied.

Compliance with the Code forms part of the membership obligations set out in the Housing Ombudsman Scheme. Landlords should comply with the requirements of the Code. The Code should be read in conjunction with the Scheme.

Landlords are encouraged to promote the Code and to share the outcome of their self-assessment with residents.

2. Purpose

The purpose of the Code is to enable landlords to resolve complaints raised by their residents quickly and to use the learning from complaints to drive service improvements. It will also help to create a positive complaint handling culture amongst staff and residents.

Some landlords see complaints as a form of negative feedback. In fact, there are many benefits to be gained from having an effective, efficient complaints process:

- Complaints allow an issue to be resolved before it becomes worse. Those not resolved quickly can take significant resource and time to remedy
- Involvement in complaint resolution develops staff decision-making and engagement
- Complaints provide senior staff with a window into day-to-day operations allowing them to assess effectiveness
- Good complaint handling promotes a positive landlord and resident relationship.

The Ombudsman's Complaint Handling Code sets out requirements for member landlords that will allow them to respond to complaints effectively and fairly.

While member landlords must comply with some elements of the Code, the Ombudsman recognises that each landlord will need to adapt its complaints policy and processes to meet the needs of its residents. Consequently, there are some areas where a landlord can use its discretion. The Code seeks to be prescriptive only where the Ombudsman believes clear and consistent practice by all landlords is essential. Landlords will be asked to self-assess against the Code on a comply and explain basis. Non-compliance could result in the Ombudsman issuing complaint handling failure orders. Separate guidance on these orders has been published by the Ombudsman.

The Code will act as a guide for residents setting out what they can and should expect from their landlord when they complain. The requirements in the Code also provide residents with information about how to make a complaint and how to progress it through the landlord's internal complaints procedure.

The Code supports the regulatory approach to complaints ensuring that a landlord's approach to complaints is clear simple and accessible and ensures that complaints are resolved promptly, politely and fairly.

Part B

The Code

1. Definition of a complaint
2. Accessibility and awareness
3. Complaint team, procedure, timeliness and responsiveness
4. Fairness in complaint handling
5. Putting things right
6. Continuous learning and improvement

1. Definition of a complaint

- 1.1. Effective complaint handling should be a resident friendly process that enables residents to be heard and understood. The starting point for this is a mutual understanding of what constitutes a complaint.
- 1.2. A complaint shall be defined as *an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents.*
- 1.3. The resident does not have to use the word complaint in order for it to be treated as such. Landlords should recognise the difference between a service request (pre-complaint), survey feedback and a formal complaint and take appropriate steps to resolve the issue for residents as early as possible.

Exclusions

- 1.4. A landlord shall accept a complaint unless there is a valid reason not to do so.
- 1.5. A complaints policy shall clearly set out the circumstances in which a matter will not be considered and these circumstances should be fair and reasonable to residents. For example:
 - The issue giving rise to the complaint occurred over six months ago. Where the problem is a recurring issue, the landlord should consider any older reports as part of the background to the complaint if this will help to resolve the issue for the resident. (N.B. it may not be appropriate to rely on this exclusion where complaints concern safeguarding or health and safety issues.)
 - Legal proceedings have been started. Landlords should take steps to ensure that residents are not left without a response for lengthy periods of time, for example, where a letter before action has been received or issued but no court proceedings are started or settlement agreement reached.

- Matters that have already been considered under the complaints policy.
- 1.6. If a landlord decides not to accept a complaint a detailed explanation should be provided to the resident setting out the reasons why the matter is not suitable for the complaints process.
 - 1.7. A resident has the right to challenge this decision by bringing their complaint to the Ombudsman. Where appropriate the Ombudsman will instruct the landlord to take on the complaint.

2. Accessibility and awareness

- 2.1. Landlords shall make it easy for residents to complain, by providing different channels through which residents can make a complaint.
- 2.2. Where a landlord has set up channels to communicate with its residents via social media, such as Facebook and Twitter, then it should expect to receive complaints via those channels. Policies should contain details of the steps that will be taken when a complaint is received via social media and how confidentiality and privacy will be maintained.
- 2.3. Landlords shall make their complaint policy available in a clear and accessible format for residents. This will detail the number of stages involved, what will happen at each stage and the timeframes for responding.
- 2.4. Landlords shall comply with the Equality Act 2010 and may need to adapt normal policies, procedures, or processes to accommodate an individual's needs. Landlords shall have a reasonable adjustments policy in place to address this.
- 2.5. Landlord websites shall include information on how to raise a complaint. The complaints policy and process shall be easily found and downloadable.
- 2.6. The complaints policy and process should be publicised in leaflets newsletters, online and as part of regular correspondence with residents. A copy should be provided when requested.
- 2.7. Landlords shall provide residents with contact information for the Ombudsman as part of its regular correspondence with residents.
- 2.8. Landlords shall provide early advice to residents regarding their right to access the Housing Ombudsman Service, not only at the point they have exhausted the landlord's complaints process. The Housing Ombudsman Service can assist residents throughout the life of a complaint. This affords the resident the opportunity to engage with the Ombudsman's dispute support advisors.

3. Complaint team, procedure, timeliness and responsiveness

Complaint team

- 3.1 Landlords should have a person or team assigned to take responsibility for complaint handling. This Code will refer to that person or team as the “complaints officer”. For some organisations, particularly smaller landlords, we recognise that this role may not be dedicated to complaint handling.
- 3.2 Complaints officers are one of the most important factors in ensuring that the complaints handling works well. Complaints officers should:
- be able to act sensitively and fairly
 - be trained to receive complaints and deal with distressed and upset residents
 - have access to staff at all levels to facilitate quick resolution of complaints
 - have the authority and autonomy to act to resolve disputes quickly and fairly.

Residents are more likely to be satisfied with complaint handling if the person dealing with their complaint is competent, empathetic and efficient.

Complaints procedure

- 3.3 When a complaint is made to the landlord it shall be acknowledged and logged at stage one of the complaints procedure.
- 3.4 Landlords should confirm their understanding of the complaint and the outcomes being sought with the resident. Clarification should be sought if the complaint is not clear.
- 3.5 If the complaint is not resolved to the resident’s satisfaction it shall be progressed to the next stage in accordance with the landlord’s procedure and the timescales set out in this Code.
- 3.6 A landlord’s complaints procedure shall comprise of two stages. This ensures that a resident has the opportunity to challenge any decision by correcting errors or sharing concerns via an appeal process.
- 3.7 The Ombudsman welcomes involvement by residents or senior executives outside the complaints team as part of the review process.
- 3.8 The Ombudsman does not believe a third stage is necessary as part of a complaints process but if a landlord believes strongly it requires one, it should set out its reasons as part of the self-assessment. A process with more than three stages is not acceptable under any circumstances in the Ombudsman’s view.

- 3.9 In the final decision the landlord's policy shall include the right to refer the complaint to the Housing Ombudsman Service. This should be through a designated person within eight weeks of the final decision or directly by the resident after eight weeks.
- 3.10 A full record shall be kept of the complaint, any review and the outcomes at each stage. This should include the original complaint and the date received; all correspondence with the resident, correspondence with other parties and any reports or surveys prepared.

Timeframe for responses

- 3.11 A landlord's complaints procedure shall include the following maximum timescales for response:
- Logging and acknowledgement of complaint – five working days
 - Stage one decision – 10 working days from receipt of complaint – if this is not possible, an explanation and a date by when the stage one response should be received. This should not exceed a further 10 days without good reason
 - Stage two response – 20 working days from request to escalate – if this is not possible an explanation and a date when the stage two response will be received. This should not exceed a further 10 working days without good reason
 - Stage three response – where a landlord believes this stage is absolutely necessary a response should be sent within 20 working days from request to escalate. Any additional time will only be justified if related to convening a panel. An explanation and a date when the stage three response will be achieved should be provided to the resident.
- 3.12 A landlord may choose to set shorter response times for each stage of the complaints procedure but response times must not exceed those set out above.

Communication with residents

- 3.13 When communicating with residents, landlords shall use plain language that is appropriate to the resident.
- 3.14 Landlords shall address all points raised in the complaint and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.
- 3.15 At the completion of each stage of the complaints process the landlord should write to the resident advising them of the following:

- the complaint stage
 - the outcome of the complaint
 - the reasons for any decisions made
 - the details of any remedy offered to put things right
 - details of any outstanding actions
 - details of how to escalate the matter if dissatisfied.
- 3.16 As part of the complaint policy the resident shall be given a fair opportunity to:
- set out their position
 - comment on any adverse findings before a final decision is made.
- 3.17 Communication with the resident should not generally identify individual members of staff or contractors as their actions are undertaken on behalf of the landlord.
- 3.18 Landlords should adhere to any arrangements agreed with residents in terms of frequency and method of communication.
- 3.19 Landlords should keep residents regularly updated and informed even where there is no new information to provide.

