Public Document Pack

DERBYSHIRE County Council

Simon Hobbs
Director of Legal and Democratic Services
County Hall
Matlock
Derbyshire
DE4 3AG

Extension 38327
Direct Dial 01629 538327
Ask for Roy Ackrill

PUBLIC

To: Members of Cabinet

Wednesday, 5 February 2020

Dear Councillor,

Please attend a meeting of the **Cabinet** to be held at **2.00 pm** on **Thursday, 13 February 2020** in Committee Room 1, County Hall, Matlock, DE4 3AG, the agenda for which is set out below.

Yours faithfully,

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1.	To receive apologies for absence

2.	To receive declarations of interest (if any)

3.	To consider Minority Group Leader questions (if any)

4.	To confirm the minutes of the meetings of Cabinet held on 16 & 23 January 2020 (Pages 1 - 34)

5.	To receive minutes of Cabinet Member Meetings as follows:-

PART II - EXEMPT ITEMS

7.   Exclusion of the Public

To move "That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph(s)… of Part 1 of Schedule 12A to the Local Government Act 1972"

8.   To receive declarations of interest (if any)

9.   To consider Minority Group Leader questions (if any)

10.   To confirm the exempt minutes of the meeting of Cabinet held on 16 January 2020 (Pages 195 - 208)

11.   To receive exempt minutes of Cabinet Member Meetings as follows:-

This page is intentionally left blank

MINUTES of a meeting of **CABINET** held on 16 January 2020 at County Hall, Matlock.

<div align="center">

PRESENT

Councillor B Lewis (in the Chair)
</div>

Councillors A Dale, A Foster, C Hart, T King, S A Spencer and J Wharmby.

Declarations of Interest

There were no declarations of interest made.

1/20 MINORITY GROUP LEADERS' QUESTIONS

There were no Minority Group Leader questions.

2/20 MINUTES RESOLVED that the non-exempt minutes of the meetings of Cabinet held on 21 November 2019 be confirmed as a correct record and signed by the Chairman.

3/20 CABINET MEMBER MEETINGS - MINUTES RESOLVED to receive the non-exempt minutes of Cabinet Member meetings as follows:

(a) Economic Development & Regeneration – 7 November & 5 December
(b) Adult Social Care – 21 November 2019
(c) Corporate Services – 21 November & 18 December 2019
(d) Highways Transport & Infrastructure – 21 November 2019
(e) Strategic Leadership, Culture & Tourism – 22 November & 6 December 2019
(f) Young People – 3 December 2019
(g) Health & Communities – 5 December 2019

4/20 VOLUNTARY AND COMMUNITY SECTOR REVIEW (Adult Care, Health and Communities and Strategic Leadership, Culture and Tourism) Cabinet considered a joint report which sought approval to consult on proposals for the future funding of Voluntary and Community Sector (VCS) infrastructure providers and to outline the Council's ambition to further develop its approach to grant funding.

The VCS plays a crucial role in supporting communities across Derbyshire and there was an increasing need to have a consistent corporate approach to the sector which would ensure that resources allocated to the

VCS support the Council's ambitions and encourage the long-term sustainability of the sector. The key drivers for the review therefore, were to:

- Secure improved outcomes
- Enable efficient and effective investment
- Support a fairer and more equitable allocation of funding
- Ensure taxpayers are getting value for money

Over the past ten months, the Council had established a baseline of current grant funding approaches across the Council and undertaken work to develop a shared understanding of the VCS infrastructure landscape in Derbyshire. Proposals for the future delivery of VCS infrastructure support had also been developed and were now ready to go forward for consultation. Engagement with partners such as the CCGs and district and borough councils had also taken place with the aim of understanding each other's organisational priorities, budgets and timescales.

On 21 November 2019, Cabinet agreed that funding for all 2019-20 grant funded organisations be extended for the first six months of 2020-21 until 30 September 2020, to ensure that organisations were not adversely affected during the review process and to maintain the security and stability of the sector. Cabinet also agreed that a separate report, outlining further details of the grants review be presented to Cabinet in January 2020.

VCS Infrastructure provider organisations offer information, support, guidance, training, funding advice for groups, promote good practice and provide a voluntary sector perspective to the statutory sector at strategic level forums. The role and shape of public services and its relationship and demands of infrastructure providers had changed significantly over recent years. Whilst having a recognised and experienced infrastructure offer provided a crucial support role to the sector as a whole, there was an increasing need for the Council to have a consistent and equitable approach across the County. This would ensure that resources allocated to VCS infrastructure organisations supported the Council's ambitions and encourage the long-term sustainability of the sector moving forward.

A review of the support provided by infrastructure organisations to the voluntary and community sector had taken place with partners and the infrastructure providers themselves. A significant amount of work had been completed to understand the Council's requirements for future infrastructure provision across the County and proposals, centred around the achievement of the high level outcomes detailed in the report had been developed for consultation.

Draft infrastructure proposals, setting out the Council's future relationship and proposed delivery model with providers and the outcomes framework were attached at Appendices A and B respectively to the report.

It was recommended that there was now a twelve week period of consultation, which was required under the current Derbyshire Compact. The consultation process would commence on 24 January 2020 and close at the end of March 2020. During this time, there would be a series of consultations with key stakeholders, partners and the sector itself.

This proposal was a new way of working with infrastructure providers across the County which could have a significant impact on the way in which providers were funded and what they would be asked to deliver moving forward. The anticipated impact of the proposal had been outlined in the EIA, a copy of which was attached at Appendix C to the report. This would be reviewed and amended following consultation. It was also recommended that a further report on the outcome of the consultation and final VCS infrastructure proposals be brought to Cabinet for consideration in June 2020.

