

Committee(s): Corporate Services Committee – For decision	Dated: 27/11/2024
Subject: Speak Up Arrangements & System	Public
This proposal a) provides statutory duties b) provides business enabling functions	
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	
What is the source of Funding?	People & HR Existing Budget
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: The Chamberlain and the Executive Director of Human Resources & Chief People Officer	For Decision
Report author: Chris Keesing, Counter Fraud and Investigations Manager	

Summary

Internal Audit & Counter Fraud, and People and HR presented a paper to the City's Senior Management Team setting out plans for updating our approach to receiving and managing employee concerns at the City of London Corporation and ensuring the correct application of whistleblowing protection where appropriate by investing in, and benefiting from, an electronic case management system.

A review of concerns received under the current Whistleblowing Policy shows that around 50% of the reports relate to matters that were subsequently investigated under the Grievance Policy.

The current Whistleblowing Policy is now dated, and if the electronic case management system is approved, can be updated in line with the arrangements for concerns to be raised, triaged and managed. As part of the policy updated, rename the Whistleblowing Policy, the Speak Up Policy to better reflect the concerns raised.

Recommendation(s)

Members are asked to:

- Endorse the proposed enhancements to the various processes for handling concerns raised by staff.

Main Report

Background

1. The City's current Whistleblowing Policy and arrangements have been in place for over ten years, with only minor amendments made since. Although the current Policy and processes still maintain some effectiveness, the arrangements for raising concerns, triaging and managing concerns are now outdated and have limited effectiveness. The current arrangements for raising concerns include the following channels maintained by Internal Audit:
 - Via an online form
 - Via a dedicated email address or by email to the Head of Internal Audit
 - By phone to nominated contacts or via a telephone (voicemail) hotline
 - By post to the Head of Internal Audit
2. Concerns can also be raised through the Grievance (Complaint) Procedure which provides a process for both informal and formal resolution, and is managed by People and HR.
3. The City's Senior Leadership Team received a report from the Assistant Director of People and HR - Operational Services and the Head of Internal Audit in July 2024, where they endorsed their support for new and improved arrangements for raising and managing concerns.
4. For those concerns received by Internal Audit that do not relate to suspected fraud or irregularity, the current arrangements for triaging and managing concerns relies upon excel spreadsheets to record and maintain a record of all concerns received, along with the outcomes of resulting investigations – this has now been identified as ineffective as a tool for managing all concerns raised as it does not capture those concerns raised direct to People and HR.
5. Triaging of concerns raised via the Internal Audit channels is currently managed by the Head of Internal Audit and the Counter Fraud & Investigations Manager. Review of concerns received via the current channels shows that the majority of these cases were actually referred to People and HR colleagues and management to be investigated under alternative policies, such as the Grievance Policy, as they did not meet the standard of a whistleblowing concern under the Public Interest Disclosure Act 1998.
6. There is a lack of clarity for staff across the organisation as to when the Whistleblowing Policy becomes relevant, specifically, colleagues have displayed a tendency to refer to their concerns as whistleblowing referrals.
7. The following points should be noted in relation to whistleblowing:
 - Formally, whistleblowing relates to employees - a worker who reports certain types of wrongdoing, often, although not always something seen at work.
 - The wrongdoing must be in the public interest – basically, it must affect others/the public.

- Whistleblowers are protected by law – they should not be treated unfairly or lose their job because they have ‘blown the whistle’.
 - Concerns can be raised at any time about an incident that happened in the past, is happening now, or that the individual believes will happen in the near future.
 - A confidentiality clause or ‘gagging clause’ in a settlement agreement is not valid if someone is a whistleblower.
8. Complaints or concerns are considered as whistleblowing and an employee is protected by law where any of the following criteria are present:
- It relates to a criminal offence, for example fraud.
 - Someone’s health and safety is in danger.
 - There is risk or actual damage to the environment.
 - It relates to a miscarriage of justice.
 - The employing organisation is breaking the law.
 - They believe someone is covering up wrongdoing.

Current Position

9. People and HR have been working together with Internal Audit and Counter Fraud to identify improvements to the process for staff to raise concerns and to improve the consistency with which they are managed. An important part of this work is to also improve understanding in relation to whistleblowing and the application of this policy.
10. The Internal Audit and Counter Fraud Service operates a case management system for dealing with fraud referrals and investigations. It has been established that existing functionality can be extended to incorporate all categories of employee concern and support consistent case management through a secure and confidential system. Soft market testing has been carried out to explore the available system solutions for case management. The current INCASE system has been identified as the most suitable tool for the needs of the City of London Corporation as this can be easily extended to incorporate all manner of employee concern. An additional twelve licences can be purchased at low cost and within existing budget which will allow for HR Management and HR Business Partners to access to INCASE and to manage the lifecycle of concerns raised under the proposed new arrangements.
11. Discussions have been held with stakeholders on the ERP/ SAP implementation project and it has been agreed that the proposed solution is currently out of scope of the SAP product due to the required functionality, costs and implementation requirements. Integration capabilities will be explored as appropriate.
12. This report sets out proposed amendments to this process for the consideration of Corporate Services Committee with options in terms of a way forward.

13. The Trade Unions have been engaged with on the proposals and are supportive of the recommendations.
14. External Audit for City Fund have noted in their recent report that the City of London Corporation is currently reviewing its arrangements for whistleblowing.
15. If approved, the Whistleblowing Policy will be amended to reflect the updated arrangements and case management system. It is proposed that the policy will be renamed the Speak Up Policy to better reflect the concerns raised.