Duty to cooperate with the Ombudsman

- 3.20 When the resident remains dissatisfied at the end of the landlord's complaints process, they may bring their complaint to the Ombudsman. Landlords shall cooperate with the Ombudsman's requests for evidence and provide this within 15 working days. If a response cannot be provided within this timeframe, the landlord shall provide the Ombudsman with an explanation for the delay. If the explanation is reasonable, the Ombudsman will agree a revised date with the landlord.
- 3.21 Failure to provide evidence to the Ombudsman in a timely manner may result in the Ombudsman issuing a complaint handling failure order.

4. Fairness in complaint handling

- 4.1. Landlords shall operate a resident-focused complaints process ensuring they are given the opportunity to explain their point of view and the outcome they are seeking before a decision is reached.
- 4.2. Landlords should manage residents' expectations from the outset, being clear where a desired outcome is unreasonable or unrealistic.
- 4.3. Landlords should give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented and/or accompanied at any meeting with the landlord where this has been requested or offered and where this is reasonable.

- 4.4. Where a key issue of a complaint relates to the parties' legal obligations the landlord should clearly set out its understanding of the obligations of both parties and seek clarification before doing so where this is not initially clear.
- 4.5. A complaint investigation shall be conducted in an impartial manner, seeking sufficient reliable information from both parties so that fair and appropriate findings and recommendations can be made.
- 4.6. Any complaint investigation shall be fair. To ensure fairness, processes and procedures shall require the complaints officer to:
- deal with complaints on their merits
 - act independently and have an open mind
 - take measures to address any actual or perceived conflict of interest
 - consider all information and evidence carefully
 - keep the complaint confidential as far as possible, with information only disclosed if necessary to properly investigate the matter.
- 4.7. The landlord's assessment of the issue should include:
- what the complaint is about
 - what evidence is needed to fully consider the issues
 - what risks the complaint raises for the landlord
 - what outcome would resolve the matter for the resident
 - any urgent action that it needs to take.
- 4.8. A complaint should be resolved at the earliest possible opportunity.
- 4.9. The resident, and if applicable any staff member who is the subject of the complaint, must also be given a fair chance to:
- set out their position
 - comment on any adverse findings before a final decision is made.
- 4.10. Complaint policies and processes should set out the circumstances in which a landlord can exercise discretion in how to respond to a complaint and who has the power to exercise that discretion. Landlords should exercise discretion appropriately and provide clear explanations to residents when doing so.
- 4.11. Landlords should not unreasonably refuse to escalate a complaint through all stages of the complaints procedure and must have clear and valid reasons for taking that course of action.

- 4.12. When a resident seeks to escalate a complaint the landlord should consider:
- what the escalation review will be about i.e. why the resident remains dissatisfied, and whether any part of the complaint been resolved
 - who will undertake the review
 - who needs to be kept informed
 - what evidence needs to be gathered i.e. comments from those involved, relevant policies and contemporaneous records, inspections etc
 - how long the review will take and when it will be completed.
- 4.13. Where a landlord decides not to escalate a complaint it should provide an explanation to the resident. It should make clear that its previous response was its final response to the complaint and provide information on referral to the Housing Ombudsman.
- 4.14. Landlords should have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives when pursuing a complaint.
- 4.15. Any restrictions placed on a resident's contact due to unacceptable behaviour should be appropriate to their needs and should demonstrate regard for the provisions of the Equality Act 2010.

5. Putting things right

- 5.1. Effective dispute resolution requires a process designed to resolve complaints. Where something has gone wrong a landlord should acknowledge this and set out the actions it has already taken, or intends to take, to put things right. Examples of where action to put things right may be required are:
- there was an unreasonable delay
 - inaccurate or inadequate advice, explanation or information was provided to the resident
 - the landlord's policy or procedure was not followed correctly without good reason
 - there was a factual or legal error that impacted on the outcome for the resident
 - there was unprofessional behaviour by staff.
- 5.2. Landlords should acknowledge and apologise for any failure identified, give an explanation and, where possible, inform the resident of the changes made or actions taken to prevent the issue from happening again.
- 5.3. Landlords should recognise that putting things right is the first step to repairing and rebuilding the landlord and resident relationship.

- 5.4. When considering what action will put things right landlords should carefully manage the expectations of residents. Landlords should not promise anything that cannot be delivered or would cause unfairness to other residents.

Appropriate remedy

- 5.5. Complaints can be resolved in a number of ways. A landlord's policy shall require that any remedy offered reflects the extent of any and all service failures, and the level of detriment caused to the resident as a result. These shall include:
- acknowledging where things have gone wrong
 - providing an explanation, assistance or reasons
 - apologising
 - taking action if there has been a delay
 - reconsidering or changing a decision
 - amending a record
 - providing a financial remedy
 - changing policies, procedures or practices.
- 5.6. Any remedy offered must reflect the extent of any service failures and the level of detriment caused to the resident as a result.
- 5.7. Factors to consider in formulating a remedy can include, but are not limited to the:
- length of time that a situation has been ongoing
 - frequency with which something has occurred
 - severity of any service failure or omission
 - number of different failures
 - cumulative impact on the resident
 - a resident's particular circumstances or vulnerabilities.
- 5.8. When offering a remedy, landlords should clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.
- 5.9. In awarding compensation, landlords shall consider whether any statutory payments are due, if any quantifiable losses have been incurred as well as the time and trouble a resident has been put to as well as any distress and inconvenience caused.

Concerns about legal liability

- 5.10. In some cases a resident may have a legal entitlement to redress. There may be concerns about legal liability in this situation. If so, the landlord should still offer a resolution where possible, as that may remove the need for the resident to pursue legal remedies.

- 5.11. Landlords have a duty to rectify problems for which they are responsible. However, where necessary a resolution can be offered with an explicit statement that there is no admission of liability. In such a case, legal advice as to how any offer of resolution should be worded should be obtained.

For further information on remedies please see <https://www.housing-ombudsman.org.uk/about-us/corporate-information/policies/dispute-resolution/policy-on-remedies/>

6. Continuous learning and improvement

- 6.1. A positive complaint handling culture is integral to the effectiveness with which landlords resolve disputes, the quality of the service provided, the ability to learn and improve, and the relationship with their residents.
- 6.2. Accountability and transparency should be embedded in a positive complaint handling culture, with landlords providing feedback to residents on failures in complaint handling and the actions taken to learn and improve from this.
- 6.3. Creating and embedding a culture that values complaints and gives them the appropriate level of priority requires strong leadership and management.
- 6.4. A good culture should also recognise the importance of resident involvement, through the formation of resident panels, consulting with residents on the formulation of complaints policies and procedures and through including them in panel hearings as part of the dispute resolution process, where appropriate.
- 6.5. Landlords should look beyond the circumstances of the individual complaint and consider whether anything needs to be 'put right' in terms of process or systems to the benefit of all residents.
- 6.6. An effective complaints process enables a landlord to learn from the issues that arise for residents and to take steps to improve the services it provides and its internal processes. Landlords should have a system in place to look at the complaints received, their outcome and proposed changes as part of its reporting and planning process.
- 6.7. Any themes or trends should be assessed by senior management to identify any systemic issues, serious risks or areas for improvement for appropriate action.
- 6.8. Landlords should proactively use learning from complaints to revise policies and procedures, to train staff and contractors and to improve communication and record-keeping.

- 6.9. Landlord's should recognise the impact that being complained about can have on future service delivery. Landlords should ensure that staff are supported and engaged in the complaints process including the learning that can be gained.
- 6.10. Landlords shall report back on wider learning and improvements from complaints to their residents, managers and staff. Feedback shall be regularly provided to relevant scrutiny panels, committees and boards and be discussed, alongside scrutiny of the Ombudsman's annual landlord performance report.
- 6.11. Learning and improvement from complaints should be included in the landlord's Annual Report.