During the 2018-19 financial year, the Council awarded over 600 grants to VCS organisations across the County. The Council's ambition was to further develop its approach to grant funding, which would lead to a fundamental change in the way the Council currently develops, administers and monitors grants across the organisation. It was proposed that new standards for awarding grants take an outcomes based approach to ensure that future investment supported the Council's strategic priorities moving forward. It was proposed this new approach would take the form of a Grants Framework. Of the 600 grants awarded during 2018-19, a significant number were recurring and long-standing grants which had not been reviewed for some time. A review of current arrangements was therefore vital to ensure that future funding of the sector reflected the move to an outcome based approach.

RESOLVED to (1) approve proposals on the future funding of voluntary and community sector infrastructure support, for consultation for a period of twelve weeks starting on 26 January 2020;

(2) receive a further report on the outcome of the consultation and final VCS infrastructure proposals in June 2020; and

(3) receive a further report on the Grants Framework for consultation in March 2020.

5/20   ONE PUBLIC ESTATE: SWADLINCOTE TOWN CENTRE REGENERATION AND ESTATE RECONFIGURATION; FEASIBILITY STUDY TO EXPLORE OPPORTUNITIES ACROSS THE PUBLIC SECTOR IN SWADLINCOTE FOR A NEW CIVIC HUB SHARED PUBLIC SERVICE BUILDING (Corporate Services) The Executive Director – Commissioning Communities and Policy sought approval to participate in a feasibility study to consider the viability of developing a joint public sector civic hub in Swadlincote and for the Council to enter into a Memorandum of Understanding (MoU) with the partnership and to note that a further report be submitted to Cabinet when the results of the feasibility study were available.

Swadlincote was the key service centre in southern Derbyshire for a range of public service providers. The town was growing rapidly and now had a population of some 40,000. South Derbyshire has also been one of the fastest growing districts in the country outside of the South East over the last decade and now had a population of over 104,000 (ONS population estimate 2018). The Local Plan would see an additional 12,618 homes constructed over the period 2011-2028. Public services were delivered from numerous buildings in Swadlincote town centre dating from the 1950s, '60s,'70s, 80's owned or rented by individual partner organisations. Many of the buildings, and in particular the main Civic Offices, were in a poor state and did not meet the needs of current services. Operating and maintenance costs were high and rising. There were no existing office premises in the centre of Swadlincote of a size that could accommodate the relocation/co-location of services. Discussions regarding collaboration and new civic facilities had taken place in recent years, however there had been a lack of resources and technical expertise available to take this forward.

The opportunity provided by the One Public Estate Programme (OPE) and associated funding had galvanized partners' interest in undertaking feasibility work to explore the scope for and format of a Civic Hub that would meet the needs of Swadlincote and its surrounding areas in the future. Details of the vision, aims and issues associated with the future development of Swadlincote town centre were presented in the report.

The OPE partners from Derbyshire County Council, South Derbyshire District Council, Derbyshire Fire and Rescue Service (DFRS), Derbyshire Constabulary, the Department of Work and Pensions and Derbyshire Community Health Services had come together to explore opportunities to deliver public services more collaboratively. The proposal could potentially reconfigure, realign and release public assets which could realise:

- A more fit for purpose public estate,
- Tangible financial savings through capital receipts from the sale of surplus assets and reduced property running costs,

- Benefits of improved service delivery through co-location and integration,
- Easier access to a range of public services,
- Regeneration/Creation of land for housing development,
- Improved community facilities and customer experience of public services through a single point 'hub' and 'multi-space'

Since 2015, Derbyshire County Council had been the lead authority for the North Midlands One Public Estate Programme (OPE) and had identified the opportunity to reconfigure operational assets to support a progressive service delivery model identified in the approved Asset Management Framework. Programme activity had identified a real need to collaborate across the public sector to realign the type of assets held to meet the changing demands of a changing area and would enable the partnership to develop and potentially implement a strategy that would ensure organisation are focused on the best use of asset to support service delivery in the medium to long-term, further details of which were presented.

Specifically for Derbyshire County Council, this project was focussed on the future service and resulting property requirements of the Council's Swadlincote and surrounding area based services and identifying opportunities of how services could be enhanced through co-location and co-delivery with other public sector partners in a civic hub and could bring further opportunities for services to develop a better understanding of other pathways and lead to further integration opportunities. The assets occupied by Derbyshire County Council which could provide potential opportunities for the County Council were:

- Adult Education Centre, Rink House, Swadlincote
- Childrens Services, Rink House, Swadlincote
- South Derbyshire Area Office, Civic Way, Swadlincote
- Newhall Day Service Centre, Newhall
- Woodville Teachers and Youth Centre, Woodville
- Swadlincote Library
- The Elms Family Support Centre Midway

RESOLVED to (1) approve the undertaking of a feasibility study to consider the viability of developing a civic hub in Swadlincote and the Council to enter into a Memorandum of Understanding (MoU) with the partnership organisations involved; and

(2) receive a further report when the results of the feasibility study were available.

6/20 TREASURY MANAGEMENT MID-YEAR REPORT 2019-20 (Corporate Services) The Director of Finance and ICT reported on Treasury Management

activities during the first half of 2019-20 (to 30 September 2019) and to indicate the Council's compliance with the prudential indicators set by Council at its meeting of 6 February 2019, in accordance with the Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes 2017 (the Code), further details of which were presented.