Proposed Approach

16. Extend the use of current system used by Internal Audit and Counter Fraud for fraud referrals and investigations to enable staff to raise all types of concerns with the ability for them to be triaged, monitored and managed by the appropriate team.
17. Revise the Whistleblowing Policy to ensure the policy is clear for all staff, particularly the conditions that must typically be present for whistleblowing protection to apply. If approved, the policy will be amended to reflect the updated arrangements and renamed the Speak Up Policy to better reflect the concerns raised
18. Work with the Communications department to improve the current communications around how to raise a concern, process flows and what to expect in terms of how your concern will be handled (including how and when whistleblowing applies).

Proposals

19. If approved by Corporate Services Committee, the following key documents will be reviewed and revised between People and HR and Internal Audit & Counter Fraud. This will follow the proposed policy review process, including Union engagement and EQIA.
 - Speak Up Policy (replacing the current Whistleblowing Policy)
 - Employee Handbook Guidance (linking to the Speak Up Policy)
 - Managers Guidance (linking to the Speak Up Policy)
20. We will rename the current Policy from a Whistleblowing Policy to a Speak Up Policy to better reflect the nature of the concerns raised through these channels, and to ensure we capture any concerns employees may raise. As our new arrangements will enhance our ability to triage more effectively in partnership between Internal Audit and Counter Fraud and Corporate HR, along with being able to manage the lifecycle of whistleblowing and grievance investigations effectively within the INCASE case management system this ensures that we enhance our responsiveness.

21. The case management system will make reporting concerns far easier for employees and far more effective for the organisation – a new online form, linking directly to workflow within INCASE, will ensure that we are able to respond to, and triage, concerns in a timelier manner. Functionality will allow for employees to raise concerns anonymously whilst offering a solution to enable those responsible for managing concerns raised through these channels, to maintain a two-way correspondence with employees wishing to remain anonymous – this is expected to improve our ability to investigate anonymous concerns more effectively, where under current arrangements many anonymous concerns cannot be effectively investigated owing to lack of information, we will likewise be able to provide feedback on the outcome of our investigations using this solution.
22. A full case management suite within INCASE will ensure that any concerns raised under the new arrangements are swiftly and effectively progressed and recorded. This will allow for enhanced management allocations, oversight and information of investigations.
23. The software providers will provide a full training package for all new users of INCASE as part of the proposed procurement.
24. A comprehensive communications strategy has been discussed with, and will be implemented with, Corporate Communications colleagues to ensure that the revised arrangements are communicated effectively across the entirety of the City of London Corporation.

Key Data

25. An analysis of the concerns received under the current arrangements during the current year to date and over the past two full reporting years can be found below.

Concerns Received Under Current Arrangements (excluding formal grievances raised direct to Corporate HR, and/or Management)			
Year	No. of concerns received	No. of irregularity concerns	No of grievance concerns
22/23	2	2	0
23/24	9	4	5
24/25 YTD	6	4	2

26. The analysis shows that 58% of the concerns received were classified as an irregularity, and 42% classified as grievance complaints.
27. In addition to the concerns received by Internal Audit and Counter Fraud under current arrangements, People and HR have received up to 20 formal grievances per year since 2022.

Strategic Implications

28. Effective arrangements for managing concerns, supported by a clear, easy to navigate Speak Up Policy, is essential for the City of London Corporation to ensure that employees have confidence in raising concerns of wrongdoing or health and safety concerns, fraud and criminality, or similar. It also provides assurance to the organisation that effective arrangements are operational and that confidential channels exist allowing employees to report concerns outside of their management structure where appropriate.

People Strategy

29. Our proposed arrangements align to the City of London Corporation's People Strategy by ensuring that employees know they are respected, safe, included, and heard, and feel empowered by providing responsibility and accountability. The arrangements also meet the objective to have robust, easy-to-use automated systems. If successful, People and HR will consider further rollout of the system to assist with Employee Relations case management, in order to continue to meet the People Strategy objectives.

Financial Implications

30. The proposed additional INCASE system licences for managing concerns is affordable within existing budgets. and is expected to deliver value for money through enhanced arrangements for receiving, managing and responding to concerns raised through the Speak Up channels.

Legal implications

31. The Comptroller and City Solicitor has committed to reviewing the legal definition of a protected disclosure, for inclusion in the new Speak Up Policy.

Resource implications

32. None

Risk implications

33. Failure to ensure that effective arrangements for employees to raise concerns and for management to act swiftly on these may result in wrongdoing or criminality etc going unreported, or not being appropriately investigated and dealt with. This could result in legal, financial and reputational risks for the City of London Corporation.

Equalities implications

34. The new arrangements are designed to allow all employees, regardless of any protected characteristic to raise their concerns, whilst employees will be encouraged to provide their contact details, the functionality within INCASE will allow for ongoing two-way communication for anonymous concerns raised.

Climate implications

35. None

Security implications

36. None

Conclusion

37. The proposed case management system will allow for more effective reporting, triaging, investigation and management oversight for concerns received. It will also allow investigators to maintain a two-way communication with employees wishing to remain anonymous by utilising the technology now available through the case management software.
38. A new Speak Up Policy aligned to the proposed case management system will ensure that the City of London Corporation retains an effective and up to date response to ensuring that employee concerns can be raised in confidence, where staff feel unable to raise concerns via their management chain.
39. The City's Senior Management Team have endorsed the proposed arrangements for updating our response to whistleblowing at the City Corporation.

Appendices

- Appendix 1 – Process for Dealing with Employee Concerns

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