Part C

1. Compliance

- 1.1. Under the Housing Ombudsman Scheme a member landlord must:
- agree to be bound by the terms of the Scheme
 - establish and maintain a complaints procedure in accordance with any good practice recommended by the Ombudsman
 - as part of that procedure, inform residents of their right to bring complaints to the Ombudsman under the Scheme
 - publish its complaints procedure and make information about this easily accessible to those entitled to complain on its website and in correspondence with residents
 - manage complaints from residents in accordance with its published procedure or, where this is not possible, within a reasonable timescale.
 - respond promptly to information requests made by the Housing Ombudsman Service as part of the ongoing investigation into complaints from residents.
- 1.2. Failure to comply with the conditions of membership may result in an Ombudsman's determination of complaint handling failure and an order to rectify within a given timescale (paragraphs 13 and 73 of the Housing Ombudsman Scheme).
- 1.3. Failures under the Scheme and Code which would result in a complaint handling failure order include, but are not limited to:
- non-compliance with the Complaint Handling Code

- failure to accept a formal complaint in a timely manner or to exclude a complaint from the complaints process without good reason
 - inaccessible complaints process and procedure or unreasonable restrictions as to how a complaint can be made
 - not managing complaints from residents in accordance with the complaints policy
 - failure to progress a complaint through the complaints procedure
 - failure to respond to a complaint within the set timescales without good reason
 - failure to keep the resident informed and updated
 - failure to notify the resident of the right to refer the complaint to the Ombudsman
 - failure to provide evidence to support investigation by the Ombudsman.
- 1.4. Where a complaint is still within a landlord's complaints procedure or the Ombudsman has requested evidence for investigation the landlord will be informed of any complaint handling failure. Details of the failure will be provided along with any action required to rectify it. Where no action is taken the Ombudsman will issue a complaint handling failure order.
- 1.5. Each quarter the Ombudsman will publish the total number of complaint handling failure orders issued, the names of the landlords and reasons for the orders and will share this information with the Regulator of Social Housing. The number of complaint handling failure orders issued against a landlord will form part of the Ombudsman's annual landlord performance reports and will be available on the Ombudsman's website.
- 1.6. In addition, from time to time the Ombudsman may wish to publish a report detailing the specifics of a complaint handling failure case where this would help highlight the impact of the failure on the resolution of the dispute and delays and/or distress caused to residents.
- 1.7. When carrying out an investigation the Ombudsman will consider whether the landlord dealt with the complaint fairly and will assess this against the requirements of the Code. Any failure identified could result in a finding of service failure or maladministration.
- 1.8. The Ombudsman will specifically refer to the Code in its findings. Orders and recommendations will be made to put matters right and ensure compliance with the Code.
- 1.9. The Ombudsman may request evidence of a landlord's self-assessment in order to confirm satisfactory compliance with the Code. Where there have been failures to comply with the Code or in operating an effective complaints procedure, the Ombudsman may issue a complaint handling failure order and ask the landlord to complete the self-assessment as part of the rectification action and to report back to the Ombudsman on its outcome.

- 1.10. Where there are significant concerns regarding a landlord's compliance with the Code the Ombudsman may escalate these to the landlord's board or equivalent, and may refer the matter to the appropriate regulatory body including the Regulator of Social Housing.

2. Self-assessment

- 2.1 The Ombudsman expects landlords to carry out regular self-assessment against the Code and take appropriate action to ensure their complaint handling is in line with the Code. This assessment should be completed by 31 December 2020.
- 2.2. The Ombudsman expects landlords to report the outcome of their self-assessment to their board members. In the case of local authorities, self-assessment outcomes should be reported to elected members.
- 2.3. The Ombudsman expects landlords to publish the outcome of their assessments. The Ombudsman may request sight of the assessment and evidence in support. The Ombudsman may require landlords to periodically repeat the self-assessment, for example following any amendments to the Code or significant change to the landlord organisational structure.

Self-assessment form

Compliance with the Complaint Handling Code			
1	Definition of a complaint	Yes	No
	Does the complaints process use the following definition of a complaint? <i>An expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents.</i>		
	Does the policy have exclusions where a complaint will not be considered?		
	Are these exclusions reasonable and fair to residents? Evidence relied upon		
2	Accessibility		
	Are multiple accessibility routes available for residents to make a complaint?		
	Is the complaints policy and procedure available online?		
	Do we have a reasonable adjustments policy?		
	Do we regularly advise residents about our complaints process?		
3	Complaints team and process		
	Is there a complaint officer or equivalent in post?		
	Does the complaint officer have autonomy to resolve complaints?		
	Does the complaint officer have authority to compel engagement from other departments to resolve disputes?		
	If there is a third stage to the complaints procedure are residents involved in the decision making?		
	Is any third stage optional for residents?		
	Does the final stage response set out residents' right to refer the matter to the Housing Ombudsman Service?		
	Do we keep a record of complaint correspondence including correspondence from the resident?		
	At what stage are most complaints resolved?		
4	Communication		
	Are residents kept informed and updated during the complaints process?		

	Are residents informed of the landlord's position and given a chance to respond and challenge any area of dispute before the final decision?		
	Are all complaints acknowledged and logged within five days?		
	Are residents advised of how to escalate at the end of each stage?		
	What proportion of complaints are resolved at stage one?		
	What proportion of complaints are resolved at stage two?		
	What proportion of complaint responses are sent within Code timescales? <ul style="list-style-type: none"> • Stage one Stage one (with extension) • Stage two Stage two (with extension) 		
	Where timescales have been extended did we have good reason?		
	Where timescales have been extended did we keep the resident informed?		
	What proportion of complaints do we resolve to residents' satisfaction		
5	Cooperation with Housing Ombudsman Service		
	Were all requests for evidence responded to within 15 days?		
	Where the timescale was extended did we keep the Ombudsman informed?		
6	Fairness in complaint handling		
	Are residents able to complain via a representative throughout?		
	If advice was given, was this accurate and easy to understand?		
	How many cases did we refuse to escalate? What was the reason for the refusal?		
	Did we explain our decision to the resident?		
7	Outcomes and remedies		
	Where something has gone wrong are we taking appropriate steps to put things right?		
8	Continuous learning and improvement		
	What improvements have we made as a result of learning from complaints?		
	How do we share these lessons with: a) residents?		

	<p>b) the board/governing body?</p> <p>c) In the Annual Report?</p>		
	<p>Has the Code made a difference to how we respond to complaints?</p>		
	<p>What changes have we made?</p>		

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Housing Ombudsman Complaint Handling Code: Self-assessment form

Compliance with the Complaint Handling Code			
1	Definition of a complaint	Yes	No
	Does the complaints process use the following definition of a complaint?	✓	
	Does the policy have exclusions where a complaint will not be considered?	✓	
	Are these exclusions reasonable and fair to residents? Evidence relied upon	✓ Exclusions in the Corporate Complaints Policy. Advice given at contact points.	
2	Accessibility		
	Are multiple accessibility routes available for residents to make a complaint?	✓	
	Is the complaints policy and procedure available online?	✓	
	Do we have a reasonable adjustments policy?	✓ Accessibility pages and statement website www.islington.gov.uk/accessibility	
	Do we regularly advise residents about our complaints process?	✓	
3	Complaints team and process		

	Is there a complaint officer or equivalent in post?	✓	
	Does the complaint officer have autonomy to resolve complaints?	✓	
	Does the complaint officer have authority to compel engagement from other departments to resolve disputes?	✓	
	If there is a third stage to the complaints procedure are residents involved in the decision making?	There are three points in the complaints policy where residents can get involved, Stage one/ Stage one Review and Chief Executive stage (stage2).	
	Is any third stage optional for residents?	N/A	
	Does the final stage response set out residents' right to refer the matter to the Housing Ombudsman Service?	✓	
	Do we keep a record of complaint correspondence including correspondence from the resident?	✓	
	At what stage are most complaints resolved?	Stage 1	
4	Communication		
	Are residents kept informed and updated during the complaints process?	✓	
	Are residents informed of the landlord's position and given a chance to respond and challenge any area of dispute before the final decision?	✓	
	Are all complaints acknowledged and logged within five days?	✓	
	Are residents advised of how to escalate at the end of each stage?	✓	
	What proportion of complaints are resolved at stage one?	2019/20, 94%	
	What proportion of complaints are resolved at stage two?	2019/20, 70%	
	What proportion of complaint responses are sent within Code timescales? <ul style="list-style-type: none"> • Stage one • <u>Stage one (with extension)</u> 	2019/20, 90%	

	<ul style="list-style-type: none"> Stage two <u>Stage two (with extension)</u> 	98%	
	Where timescales have been extended did we have good reason?	✓	
	Where timescales have been extended did we keep the resident informed?	✓	
	What proportion of complaints do we resolve to residents' satisfaction	2019/20 95%	
5	Cooperation with Housing Ombudsman Service		
	Were all requests for evidence responded to within 15 days?	✓	
	Where the timescale was extended did we keep the Ombudsman informed?	✓	
6	Fairness in complaint handling		
	Are residents able to complain via a representative throughout?	✓	
	If advice was given, was this accurate and easy to understand?	✓	
	How many cases did we refuse to escalate?	No stats for 2019/20	
	What was the reason for the refusal?	No information for 2019/20	
	Did we explain our decision to the resident?	N/A	
7	Outcomes and remedies		
	Where something has gone wrong are we taking appropriate steps to put things right?	✓	
8	Continuous learning and improvement		
	What improvements have we made as a result of learning from complaints?	Clarity on complainant's rights to go to the Housing Ombudsman after accepting compensation offered at the end of the council's complaints process.	