RESOLVED to note the Treasury Management Mid-Year Report 2019-20 and the Council's compliance to date with the prudential indicators set by Council for 2019-20, in accordance with the terms of the Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes 2017.

7/20   <u>SEVERE FLOOD EVENT – INFORMATION REPORT OF THE EFFECT ON HIGHWAYS ASSETS</u> (Highways, Transport and Infrastructure) The Strategic Director – Economy, Transport and Environment provided Cabinet with an update on the recent Derbyshire wide severe flooding and the consequent implications identified to date.

Between 7 and 17 of November 2019, the whole of Derbyshire experienced a prolonged period of excessive rain. On 7 November 2019, Derbyshire experienced a month's rainfall in a single day, resulting in a major incident being declared and the tragic death of the former High Sheriff of Derbyshire.

The major incident resulted in a multi-agency response, to deal with the immediate threat to life and infrastructure. Matlock also received a Prime Ministerial visit on 8 November 2019. This event was only three months on from the emergency surrounding Toddbrook Reservoir and the County Council, as highway authority, was still dealing with the network damage that the emergency caused.

From a Highways perspective, the severe flooding had caused significant damage to highways infrastructure across the County and this was being assessed in the aftermath of the event. The Highways Service was still in the recovery phase and was working to understand the impacts of the event. However, it was clear that there were still significant risks to highways assets that were likely to manifest themselves over the coming months as more detailed assessments and surveys were undertaken.

Details of the scale of damage, identified to date, were summarised as below:

• During the event, there were in excess of 200 locations across the whole of Derbyshire that were affected by the severe flood event.
• 199km of Derbyshire's carriageways were affected.
• There were 7 landslips.

- 25 highways structures were affected.
- 8 Rights of Way structures were affected.
- 13,481 gullies and associated drainage connections were affected.

The recovery phase was underway and was likely to continue for some time. To date, the estimated costs allocated to this phase were estimated to be £600,000 and this was likely to rise as further works were identified. However, the cost of this recovery work was minor, compared with the estimates of permanent repair outlined below. The immediate post event emergency related work might be eligible for grant under the Bellwin scheme, although, this was still being assessed at this time.

To ascertain both the short and long-term impacts of the flooding, the Highways Service applied appropriate asset management principles aligned to the Well-Managed Highways Infrastructure Code of Practice. This had provided the framework to which the County Council undertakes appropriate condition surveys, applies appropriate lifecycle planning, and cyclic maintenance in order to prioritise its work on the highway, in order to deliver a safe, reliable and resilient network.

The severe flooding event had visually obvious impacts, as was the case with a landslip at Abney, and severe carriageway damage at Gashouse Lane, Eckington. However, the unseen damage through the shortening of the life of assets was concerning and would effect Derbyshire's budgets for many years to come.

The Department for Transport (DfT) had acknowledged the impacts that the flooding has had on highways assets and had requested that a response be provided to the DfT, outlining the scale of the damage and an estimate of the cost to repair such infrastructure. In response to this request, the Highways Service had prepared estimates of the damage identified to date, with a caveat that there would be damage still yet to be identified. At this time, it was estimated that damage in excess of £20m had been caused by the floods. Given the budgetary constraints, it was clear that the scale of the damage could be contained within the Department's budgets. Hence, the financial assistance from the DfT was vital in ensuring that the burden on highways budgets was not further exacerbated.

RESOLVED to note the report.

8/20 KEY CYCLE NETWORK DEVELOPMENT AND FUNDING (Economic Development and Regeneration) The Strategic Director – Economy, Transport and Environment reported on the defined Key Cycle Network (KCN) for Derbyshire and sought approval for the principles guiding its implementation.

The Derbyshire Cycling Plan, launched in early 2016, set out aspirations shared by Derbyshire Sport (now superseded by Active Derbyshire), the County Council and Derby City Council. These aspirations were to create "the most connected and integrated county for cycling in England", with Derbyshire being recognised as a world class cycling destination for all.

At its meeting on 14 September 2017, Cabinet agreed the development of a KCN for the County, identifying the most important routes to create a cycling network for commuting, leisure and tourism; this included both established routes and new/improved routes. It was agreed to then establish investment priorities, having regard to consultation feedback, through a Cycling Infrastructure Delivery Plan (CIDP).

Based on additional comments, Drawing no. DIIP-19-10 showed the proposed KCN now recommended to Cabinet, identifying those links added to or removed from the version considered by Cabinet in 2017 (Drawing no. DIPP-17-01).

Over the period of KCN development, the County Council had adopted the Derbyshire Climate and Carbon Reduction Manifesto which included provisions to "*support and promote the development of low carbon travel*". This spotlight on tackling climate change had provided a timely platform from which to promote and encourage more sustainable modes of travel; clearly, the KCN was capable of making a significant contribution to achieving this pledge, offering high-standard routes for low-carbon travel for both residents and visitors to the County.

It was important the emerging Local Industrial Strategy for the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) area recognised the above issue and its impact on supporting 'good' growth for the area. This, in turn, would influence the allocation of infrastructure investment around agreed KCN priorities.

Public health was another key driver behind KCN implementation. There was strong evidence that boosting walking and cycling was beneficial to both physical and mental health and road safety would always be a key consideration in implementation. The KCN was intended to provide continuous routes that were both safe and enjoyable to use, either off-road or on quiet roads with limited traffic. Reducing risks where users interact with vehicular traffic would always be a key consideration of detailed route selection and design. Clearly, the more progress made on completion of the KCN the easier it becomes for users to access this without needing to travel by other modes or on busier routes.