		<p>Policy change to compensation for gas service failures, previously a resident would be compensated if the service was out for more than 21 days. Following meetings and discussions, because of complaints this has changed to '5 days'. This is very significant, in improving response times and especially for vulnerable residents.</p> <p>To help provide a better service to vulnerable residents with hearing issues; basic sign language training delivered to Repairs Team Leaders for improved communication with residents.</p> <p>Increasing issue at the end of 2019/start of 2020 where residents told us that operatives were arriving with not enough time to complete their works. Identified as a scheduling issue and feedback; since February 2020, one complaint received on this issue.</p>	
	<p>How do we share these lessons with:</p> <p>a) Residents?</p> <p>b) The board/governing body?</p>	<p>Part of the complaint response.</p> <p>Corporate Performance data</p>	

	<p>c) In the Annual Report?</p>	<p>Quarterly Political Leadership Meeting (PLM) upheld cases only.</p> <p>Quarterly Board meeting</p> <p>Yearly report to Audit committee</p>	
	<p>Has the Code made a difference to how we respond to complaints?</p>	<p>✓</p> <p>Overall, our Corporate Complaints Policy and practices meet the standard of the Housing Ombudsman Code. The code will confirm our commitment to good complaint handling as we make improvements to our service delivery and communication with residents. The code will act as a learning tool and reference guide for all complaint teams to ensure compliance. A new quarterly complaint-handling meeting established for continuous review of performance against the self- assessment and impact on complaint responses.</p>	
	<p>What changes have we made?</p>	<p>Housing Ombudsman definition incorporated in Corporate Complaints Policy.</p> <p>Detailed signposting for exclusions under the Corporate Complaints Policy.</p>	

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Report of:

Meeting of:	Date:	All
Audit Committee	25 January 2021	All

THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Local Government & Social Care Ombudsman (LGSCO) Annual Review performance report 2020

1. Synopsis

- 1.1 Following the publication of the LGSCO Annual Review letter 2020, this report provides a summary of the council's performance in complaint handling from 1 April 2019 – 31 March 2020, highlighting decisions upheld by the LGSCO.

The number of complaints received (84) by the LGSCO for the authority during 19/20.

Of the 84 cases received, 24 underwent a detailed investigation, 60 cases received decisions, which resulted in alternative outcomes directed to the complainant. All LGSCO decisions are shown in the statistics report included with the LGSCO Annual Review letter.

Of the 24 cases investigated 17 cases received a decision of upheld or maladministration with injustice.

Of the 17 cases, the authority provided a satisfactory remedy to 5 cases before the complaint reached the Ombudsman.

7 cases received a decision of No maladministration or injustice.

Of the 9 complaints where compliance with the recommended remedy was recorded during 19/20, 9 recommendations were complied with.

Department and Management actions confirmed in 3.5 and 3.6 of this report.

2. Recommendations

- 2.1 To note the Local Government & Social Care Ombudsman Annual Review letter 2020 dated 22 July 2020 **See Appendix 1.**
- 2.2 To note that, of the 24 cases investigated, there were 17 upheld decisions with the remaining 7 cases not upheld.
- 2.3 To note that 5 out of the 17 upheld cases, received a satisfactory remedy before the Ombudsman involvement.
- 2.4 To note that 9 out of the 9 cases recommended during 1 April 2019 to 31 March 2020 (100%) complied with the Ombudsman recommendations.
- 2.5 To note that 3 out of the 17 cases were resolved during LGSCO investigation requiring no further compliance.
- 2.6 To note that separate to the complaints investigated by the LGSCO reported in the Annual Review Letter, 3 upheld decision during the period in question (finding of maladministration) were decided by the Housing Ombudsman, **See Appendix 2.**
- 2.7 To note that, in line with the statutory duty under section 5A (2) of the Local Government and Housing Act 1989, the Monitoring Officer provides this annual report to Audit Committee.

3. Background

- 3.1 A total of 17 cases with decisions upheld by the LGSCO.

Table 1: Services and summary of decisions

Adult Care Services Total - Total of 7 upheld cases

Summary of complaint	Findings	Compensation Reason & Amount
The council failed to provide proper advice about future care charges that would need to be paid.	<p>Finding Upheld</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>Compensation £0</p> <p>Reason Compensation Paid</p> <p>Learnings Improve communication with clients through home visit or telephone to review health and financial circumstances.</p>
Joint investigation with Parliamentary and Health Service Ombudsman.	<p>Finding Maladministration and Injustice</p> <p>Remedy</p>	<p>Compensation Refund paid £27,620.30 includes interest.</p>

<p>The London Borough of Islington and Camden and Islington NHS Foundation Trust failed to properly consider the complainant's brother's entitlement to aftercare services which should have been provided without charge.</p>	<p>No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>£200 Council £300 NHS trust. Total £500.</p> <p>Reason Compensation Paid To acknowledge the injustice.</p> <p>Formal apology</p> <p>Learnings NHS trust will provide training for staff, and improve practice. The Council will complete a register to identify whether anyone else in its locality has been affected.</p>
<p>The Council sent a bill for care charges in a format that the complainant could not understand and without telling them, it had carried out an assessment.</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy No satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>Compensation Refund £426.86</p> <p>Learning Reminder to individual officer</p>
<p>The lack of support and information received from the Council when dealing with the estate of the recently deceased son. Delay by the Council in finalising the son's account and dealing with the complaint.</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy <u>Satisfactory remedy offered by the Council before the LGSCO involvement.</u></p> <p>Compliance Remedied before LGSCO involvement.</p>	<p>Compensation £200</p> <p>Reason Compensation Paid Distress & Delay.</p> <p>Learning Reminder to individual officer</p>
<p>The councils care plan did not meet care needs. Responses not provided to complaints and the</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy</p>	<p>Compensation £200 Apology</p>

<p>council did not employ the use of the British Sign Language service as promised.</p> <p>No fault found with care plan.</p>	<p>No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Remedied during LGSCO investigation.</p>	<p>Reason Compensation Paid Distress.</p> <p>Learning Service improvement in communication provisions.</p>
<p>The Council was at fault for the way it dealt with the request for adaptations to the flat and the request to allocate a social worker.</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>Compensation £100 Apology</p> <p>Reason Compensation Paid Distress</p> <p>Learning A mechanism has been put in place to ensure that, when a client is unhappy with the recommendation of an OT as part of a DFG application, they are informed at the earliest opportunity of their right to request another OT assessment.</p>
<p>The Council delayed in assessing care and support needs and then delayed in providing the care to meet those needs The council failed to work together effectively.</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>Compensation £200 Apology</p> <p>Reason Compensation Paid Distress</p> <p>Learning Remind officers where appropriate, to consider if there is a need for an emergency care package prior to completing the needs assessment and record its consideration of this. Reminder to consider combined or integrated assessment; review its</p>

		documentation to consider enabling the recording of integrated care. Remind officers of the need to provide individuals with a copy of their care and support plan and any reviews of this plan.
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Children Services - Total of 0 upheld case

Environment Services - Total of 3 upheld cases

Summary of complaint	Findings	Compensation Reason & Amount
The Council failed to make reasonable adjustments to appeal a Parking Charge Notice and failed to keep to the reasonable adjustments it agreed to. The Council failed to remove the charge certificate and then relied on this when pursuing the outstanding charge.	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>Compensation £100</p> <p>Reason Compensation Paid Time and Trouble.</p> <p>Learnings The council has reminded staff of the need to adhere to any reasonable adjustments agreed with service users. Revised the wording of the Notice to Owners and PCNs to provide a contact telephone number for people who wish to request reasonable adjustments when making representations.</p>
The Council's breach of data protection in relation to information held on vehicle ownership. <u>Ombudsman view.</u> Information Commissioner and the courts are better placed to deal with the matter.	<p>Finding Upheld</p> <p>Remedy <u>Satisfactory remedy offered by the Council before the LGSCO involvement.</u></p> <p>Compliance Remedied before LGSCO involvement.</p>	<p>Compensation £0</p> <p>The Council has agreed to accept a reduced payment in settlement of the PCN, which provides a suitable remedy.</p>

<p>The Council pursued a penalty charge notice and removed the car without following the correct procedures</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Remedied during LGSCO investigation.</p>	<p>Compensation £400</p> <p>Reason Compensation Paid Distress</p> <p>Learnings The council will communicate effectively with the enforcement company it employs to handle PCN enforcement. This will show the stages and triggers used to alert enforcement agents to progress on the case, particularly when it should lead to the withdrawal of the enforcement agents.</p>
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Housing Needs - Total of 4 upheld cases

Summary of complaint	Findings	Compensation Reason & Amount
<p>The Councils handling of the homeless application and delays in providing advice and assistance. The council failed to provide suitable temporary accommodation while it investigated the homeless application.</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes Late</p>	<p>Compensation £1650 Apology</p> <p>Reason Compensation Paid Distress</p> <p>Learnings The employment of a Property Inspection officer for 12 months to inspect all temporary accommodation properties in use. The inspections will check the physical standards of the accommodation, ensuring they comply with minimum standards and health and safety regulations and liaising with property owners and environmental</p>

		health teams to tackle substandard property conditions.
The Council did not take reasonable steps to protect belongings when the complainant became homeless in 2015. As a result, they had to pay for private storage and went into debt. The Council did not properly consider its duty or advise of options in 2015. It took until the complaint in 2016 to properly advise.	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes On time</p>	<p>Compensation Costs £1475.60 £150</p> <p>Reason Compensation Paid Time and trouble</p> <p>Learnings Review standard letters for people facing eviction to ensure it mentions storage.</p>
The Council delayed in offering a review and did not explain how it considered the supporting information provided.	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Yes Late</p>	<p>Compensation £250</p> <p>Reason Compensation Paid Delay</p> <p>Learnings Reminder to officers to explain how they have considered supporting information when making a decision about housing priority and include a timescale for reviews in the published allocations scheme.</p>
The Council delayed in dealing with the complaint.	<p>Finding Upheld</p> <p>Remedy <u>Satisfactory remedy offered by the Council before the LGSCO involvement.</u></p> <p>Compliance Remedied before LGSCO involvement.</p>	<p>Compensation £100</p> <p>Reason Compensation Paid Delay</p> <p>Learning Individual officer reminded of the complaint process</p>

Resources - Total of 3 upheld case

Summary of complaint	Findings	Compensation Reason & Amount
<p><u>Public Report 17</u> <u>October 2019</u></p> <p>The Council unreasonably delayed in sending a demand for business rates for 1 April 2000 to 31 March 2001, which the complainant considers they were not liable for. As a result, the complainant could not challenge the Council's decision, as they no longer has the evidence to do so.</p>	<p>Finding Maladministration and Injustice</p> <p>Remedy No Satisfactory remedy offered by the Council before the LGSCO involvement.</p> <p>Compliance Remedied during LGSCO investigation.</p>	<p>Compensation £1038.20 Reimburse payment made £100</p> <p>Reason Compensation Paid Time and Trouble</p> <p>Learnings Review the Council Tax and Business Rates Collection Policy to ensure it considers if it is fair to pursue a historical debt when the passage of time may prevent a person from being able to challenge the debt.</p>
<p>The Council wrongly stopped the housing benefit and council tax support and sought to recover a large overpayment.</p>	<p>Finding Upheld</p> <p>Remedy <u>Satisfactory remedy offered by the Council before the LGSCO involvement.</u></p> <p>Compliance Remedied before LGSCO involvement.</p>	<p>Compensation £300</p> <p>Reason Compensation Paid Distress</p> <p>Learning Officer reminded of overpayment recovery process</p>
<p>The Council applied court costs to the complainants Council Tax account</p>	<p>Finding Upheld</p> <p>Remedy <u>Satisfactory remedy offered by the Council before the LGSCO involvement.</u></p> <p>Compliance Remedied before LGSCO involvement.</p>	<p>Compensation Court costs withdrawn Council tax liability paid</p> <p>Learning Administrative error</p>

3.2 Comparison to the Previous Year

	Complaints received	Complaints investigated	Complaints upheld	Upheld rate
2015/2016	100	21	10	48%
2016/2017	106	16	7	44%
2017/2018	126	16	11	69%
2018/2019	106	26	11	42%
2019/2020	84	24	17	71%

The number of complaints received by the LGSCO for 2019/20 decreased by 22 cases the lowest in 5 years. There could be a C-19 impact in relation to complaints recorded before year end.

Of the upheld cases, the ombudsman has decided that it will not investigate 5 cases because they were satisfied with the actions the council has taken or proposes to take. (**Local Government Act 1974, section 24A (7), as amended**). These cases were classified in the LGSCO decision letter as, Upheld not investigated – injustice remedied.

Findings for the remaining 12 cases are Maladministration and Injustice.

Satisfactory remedy provided

	Complaints Upheld	Complaints remedied	% of upheld cases
2017/18	11	1	10
2018/19	11	3	28
2019/20	17	5	29

In two cases, remedies were not completed within the agreed timescales.

Compliance with Ombudsman recommendations

	Complaints recommendations for current year	Compliance with recommendations for current year	% of upheld cases
2018/19	10	10	100
2019/20	9	9	100

Compensation payments

	Compensation paid	£ +/-
2018/19	£7,440.00	

2019/20	£3,950.00	-3490.00
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3.3

Commendations

The Local Government & Social Care Ombudsman Annual Review letter highlighted in its report areas where the authority; led by the Corporate Complaints team took positive action and good work was achieved by the council.

Public Report

The council accepts the LGSCO findings of maladministration and injustice relating to the delays in taking action to trace Mrs X for outstanding business rates. As a result, Mrs X alleged that she could not challenge the council's decision that she is liable for the business rates, as she no longer has the evidence to do so.

The Acting Director of Financial Operations and Customer Services agreed the course of action. In response to the draft ombudsman report, the council sought Counsel's advice relating to the fairness of the collection of historical debt. It was recognised that there may be particular lessons in relation to evidence provided in this particular case, however the council remains of the opinion that it is fair to collect outstanding debt so long as the council has appropriate evidence to support it.

A public interest report was published on the council's website and in two local newspapers on the 24 October 2019; and reported to the meeting of the Executive on 28 November 2019.

The Ombudsman welcomed the positive action taken and the implementation of the recommendations however it is noted by the LGSCO disappointment that the council did not take this view in the early stages of the investigation.

Compliance with the above recommendations ensures that the statutory requirements of the Local Government Ombudsman Act 1974 and Local Government Housing Act 1989 are met.

Given the timing of the report, this case we discussed as the Audit Committee review of complaints, which met in January 2020.

3.4

See Appendix 3: Public report letter of satisfaction

Training

The LGSCO has recognised our investment in staff training delivering two Children's Social Care courses during the year. It is unfortunate that the Effective Complaint Handling in Adult Social Care course scheduled for late March 2020 was cancelled due to C-19. We are currently working with the LGSCO piloting a new online course.

The complaint handling courses have been mandatory for all council staff and partner organisations since April 2018 and we continue to support and facilitate take-up of the courses as a useful tool to ensure good complaint handling and compliance by our authority.

Complaints/Improvement

There have been identifiable trends in complaint decisions, which have attributed to the number of complaints being upheld following a detailed investigation.

- Not adhering to our own procedures.
- Poor communication with residents and services users.

We provided a late response to LGSCO recommendations for payments of compensation in two cases, both within Housing Services. It is important for departmental leads to work closely with the Corporate Complaints team to highlight problems in meeting deadlines in the early stages of the complaint investigation. The LGSCO has made clear that issues with deadlines should be made in the early stage of the investigation so the LGSCO in turn can consider and make the appropriate changes.

While the LSGCO understands the challenges faced they will not make concessions for failure attributed to budget pressures and will continue to judge authorities in line with relevant legislation, standards, and policies.