However, preparation of specific routes would always need to take into account the extent to which these might encourage car travel to and from the KCN, and whether adequate, consequential parking was in place.

A detailed assessment of those sections of the KCN not currently in place had been undertaken and recommendations for further activity had now been prepared. Having regard to the fact that external grant funding would be required to support full implementation of the KCN, consideration had been given to the criteria likely to be included as part of the bidding process. It should be noted, however, that full business case development (where any project was dependent upon grant funding) would always require the consideration and application of the Green Book criteria, details of which were presented.

The amount of associated work was considerable and therefore, it was not possible to carry out a full assessment for every potential scheme at this stage. Early 'sifting' of options needed to be carried out so that more detailed work could be done on a smaller number of proposals. On this basis, 127 separate sections were given initial consideration, with 24 being taken forward for consideration in more detail. The outcome of this stage of the assessment process (127 sections of KCN) was set out in Appendix 1 to the report, together with a technical note on the assessment method. Cabinet should note that three of these sections had already been progressed since the assessment was commenced.

Although it was intended to prepare a CIDP that sets out the delivery programme for new sections of the KCN, at present, there was no onsolidated source of funding from which sustainable transport projects could be supported. In the short-term, therefore, delivery of the KCN needed to be pragmatic taking advantage of resources when they became available, even if these did not necessarily address those sections having the strongest overall case. Whilst not ideal, it was considered this was the most pragmatic approach to allowing gradual delivery of the KCN according to available resources and was the best way of ensuring the whole network was delivered over time.

At the present time, a modest budget for KCN delivery was included in the Economy, Transport and Environment Department's Service Plan (alongside resources for KCN maintenance). Whilst most opportunities for KCN delivery would be driven by the availability of funding, Cabinet was asked to note that the preparation of 'unfunded' sections would be focussed upon the priorities identified through the technical assessment set out in the report and in Appendix 1 to the report. In the short-term, therefore, this would concentrate upon sections of the White Peak Loop. The same considerations on future maintenance costs would apply to these projects, as well as to those promoted by external bodies.

With regard to the Terms of Reference for Externally Promoted Projects, the County Council would:

- offer policy support for the initiation and development of sustainable transport infrastructure, but
- would not be able to directly support delivery unless the circumstances justified such a recommendation to Cabinet or Cabinet Member;
- the Council may be able to offer access to consultancy and contracting frameworks, but would include project management or administration costs in the project budget;
- all project risks will remain with the scheme promoter;
- most importantly, the Council will wish to see a full assessment of the assets proposed for adoption and the inclusion of a suitable commuted sum in project budgets.

In deciding whether to adopt the infrastructure, any commitment towards its maintenance (for example clearance of vegetation), would be a key consideration. It was not intended these criteria apply to infrastructure which had been specifically requested by the County Council, i.e. where it was seeking developer obligations associated with planning applications. For these, issues such as responsibility for future maintenance would be addressed on a case-by-case basis and negotiated with the relevant local planning authority.

Whilst Cabinet was requested to adopt the KCN as shown on DIIP-19-10, it was inevitable that a review of the proposals would be required from time to time to ensure continued alignment with economic growth objectives and wider land use proposals. One key influence on this might be the production of a Local Cycling and Walking Investment Plan (LCWIP) covering the geography of the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Local Enterprise Partnership. Work towards this included an independent assessment of priorities which could bring forward new information that impacts on potential routes in Derbyshire. In addition, it would capture the shared, cross-boundary delivery priorities D2 and N2 which could consequently influence the Derbyshire KCN priorities for development and future expansion. At this stage it was difficult to identify a suitable timescale for the review so it was recommended that an 'annual report' on KCN development is incorporated in the Economy, Transport and Environment Department's Service Plan.

RESOLVED to (1) approve the proposed Network shown on Drawing No. DIIP-19-10;

(2) note the potential opportunities for Network development through the funding streams set out in the report, but to approve the concentration of

other preparation work against the order of priorities set out in Appendix 1 to the report.

(3) approve the terms of reference set out in the body of the report for the County Council's role in supporting projects promoted by external bodies; and

(4) agree the proposal to include an 'annual report' on Key Cycle Network development to be included in the Economy, Transport and Environment Department's Service Plan.

9/20 **EXPANSION OF GLOSSOPDALE SCHOOL** (Young People) The Executive Director – Children's Services reported on the outcome of the non-statutory consultation on the expansion of Glossopdale School and sought permission to proceed to the issue of a Statutory Notice.

In September 2018, the new Glossopdale School was opened to all age groups from 11 – 18. The old school was split across three sites in Glossop and Hadfield. The new building however, was on a single site in Hadfield. The replacement school was designed to be delivered in two phases. The core facilities (sports hall, hall and dining) had been built to accommodate 1440 pupils, however in the initial phase, the teaching accommodation was limited to supporting 1200 pupils. It had been intended to carry out the second phase of building at a later date to provide places generated by the housing development in the town and funded by the Section 106 contributions.

Demand for places however had been very high, exacerbated by the large cohort of pupils moving from primary to secondary education at this time which was in line with many other areas of the Country. Following a review of pupil numbers, current projections and the extent and speed of housing development in Glossop, consideration was given to bringing the second phase of the project forward. A non-statutory consultation took place between 14 October 2019 and 15 November 2019 to seek the views of interested parties before reporting to Cabinet and a copy of that consultation paper was attached at Appendix A to the report.