3.5

Improvement

The focus for the Corporate Complaints will be to further support services in Good Complaint Handling and Compliance to the Councils Corporate Complaints policy and Ombudsman guidelines. This will include;

- Scrutiny of complaint Stage one responses at the Chief Executive Stage of the complaint process. Using the authority given to the Corporate Complaints team to change service decisions where proper consideration has not been given to the remedy; helping services to learn from their faults.
- Maintaining links with Departmental Complaint Leads and Senior Managers within each Council Directorate to maintain 100% compliance and reinforce the importance of effective complaint handling within their Directorates.
- To ensure a greater view of complaints with findings of maladministration and Injustice and upheld outcomes individual LGSCO investigation reports are shared with the Corporate Management Board; and reviewed at Political Leadership Meetings.
- Impending late responses to LGSCO recommendations will be escalated to Corporate Directors by the Corporate Complaints team.
- Share publicised reports provided by the LGSCO to ensure the authority and directorates keep abreast of the research and expectations placed upon the

authority. "Getting things right during times of change". "Under Pressure - the impact of the changing environment on local government complaints".

- Training on Effective Complaint Handling and Effective Complaint Handling Adult Social Care for all Islington staff and Partner Organisations involved in complaint handling and the general management of complaints. This will ensure that new staff are developed and any staff in need of refresher training is also considered.

3.6 **Summary**

The Annual Review letter 2020 shows a good year in the council performance in handling complaints. In addition to the commendations highlighted in this year's report the conclusion is as follows;

- ✓ Despite having an increase in upheld investigations by the LGSCO, the volume of complaints that reached the LGSCO fell.
- ✓ Compliance with recommendations at 100%.
- ✓ The emphasis placed on providing a satisfactory remedy before LGSCO involvement is showing results with 5 cases appropriately remedied which is an increase of 2 from the previous year. A 29% satisfactory remedy rate is almost twice as good as similar types of authorities at 15%.
- ✓ There were no upheld cases for Education and Children services; this is an improvement on 3 cases in 2019 which included a public report.

4. **Financial implications:**

4.1 A total of £3,950 has been paid in compensation for 2019/20, a decrease of £3,490 on the previous year's figure of £7,440. However, a total of £30,560 has been repaid to complainants for costs incorrectly charged or incurred where there was fault, an increase of £28,280 on the previous year's figure of £2,280. Compensation payments are funded directly by the service where the fault occurred.

4.2 **Legal Implications:**

The Local Government Ombudsman has advised that:

a) where findings of maladministration/fault are made in regard to routine mistakes and service failures, and the authority has agreed to remedy the complaint by implementing the recommendations made following an investigation, the duty is satisfactorily discharged by the Monitoring Officer making a periodic report to the council summarising the findings on all upheld complaints over a specific period.

b) where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, the Monitoring Officer should consider whether the implications of that investigation ought to be individually reported to members.

c) in the unlikely event that an authority is minded not to comply with the Ombudsman's recommendations following a finding of maladministration, the Monitoring Officer would be expected to report this to members under section 5A (2) of the Local Government and Housing Act 1989. This is an exceptional and unusual course of action for any authority.

The reporting procedure employed by the Central Complaints Unit and Monitoring Officer complies with the above guidance by the Local Government Ombudsman as well as ensuring that the Audit Committee has an opportunity to consider the outcome of the local government ombudsman's determinations of complaints made against the council.

This process meets the Monitoring Officer's reporting duties under section 5A (2) of the Local Government and Housing Act 1989.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

There are no environmental implications arising from this report.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because there are no significant impacts on residents or others arising from this report.

5. Reason for recommendations

- 5.1 To ensure that Councillors are kept informed about complaints that have been reviewed by the Local Government and Social Care Ombudsman.


Appendix 1: Local Government & Social Care Ombudsman Annual review letter dated 22 July 2020.

Appendix 2: Housing Ombudsman Complaints with finding of maladministration.

Appendix 3: Public report letter of satisfaction

Final report clearance:

Signed by:



Peter Fehler
Acting Director of Law and Governance
Monitoring Officer

Date: 15 December 2020

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Financial Implications

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Legal Implications

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Report of: Corporate Director of Resources (Section 151 Officer)

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	25 January 2021	Error! Reference source not found.	All
Delete as appropriate	Exempt	Non-exempt	

COUNCIL TAXBASE 2021/22

1. SYNOPSIS

- 1.1 This report covers the council taxbase estimate for the financial year 2021/22, as well as the council tax forecast for the current financial year 2020/21.
- 1.2 There is currently an unprecedented level of uncertainty around the council's taxbase, particularly the cost of local council tax support, due to ongoing developments around the COVID-19 crisis. As such, a prudent approach has been followed in setting the 2021/22 taxbase to be used for budget setting purposes. The actual taxbase will depend on future developments in the economy, including the level of unemployment, and government measures to support businesses and individuals.

2. RECOMMENDATIONS

- 2.1. To note that the cost of local council tax support in 2021/22 and over the medium term is highly uncertain. (**Paragraph 4.1.2** and **Appendix A**)
- 2.2. To approve that the council taxbase for the whole area for 2021/22 (or until rescinded) shall be 77,737.1 Band D equivalent properties after adjusting for non-collection. (**Paragraph 4.2** and **Appendix A**)
- 2.3. To approve that the council taxbase for meeting the special expenses issued by the Lloyd Square Garden Committee for 2021/22 (or until rescinded) shall be 44.2 Band D equivalent properties after adjusting for non-collection. (**Paragraph 4.3** and **Appendix B**)
- 2.4. To note the council tax forecast for 2020/21. (**Paragraph 5.3** and **Table 1** and **Appendix C**)

3. BACKGROUND

- 3.1. The council is required to calculate its council taxbase for the next financial year and notify precepting authorities by 31 January of the preceding financial year. On 26 June 2008, the council established an Audit Committee and delegated responsibility for determining the council taxbase to that committee. The council taxbase will be used to calculate the level of council tax to be set by council on 25 February 2021.
- 3.2. The Lloyd Square Garden Management Committee issues a special levy on the council to meet the expenditure involved in the maintenance of the private garden in Lloyd Square. It is therefore necessary for the council to calculate separately the taxbase for the Lloyd Square Garden area.
- 3.3. The council is also required to forecast whether there will be a council tax surplus or deficit in the Collection Fund at the end of the current financial year and incorporate its share of any surplus or deficit in its budget for the next financial year.
- 3.4. The council is also required to make similar estimates around business rates income through the NNDR1 (detailed business rates) estimate to central government. The council's 2021/22 NNDR1 estimate, including a forecast for 2020/21 business rates income, is currently being worked up ahead of the 31 January 2021 statutory submission deadline. This will then be reflected in the final version of the budget report to the Executive on 11 February 2021 and Full Council on 25 February 2021.

4. COUNCIL TAX BASE ESTIMATE 2021/22

- 4.1. The council taxbase calculation for 2021/22 has been prepared on the following basis:
 - 4.1.1. **The number of dwellings on the Valuation List as at 30 November 2020, adjusted for exemptions, discounts and disabled relief** – In line with previous years' methodology, and given the uncertainty around economic activity, the taxbase makes no projection for additional properties that may be added to the Valuation List during the 2021/22 financial year. Instead, any future additions to the taxbase will be reflected in future year (2022/23 onwards) taxbases once they have been formally confirmed.
 - 4.1.2. **The local council tax support scheme for 2021/22 agreed by council on 10 December 2020 and a projection of future demand** – Due to increased caseload as a result of the COVID-19 pandemic, the cost of the local council tax support scheme has already increased by approximately £2m since the start of the financial year. The 2021/22 taxbase calculation assumes that the higher caseload experienced during the current financial year will continue and projects a further increase during 2021/22. However, it should be noted that cost of local council tax support in 2021/22 and over the medium term is highly uncertain as it will depend on future developments in the economy, including the level of unemployment, and government measures to support businesses and individuals.
 - 4.1.3. **Continuation of council tax relief for care leavers, foster carers and Shared Lives carers** – These are estimated to continue in 2021/22 at current levels.
 - 4.1.4. **The budgeted collection rate for 2021/22 of 96.5%** - This is a reduction of 1.5% from the 2020/21 budgeted collection rate of 98%. This reflects the reduction in council tax collection in the current financial year due to the COVID-19 pandemic (collection of the net council tax debit is down approximately 2% compared to the same point last year) and likely continued impact in 2021/22.

- 4.2. The council taxbase calculation for the council's whole area for 2021/22 is set out at **Appendix A**; applying a collection rate of 96.5% results in a council taxbase figure of 77,737.1. This equates to a 4.29% decrease compared to the 2020/21 taxbase (81,221.2).
- 4.3. The council taxbase calculation for the Lloyd Square Garden area for 2021/22 is set out at **Appendix B**; applying a collection rate of 96.5% results in a council taxbase figure of 44.2.

5. COUNCIL TAX FORECAST 2020/21

- 5.1. In the 2019/20 Statement of Accounts the final council tax outturn was a surplus of £1.301m, of which £0.551m was forecast and allocated as part of 2020/21 budget setting and £0.750m is an additional unbudgeted surplus to be reflected in the 2021/22 budget.
- 5.2. In relation to the 2020/21 council tax year, the Collection Fund forecast for council tax is a £1.824m exceptional COVID-19 deficit (**Appendix C**) to be shared between the council (£1.433m) and GLA (£0.391m) and spread over the 3 years 2021/22 to 2023/24. This exceptional deficit is due to the following variables:
- COVID-19 has led to a significant increase in the cost of the local council tax support scheme (which is currently approximately £1.5m higher than assumed at 2020/21 budget setting)
 - Similarly, as noted above, the collection rate is currently approximately 2% less than the same point last year.
 - The above is partially offset by growth in the overall business rates base not assumed at 2020/21 budget setting.
- 5.3. The combined 2021/22 budgetary impact of the prior year surplus and the 2020/21 exceptional deficit, for both the council and the GLA, is summarised in **Table 1** below. The GLA will be notified of this position.

Table 1: 2021/22 Budgetary Impact of Council Tax Forecast

	Islington Council £	GLA £	Total £
Residual 2019/20 Surplus	589,134	160,878	750,012
Less: 1/3 of 2020/21 Exceptional Deficit (as spread over 3 years)	477,714	130,452	608,166
Net Council Tax surplus to reflect in 2021/22 Budget	111,420	30,426	141,846

- 5.4. Under the government's COVID support package, 75% of any Collection Fund loss in 2020/21 will attract government compensation. It is assumed that this means that the council will receive government grant, spread over the 3 years 2021/22 to 2023/24, for 75% of the exceptional deficit. This would equate to government grant of £0.358m per annum in the years 2021/22 to 2023/24 (£1.075m in total). The GLA would similarly receive government grant compensation for their share of the exceptional deficit. However, the actual government grant compensation will depend on the final outturn position in the 2020/21 Statement of Accounts.

6. IMPLICATIONS

Financial Implications

- 6.1. The financial implications of this report will be incorporated in the final version of the 2021/22 budget report and statutory council tax calculations to be considered by the Executive on 11 February 2021 and Full Council on 25 February 2021.
- 6.2. The budgetary impact of the projected increase in the cost of local council tax support during 2021/22 is expected to be offset by the Local Council Tax Support (LCTS) grant (£3.6m indicative allocation for the council) announced in the provisional local government finance settlement.

Legal Implications

- 6.3. The council, as billing authority, is required to calculate the amount which will be its council taxbase for the next financial year by 31 January of the preceding financial year. (Section 31B of the Local Government Finance 1992 Act (as amended) and the Local Authorities (Calculation of council tax Base) Regulations 2012).
- 6.4. The council must make similar calculations in relation to any items of expenditure which relate to a part only of the council's area. This enables the council to collect, as council tax, the contributions of the local residents for these expenses. In Islington, the expenses of meeting the special levy issued by the Lloyd Square Garden Management Committee qualify and the council can take such expenses into account in calculating its budgetary requirements provided it has defined them as "special expenses" in a resolution in force at the time it calculates such requirements (Section 34 of the 1992 Act and the 2012 Regulations).
- 6.5. The precepting authorities must be notified by the council of its council taxbase calculation for the next financial year between 1 December and 31 January of the preceding financial year to enable those authorities to calculate their budgetary requirement for the next financial year and the precept they will issue to the council before 31 March. If the council fails to comply with the end of January deadline, the regulations prescribe a notional formula for the precepting authorities to use in default, which will bind the council. Similar rules require the precepting authorities to notify the council of relevant prescribed information between 1 and 31 December of the preceding financial year.
- 6.6. The calculation of the council taxbase may, but no longer has to, be approved by full council. It may be approved by a council committee or sub-committee, but not by the Executive (Section 84 of the Local Government Act 2003 and Regulation 4(9) to (11) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended)).
- 6.7. The council must set the council tax for the next financial year before 11 March of the preceding financial year (although it will not be invalid merely because it is set on or after that date). Before the council can decide this amount, it has to complete a further series of statutory calculations to establish its budgetary requirements for the next financial year. Again, these calculations under Section 31A-36 of the 1992 Act need to be made before 11 March of the preceding financial year and are usually made at the same time as the council tax is set.
- 6.8. The council, as billing authority, must estimate for each financial year whether there is a surplus or deficit in its Collection Fund. Any surplus or deficit in respect of council tax must be shared between the council and its relevant major precepting authorities and the council is required to inform them should this be applicable (The Local Authorities (Funds) (England) Regulations 1992).

Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

- 6.9. This report does not have any environmental implications.

Resident Impact Assessment

- 6.10. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 6.11. A Resident Impact Assessment has not been completed because this report in itself does not have any such implications.

7. REASON FOR RECOMMENDATIONS

- 7.1. The council is required to set a council taxbase for the next financial year and estimate the surplus or deficit on its Collection Fund for the current financial year.

Appendices:

- Appendix A – Islington Whole Area council tax Base 2021/22
 Appendix B – Lloyd Square Garden Area council tax Base 2021/22
 Appendix C – Council Tax Forecast 2020/21

Background papers: None

Final report clearance:

Signed by:		
	Dave Hodgkinson, Corporate Director of Resources (Section 151 Officer)	Date

Report Author:

Martin Houston, Strategic Financial Advisor

Legal Implications Author:

Peter Fehler (Acting Director of Law and Governance)

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APPENDIX A: ISLINGTON WHOLE AREA COUNCIL TAX BASE 2021/22

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Number of Dwellings as at 30th November 2020	4,843	6,156	29,698	33,239	18,850	9,710	7,084	931	110,511
Less Disabled Relief	0	(6)	(31)	(62)	(56)	(40)	(25)	(7)	(227)
Plus Disabled Relief	6	31	62	56	40	25	7	0	227
Less Exemptions	(2,072)	(297)	(940)	(1,381)	(828)	(561)	(122)	(30)	(6,231)
Total Chargeable Dwellings	2,777	5,884	28,789	31,852	18,006	9,134	6,944	894	104,280
<i>Discounts (25%)</i>	<i>(863)</i>	<i>(3,271)</i>	<i>(13,727)</i>	<i>(11,347)</i>	<i>(4,993)</i>	<i>(2,071)</i>	<i>(1,082)</i>	<i>(87)</i>	<i>(37,441)</i>
<i>Discounts (50%)</i>	<i>0</i>	<i>(2)</i>	<i>(2)</i>	<i>(8)</i>	<i>(6)</i>	<i>(3)</i>	<i>(13)</i>	<i>(9)</i>	<i>(43)</i>
<i>Discounts (10%)</i>	<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>28</i>
Less Equivalent Discount Value	(216)	(819)	(3,433)	(2,841)	(1,251)	(519)	(277)	(26)	(9,382)
Sub Adjusted Dwellings	2,561	5,065	25,356	29,011	16,755	8,615	6,667	868	94,898
Less Council Tax Support	(328)	(1,961)	(8,415)	(7,019)	(2,913)	(1,220)	(494)	(10)	(22,361)
Total Adjusted Dwellings	2,233	3,104	16,941	21,993	13,842	7,395	6,173	858	72,538
Ratio to Band D	6/9	7/9	8/9	1	11/9	13/9	15/9	2	
Band D Equivalent	1,489	2,414	15,059	21,993	16,918	10,681	10,288	1,716	80,557

Band D Equivalent Assuming 96.5% Collection Rate

77,737.1

APPENDIX B: LLOYD SQUARE GARDEN AREA COUNCIL TAX BASE 2021/22

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Number of Dwellings as at 30th November 2019	0	0	0	1	2	3	18	5	29
Less Disabled Relief	0	0	0	0	0	0	0	0	0
Plus Disabled Relief	0	0	0	0	0	0	0	0	0
Less Exemptions	0	0	0	0	0	0	0	0	0
Total Chargeable Dwellings	0	0	0	1	2	3	18	5	29
<i>Discounts (25%)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(2)</i>	<i>(3)</i>	<i>0</i>	<i>(5)</i>
<i>Discounts (50%)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Discounts (10%)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Less Equivalent Discount Value	0	0	0	0	0	(1)	(1)	0	(1)
Total Adjusted Dwellings	0	0	0	1	2	3	17	5	28
Ratio to Band D	6/9	7/9	8/9	1	11/9	13/9	15/9	2	
Band D Equivalent	0	0	0	1	2	4	29	10	46