There were 58 responses to the consultation. 56 responses supported the expansion, 1 was opposed and 1 was critical of the current position but did not express a view. There was criticism of the decision to deliver the school in two phases however as this consultation was focussed on moving forward to deliver phase 2, whilst those views were noted, they were not addressed in this report. There were common themes to the comments had been grouped together and a summary presented in the report. The consultation demonstrated overwhelming support for proceeding with the expansion and the next stage of the consultation process was to issue a Statutory Notice, a copy of which was attached at Appendix B to the report. The School was

currently a maintained school although the Department for Education had issued an academy order. If the school were to become an academy, it would be the Multi Academy Trust's (MAT's) responsibility to issue the Statutory Notice. However at present, there was no confirmation of an agreed conversion date. The consultation on the Statutory Notice would take place over a 4 week period from 24 February 2020 to 20 March 2020. The outcome of that consultation would be reported to Cabinet.

Funding was yet to be identified for the project however it was hoped that that would have been agreed prior to the issue of the Statutory Notice. The expansion project would also be subject to planning permission.

RESOLVED to, having considered the outcome of the non-statutory consultation, issue the statutory notice for the expansion of Glossopdale School whilst planning and funding was sought.

10/20   SCHOOL BLOCK ALLOCATIONS (Young People) The Executive Director – Children's Services sought approval to the mainstream school block budgets for 2020-21, further details of which were presented.

RESOLVED to (1) note the Schools Block settlement, including Pupil Growth funding, for 2020-21;

(2) approve that mainstream school budgets be calculated in accordance with the proposals in section 2.3 of the report;

(3) note that the allocation of Pupil Growth funding was a matter for the Schools Forum;

(4) notwithstanding (3) above, approve that the additional cost of supporting free schools would be funded by a drawdown from reserves as indicated in section 2.4 of the report;

(5) approve that matters of detail regarding the calculation of school budgets be delegated to the Executive Director for Children's Services in consultation with relevant Cabinet Members; and

(6) approve the request from the Schools Forum to de-delegate and top-slice funding from maintained schools' 2020-21 budgets for a range of services in accordance with Appendix 4 to the report.

11/20   SCHOOL ADMISSION ARRANGEMENTS FOR THE 2021-22 ACADEMIC YEAR (Young People) The Executive Director – Children's Services reported on the annual consultation and to sought approval for the proposed determined admission arrangements for the academic year 2021-22.

The regulations concerning school admissions, namely, the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 and the statutory Department for Education 'School Admissions Code' (December 2014), require that the admission arrangements for the 2021-22 academic year were consulted for a minimum of 6 weeks between 1 October 2019 on before 31 January 2020, and determined by no later than 28 February 2020. Details of the consultation undertaken were detailed in the report. The consultation period had now ended and there had been no responses. There were no changes proposed to the over-subscription criteria for community and controlled schools.

A new free school, Highfields Spencer Academy, was due to be constructed to serve part of the Highfields Farm residential development. The site for the new school was currently located within the primary normal area of Findern Community Primary School. A new normal area was proposed to serve Highfields Spencer Academy, details of which were presented. The Academy was due to open in September 2020, but the new arrangements were proposed from 2021 to ensure that provision was available should the delivery of the school be delayed. Co-ordinated admissions arrangements would be in place from 2021.

Following consultation, changes to the school Published Admission Numbers (PANs) listed in Appendix 2 to the report were recommended. These had all been agreed by the schools. All of these changes were in line with revised net capacity assessments. The only school where the PAN was less than the indicated admission number (IAN, which was usually the minimum number), was now Spire Junior School. The published number was 50 while the indicated admission number was 51. This was agreed in 2008-9 following consultation within the community so that the PANs of Spire Infant and Spire Junior School were co-ordinated. No change was proposed this year.

There were no changes to the Fair Access Protocols and no significant changes to Co-ordinated Admissions Scheme.

RESOLVED that having considered the outcome of the consultation, to approve the proposed determined admission arrangements for the academic year 2021-2022 including:

(1) the new normal area for Highfields Spencer Academy as detailed in Appendix 1 to the report; and

(2) the PANs as listed in Appendix 2 to the report.

12/20   DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2019 (Health and Communities) Cabinet were informed of the production of the Director of

Public Health Annual Report for 2019 and agreement was sought to publish the Report.

The Health & Social Care Act 2012 created a duty for the Director of Public Health to produce an annual report on the health of the local population. The County Council also had a duty to publish the report. The content and structure of the report was for local determination and the Director could tailor the report to align with local issues and priorities. This year's annual report highlighted the important issue of ageing well and reducing our chances of becoming frail in later life. In a departure from previous approaches, the report takes the combined format of a short animation which was shown to Cabinet and also online publications. The aim was to try to reach as many people as possible around Derbyshire, and to get the message across in a way that everyone could relate to. A summary on progress against the 2018 annual report, which focused on the relationship between work and health, was also provided.

RESOLVED to (1) note the production of the Director of Public Health Annual Report 2019 and the recommendations contained within it; and

(2)   approve the formal publication of the Director of Public Health Annual Report 2019.

13/20   THE BIG CONSULTATION (Young People) The Executive Director – Children's Services sought approval to consult stakeholders on the future arrangements for consultation and engagement to replace the Derbyshire Youth Council (DYC).

There were many requirements and reasons for Children's Services to involve children and young people in the work they do, further details of which were presented.

An independent review of the arrangements to support children's participation was commissioned and concluded in late summer 2018. The review looked at a number of activities including facilitating and supporting children and young people to participate in democracy and representation. This included support for the Children in Care Council 'Our Voice', facilitating the Derbyshire Youth Council, working with the British Youth Council and six Locality Youth Forums to ensure the voices of children and young people help shape both services and strategy.

The review recommended that further consideration should be given to the balance of activities to support children and young people's participation. Some activities, including the Children in Care Council, were statutory and help the Council to meet its responsibilities as a corporate parent to children in care. The review identified that these activities needed to continue. However,

the review also identified that a significant proportion of the available staff time and resource was devoted to facilitating the Derbyshire Youth Council. The DYC works well and was highly valued by those young people who participated, but it benefitted a relatively small number of children and young people across the County. The review recommended that the annual programme for the DYC should be re-considered, and more strategic arrangements developed to enable broader consultation and engagement with children and young people. It also identified scope to achieve modest efficiency savings as a result of re-focusing the programme of activities.

The department facilitated a number of different opportunities for consulting and engaging young people across a range of issues, further details of which were presented. Although most of the opportunities were facilitated by officers within Children's Services Department, they were significant to the Council as a whole as they provided opportunities to engage and consult with young people about all aspects of the Council's business, and for young people to learn about and experience local democracy.

Initial consultation had taken place with representatives from the DYC and some Schools to capture their views about the replacement of the DYC with a new framework for consultation and engagement. A summary of the outcomes of the initial consultation was presented as detailed below:

- When we asked them about their experience of being part of the DYC they told us that the work of the DYC was really great to be part of but it was only available for a few young people and the money should be spent on enabling more young people to be involved in decisions taken by the Council.
- When we talked to them about how it could be developed they were keen to build on pre-existing groups and meetings and connecting them in a better way, possibly through the use of technology. They wanted to develop different ways of communicating about different issues and they wanted us to make sure that local issues were given as much importance as Derbyshire issues.
- When we asked them about the issues they wanted to be consulted on they told us they were most interested in the following:
- Things that affect most young people rather than a few.
- How the Council spends the money it receives and its long term plans.
- What the Council and others are doing to meet their environmental responsibilities.
- The quality of schools and services and what the Council and others are doing to improve things where they need to
- Parks and Leisure opportunities.
- 16+ services and work experience.
- Equality and Diversity issues.

- Which young people are struggling and what the Council is doing about it?
- When we asked them about the options of either not replacing the DYC or developing a replacement they told us their preference was to develop a network round the current school council structure and connect them to one another.
- As a final question we asked them how they prefer to be communicated with and most of them said they prefer email, text, face to face and by speaking to them on the phone.

It was clear from our initial consultation with young people that the Derbyshire Youth Council in its current form is not their preference for the future of consultation and engagement. Their preference was for a new network to be developed around the school council structure which:

- Enables as many young people as possible to be involved in the key decisions made by the Council and its officers;
- Ensures the Council consult children and young people about the issues that really matter to them in a way that works for them;
- Ensures the experiences and views of children and young people are used to shape the Council's services and
- Ensures children and young people have access to a representative body who can provide challenge and hold services to account when outcomes should be better.

The draft timeline for further consultation was attached at Appendix 1 to the report.

RESOLVED to approve that further consultation takes place with a range of stakeholders including children and young people, voluntary organisations, service providers, Derby and Derbyshire Safeguarding Children Partnership, schools, elected members, managers and staff on the proposal for the DYC to be disbanded and replaced with a strategic network developed around the current school council and other structures.

14/20 EXCLUSION OF THE PUBLIC FROM THE MEETING. **RESOLVED** that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings.

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1.   To consider Minority Group Leaders' Questions (if any).

2. To confirm the Exempt Minutes of the meetings of Cabinet held on 21 November 2019.

3. To receive the exempt minutes of Cabinet Member meetings as follows:

   (a) Adult Care – 21 November 2019
   (b) Corporate Services – 21 November and 18 December 2019

4. To consider exempt reports as follows:-

(a) Local Growth Fund Programme Update – Proposals For The A61 Growth Corridor And Woodville – Swadlincote Regeneration Route (Highways, Transport and Infrastructure) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

(b) Ashbourne Airfield Business Park (Highways, Transport and Infrastructure) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

(c) Project Support – External Advisors And Noting Of Urgent Decision taken By The Executive Director, Economy, Transport and Infrastructure (Highways, Transport and Infrastructure) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

(d) Supply And Delivery Of Groceries And Provisions – Contract Award (Children's Services) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

(e) Business Services Review (Young People) (Contains information likely to reveal the identity of any individual)

(f) Extension of CTP626 – Provision Of Janitorial Supplies (Corporate Services) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

MINUTES of a meeting of **CABINET** held on 23 January 2020 at County Hall, Matlock.

PRESENT

Councillor B Lewis (in the Chair)

Councillors A Dale, A Foster, C Hart, T King, S A Spencer and J Wharmby.

Declarations of Interest

There were no declarations of interest made.

24/20   MINORITY GROUP LEADERS' QUESTIONS

There were no Minority Group Leader questions.

25/20   REVENUE BUDGET MONITORING 2019-20 (as at 31 October 2019) (Strategic Leadership, Culture and Tourism) The Director of Finance and ICT provided Cabinet with the Revenue Budget position for 2019-20 as at 31 October 2019.

The report summarised the controllable budget position by Cabinet Member Portfolio as at 31 October 2019 and noted that further reports would be considered at Audit Committee and Council in accordance with the Budget Monitoring Policy and Financial Regulations.