Band D Equivalent Assuming 96.5% Collection Rate

44.2

APPENDIX C: COUNCIL TAX FORECAST 2020/21

	2020/21 Budgeted £m	2020/21 Forecast £m
<u>Income</u>		
Net Council Tax Income (before Council Tax Support)	<i>(155.879)</i>	<i>(158.801)</i>
Council Tax Support	<i>27.573</i>	<i>29.074</i>
Total Income	(128.306)	(129.728)
<u>Expenditure</u>		
Precepts and Demand		
Islington Council		
- General Expenses	98.750	98.750
- Special Expenses (Lloyd Square Garden Area)	0.019	0.019
	98.769	98.768
Greater London Authority	26.971	26.971
Total Precepts and Demand	125.740	125.740
Impairment Allowance & Write Offs	2.566	5.813
Total Expenditure	128.306	131.552
(Surplus)/Deficit	0.000	1.824



Report of: Corporate Director Resources

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	25 January 2021		N/A
Delete as appropriate		Non-exempt	

SUBJECT: THE INTRODUCTION OF EXIT PAYMENTS CAP ON REDUNDANCY/EFFICIENCY RETIREMENTS

1. Synopsis

- 1.1 This report is an update on the introduction of restrictions, which cap an exit payment at £95k, in the light of three recent developments. Firstly, consultation on the Local Government Pension Scheme Regulations and draft amending Regulations. Secondly, Treasury Directions on waiver (relaxation) of the Exit Cap. Thirdly, judicial review challenges seeking to quash (invalidate) the Exit Cap Payment Regulations, permission for judicial review having been granted for the cases to be heard in March 2021.
- 1.2 The report explains the background to the exit cap rules and the current statutory provisions.
- 1.3 The report also provides information about the employer changes that need to be made in order to be compliant with the new legislation.

2. Recommendations

- 1.4 To note the contents of the report, and in particular to note paragraphs 3.7-3.9.

- 1.5 To agree to amend the current redundancy/efficiency policy so that where an employee's exit payments breach the £95K cap, the staff member can exercise the option of reducing elements of their redundancy package, other than pension strain cost and statutory redundancy payment, in order to bring the total to under £95K and therefore be eligible to claim an unreduced pension.
- 1.6 To agree that where the pension strain costs are in excess of £95K, an employee can use their own funds to lower the reductions applied to their LGPS benefits.
- 1.7 To agree that the changes proposed to the redundancy policy apply to all relevant Council employees, including at Islington schools.
- 1.8 To agree an option, in instances where the value of paying the pension strain would exceed the cap, of an additional discretion to allow exit payments to be made up to the balance of the £95K cap under Regulation 8 of the Restriction of Public Sector Exit Payment Regulations 2020 (as per paragraph 3.9).
- 1.9 To note that any significant individual decisions that need to be made in relation to the enacting of provisions within the change of the policy will be brought for approval to the Audit Committee meeting scheduled for the 16th March 2021.

3. Background

- 1.1 In the summer of 2015, the government released proposals for a public-sector exit-payment cap. Action by government was delayed on this topic and then on 10th April 2019, the government engaged in a 12-week consultation which closed on 3rd July 2019. The LGA, Public Sector Employers and Trade Unions made detailed submissions and suggestions for amendments, which are largely absent from the draft regulations published on the 22nd July 2020.
<https://www.gov.uk/government/consultations/restricting-exit-payments-in-the-public-sector>
- 3.2 The Restriction of Public Sector Exit Payment Regulations 2020 were made on 14th October 2020 and became law on 4th November 2020.
- 3.3 In September 2020, the Ministry of Housing, Communities and Local Government (MHCLG) opened a further consultation, specifically on proposals for reforming exit payment terms for local government workers. It included proposals for the treatment of the pension strain for members of the Local Government Pension Scheme (LGPS). The consultation closed on 9th November, after the exit cap regulations became law. The consultation response remains outstanding and responses are under consideration alongside a number of legal challenges.
- 3.4 A High Court judge has subsequently given permission for a number of judicial reviews over the exit cap regulations to proceed and therefore the impact on members' pension benefits will be subject to full consideration in the High Court. This will not take place until March 2021 at the earliest.

What this means for members of the LGPS?

- 3.5 The exit cap regulations affect all LGPS members in England who, prior to 4th November 2020, qualified for an unreduced pension as a result of a redundancy or efficiency retirement. There are a number of options as to how members can access redundancy packages but the changes have led to additional complexity and more importantly **reduced benefit payments**.

What isn't covered?

- 3.6 Payments related to death in service or ill health retirement, payments complying with an order made by a court or tribunal and payments in lieu of notice that do not exceed a quarter of a person's salary are not exit payments for the purposes of these regulations (exit cap regulations 6(g)).

Period between 4 November and date LGPS Regulations are amended

- 3.7 There is a conflict between the exit cap regulations and the LGPS regulations when a scheme member aged 55 or over is made redundant and the total exit payment exceeds £95,000. The LGPS regulations require the member to take payment of an unreduced pension, but the exit cap regulations prevent the employer from paying the full strain cost. The recommendation from the Pension Scheme Advisory Board (SAB) is that local authorities should only provide two options during this period: either the employee takes a reduced pension or their pension is deferred until their state retirement age. This argument is driven by the belief that this position limits the legal risk to the authority, but a risk still remains. It is highly probable that the trade unions would support their members and pursue a legal challenge if the Council were simply to follow the recommendations of SAB.
- 3.8 Another approach, permitted by the Treasury (exit cap regulations 7(2)(3)), is to provide an employee with the option, in cases where they have breached the £95k exit cap, of reducing other elements of their redundancy package (other than pension strain cost and statutory redundancy pay) to bring the total to under £95K; this may also include the employee using their own funds to lower the reductions applied to their LGPS benefits. This option is also not without legal risk because of the conflicting legislation.
- 3.9 Finally, should the employee opt for an immediate, actuarially reduced pension, the Council will not incur pension strain costs. Whilst this is more beneficial to the Council, it is likely to not be the most advantageous option to employees. The Council does have the legal ability to make a payment (under regulation 8 of The Restriction of Public Sector Exit Payments Regulations 2020 and subject to tax payable by the employee), in addition to redundancy up to the value of the exit cap. This could be used as a discretionary payment in order to arrive at

an agreed settlement with employees during the period before the resolution of the conflicts between regulations.

What this means for Islington Council's Pension Fund (ICPF)

- 3.10 The implementation of exit cap regulations will involve significant resource from the Pensions Office. There will be a requirement to run more calculations for both employees and employers. Retirement processes will need to be revised and communication will need to be sent to all of our 32 external employers who are members of Islington Council's Pension Fund.

Our external employers will also need to provide details of statutory and discretionary redundancy payments to ICPF to enable the retirement calculations to be performed so that information can be provided to the member on the resultant costs and benefits.

4. Implications

4.1 Financial Implications

The cost of administering the LGPS is chargeable to the Pension Fund

4.2 Legal Implications

The current conflict between the provisions of the LGPS and exit cap regulations presents a risk of legal challenge by scheme members. That risk can to some extent be mitigated by allowing greater choice for employees as to how they can access their pension scheme benefits (as set out in paragraphs 3.7-3.9). The two paths to resolving the outstanding legal conflicts are: firstly, the outcome(s) of the judicial review challenges, which have been listed for hearing in the High Court in March 2021; and secondly, amendment to the LGPS Regulations.

4.3 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

In respect of this report, a Resident Impact Assessment is not being made because the contents of the report relate to processes that are strictly in

accordance with the statutory Local Government Pension Scheme Regulations. The LGPS Regulations are made under the Superannuation Act 1972, and the Council has a statutory duty to comply with the LGPS Regulations.

4.4 **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

None.

5. Conclusion and reasons for recommendations

- 5.1 The two options set out in the SAB advice are for a deferred or reduced pension where an exit payment to an employee exceeds the cap. These options appear predicated on the assumption that any shortfall on the strain costs is mitigated only by a reduction in pension benefits. Following this approach alone would likely prove contentious and result in numerous complaints and possibly more legal challenges. By allowing for greater flexibility in pursuing additional options, which are transparent and provide more choice to the employee, the Council is likely to have a better chance of avoiding unnecessary disputes.

Signed by:

**Dave Hodgkinson, Corporate Director of
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