A Council portfolio overspend of £0.583m was forecast, after the use of £3.382m of Earmarked Reserves to support the Highways, Transport and Infrastructure and Young People portfolios. Any underspends in 2019-20 would be used to manage the budget in 2020-21. Interest and Dividends received on balances was estimated to underspend by £0.597m, assuming that returns on the Council's investments in pooled funds remain robust and that these investments were held for all of the financial year. The interest base rate is currently 0.75%, however, the Council utilised a range of investments to maximise its income.

The Debt Charges budget was projected to underspend by £0.621m based on forecast interest payments, anticipated Capital Financing Requirement (CFR), a Minimum Revenue Provision (MRP) of 2.5% in keeping with the policy reported to Cabinet on 22 November 2016 and a £4.500m one-off reduction in the Council's Capital Adjustment Account Reserve. This reduction was made on the basis that the amounts set aside to repay debt over the last ten years were well in excess of what was required to ensure the Council could repay its debts.

The Risk Management Budget was forecast to underspend by £4.535m. This included a virement of £5.000m of budget from the Adult Care portfolio. In 2019-20 a contingency amount of £1.000m was budgeted for burdens associated with complying with the new General Data Protection Regulations (GDPR). Use of this contingency amount was controlled by the Deputy Director of Legal Services. To date, £0.316m of this funding had been awarded to departments. Further awards in the remainder of the financial year were anticipated and additional costs required to comply with GDPR were anticipated to be incurred in 2020-21, therefore it was proposed to establish an earmarked reserve for £0.684m to carry forward any residual balance of this funding.

Corporate Adjustments were forecast to overspend by £0.680m.based on a prudent allowance for potential credit losses on the Council's non-rated investments. Details of the Council's Earmarked Reserves balances as at 31 October 2019 were set out in Appendix 1 to the report. In addition to these balances, £5.000m of additional Business Rates Relief grant funding received would be transferred to a newly established Business Rates Relief Earmarked Reserve and £1.015m would be released from Earmarked Reserves to the General Reserve as approved by Cabinet on 21 November 2019.

A summary of the expected achievement of budget savings targets was provided at Appendix 3 to the report. The budget savings target for 2019-20 is £13.393m, with a further £3.480m target brought forward from previous years. The savings initiatives identified to meet this target currently fell short by £5.362m, therefore further proposals would need to be brought forward to ensure the Council continued to balance its budget. Of this total target of £16.873m, £11.145m was expected to be achieved by the end of the financial year. Therefore, there was a £5.728m forecast shortfall in achievement of budget savings. The resulting base budget overspend was offset to some extent by one-off underspends or was being met from one-off funding from earmarked reserves.

The age profile of debts owed to the Council and the value of debts written off was disclosed in Appendix 4 to the report with this information was collected on a departmental rather than a portfolio basis.

A forecast of the Council's General Reserve balance for the period 2019-20 to 2023-24 was detailed in Appendix 5 to the report. The forecast showed that the level of General Reserve was expected to be between 3% to 10% of the Council's Net Budget Requirement in the medium-term. The majority of chief financial officers considered 3% to 5% of a council's net spending to be a prudent level of risk based reserves.

RESOLVED to (1) note the 2019-20 budget monitoring position as at 31 October 2019; and

(2) approve the establishment of a GDPR Compliance Earmarked Reserve and a contribution of £0.684m from the Contingency budget into this reserve.

26/20   **REVENUE BUDGET CONSULTATION RESULTS** (Strategic Leadership, Culture and Tourism) The Director of Finance and ICTT reported on the outcome of the Council's budget consultation exercises in formulating its budgetary proposals to Full Council regarding the Revenue Budget for 2020-21. The report was considered alongside the Budget Monitoring 2019-20 (as at 31 October 2019) Report; the Revenue Budget Report 2020-21 and the Capital Programme Approvals, Treasury Management and Capital Strategies for 2020-21.

The Council had, for a number of years, undertaken a variety of consultation exercises, using a range of methods, in the preparation of its annual revenue budget. For 2020-21 the Council devised a "Your Council, Your Voice 2019" survey. The online survey, which was developed using the findings from a number of focus groups held across the County at the end of September and early October 2019, combined both budget and residents' consultations and ran for just over six weeks, from 18 October 2019 to 1 December 2019. The headline findings from the survey were being used to refresh the Council Plan for 2020-21 and the budget consultation elements were included in the report. Plans were being formulated to undertake further analysis to support wider strategy development across the Council and engagement with residents and local communities. An infographic summarising key outcomes and demographic information from the budget consultation focus groups had been produced and was attached at Appendix 1 to the report.

Participation in the survey had been encouraged using various means, including social media and a Facebook campaign, features on the Council's website and articles in Derbyshire Now and the Our Derbyshire employee newsletter. To promote participation amongst residents who were less familiar with, or had no internet access, copies of a paper consultation questionnaire, containing the same questions, were made available on request. A freepost address was used to encourage participation. Only one paper questionnaire

was returned. All the other responses were completed online. A map showing the Derbyshire location of respondents was attached at Appendix 2 to the report. Further demographic analysis was also attached for consideration at Appendix 3 to the report.

Local people were asked six budget consultation questions to establish their views on what the Council's top and bottom three priority services should be and why they had chosen these, to rank in order of importance nine options the Council could use to save money or raise additional revenue and whether they had any other suggestions for how the Council could save money or raise additional revenue.

An infographic showing headline results in respect of the budget consultation had been produced and was attached at Appendix 4 to the report.

A budget consultation session was held at the Black Minority Ethnic Forum on 12 November 2019. Grants for organisations came through strongly as a budget priority of the Forum. The Forum's priorities for reducing spending and increasing income were increasing charges and working with other councils, more not for profit partnership working, bringing more services online and making efficiency savings.

The Council's Constitution provided that the Improvement and Scrutiny Committee should also be notified of the budget proposals. The Director of Finance and ICT presented details of the Five Year Financial Plan to the Committee in September 2019. The proposals were discussed and there was a clearer understanding of the financial context in which the Council would be operating over the next few years. The trade unions were consulted at the Corporate Joint Committee held on 7 November 2019 and no particular issues were raised but did ask for a further meeting with the Director of Finance and ICT, which had yet to take place.

In addition, the Local Government Finance Act 1992 required local authorities to consult representatives of business ratepayers in their area about the budget proposals for each financial year. The Council was seeking the views of business ratepayers by corresponding with representatives of Derbyshire and Nottinghamshire Chamber of Commerce and the Federation of Small Businesses on the Council's budget proposals. A verbal update would be provided at the Full Council meeting on 5 February 2020.

RESOLVED to take into account the views of the consultation respondents in formulating its proposals to Full Council regarding the Revenue Budget for 2020-21.

27/20   **REVENUE BUDGET REPORT 2020-21** (Strategic Leadership, Culture and Tourism) The Director of Finance and ICT reported on proposals to Full Council regarding the Revenue Budget and Council Tax for 2020-21. The report was considered alongside the Budget Consultation Results Report for 2020-21, the Budget Monitoring 2019-20 (as at 31 October 2019) Report and the Capital Programme Approvals, Treasury Management and Capital Strategies for 2020-21 Report also reported to the Cabinet meeting.

The budget had been constructed in the context of currently known information. Details of the Final Local Government Finance Settlement were expected to be published in early February 2020. Information relating to the funding and income streams to the Council are set out in Appendix 1 to the report. The report details 2019-20 budget monitoring, the Spending Round 2019 and the Provisional Local Government Finance Settlement, including Council Tax levels as well as identifying the service pressures facing the Council and consequent budget savings required. The report provided comment on the Council's financial standing and the robustness of the estimates made in preparing the budget.

When setting the budget, the Council must be mindful of the potential impact on service users. The consultation exercises which had been undertaken in the preparation of the 2020-21 budget were relevant in this respect. Section 149 of the Equality Act 2010 imposed an obligation on Members to have due regard to protecting and promoting the welfare and interests of persons who shared a relevant protected characteristic (age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation).

A high level equality analysis had been carried out and was included at Appendix 7 to the report. Even though this was a high level analysis and, there would be detailed analyses undertaken for specific service reductions, it was still essential that Members had read and considered the analysis to be provided alongside the report. It was be noted that the analysis identified a number of potential areas of detriment and Members were asked to pay careful regard to this in considering the recommendations made. Once the budget had been set and as spending decisions were made, service by service, and as policies were developed within the constraints of the budgetary framework, proposals would be further considered by Members and would be subject to an appropriate and proportionate assessment of any equality implications as well as consultation, including consultation on a range of options, where appropriate.

RESOLVED to recommend to Council that it (1) notes the details of the Spending Round 2019 and Provisional Local Government Finance Settlement as outlined in sections (b) and (c) to the report;

(2) notes the Government's expectations about Council Tax levels for 2020-21 in section (d) to the report;

(3) approves the precepts as outlined in section (d) and Appendix 3 to the report;

(4) approves that billing authorities be informed of Council Tax levels arising from the budget proposals as outlined in section (d) and Appendix 3 to the report;

(5) approves the contingency to cover non-standard inflation as outlined in section (f) to the report, the contingency to be allocated by the Director of Finance and ICT once non-standard inflation had been agreed;

(6) approves the service pressure items identified in section (g) and Appendix 4 to the report;

(7) approves the level and allocation of budget savings as outlined in section (h) and Appendix 5 to the report;

(8) notes the Director of Finance and ICT's comments about the robustness of the estimates and adequacy of the reserves as outlined in section (i) to the report;

(9) notes the details of the Council's consultation activity as outlined in section (k) to the report;

(10) approves the Council Tax requirement of £342.663m which was calculated as follows:

£

	£
Budget Before Pressures and Budget Reductions	**524,509,187**
Plus Service Pressures – on-going	25,252,320
Plus Adult Social Care Precept	6,653,986
Plus Service Pressures - one-off	14,816,000
Less Budget Reductions	-18,795,000
Increase in Debt Charges	5,500,000
Increase in Risk Management Budget	2,274,928
Net Budget Requirement	**560,211,421**
Less Top-Up	-94,891,733
Less Business Rates	-20,067,433
Less Revenue Support Grant	-13,737,515
Less New Homes Bonus	-2,325,987
Less General Grant	-61,205,762
Less PFI Grant	-10,503,833

Less Use of Earmarked Reserves   -14,816,000
Balance to be met from Council Tax   342,663,158

(11) authorises the Director of Finance and ICT to allocate cash limits amongst Cabinet portfolios; Executive Directors would then report to Cabinet on the revised service plans for 2020-21.

28/20 CAPITAL PROGRAMME APPROVALS,TREASURY MANAGEMENT AND CAPITAL STRATEGY (Corporate Services) The Director of Finance and ICT presented a report which sought Cabinet approval for the submission to Council of the capital starts programme for 2020-21 and the Treasury Management, Investment and Capital Strategies.

As with previous years, the proposed new Capital Starts Programme for 2020-21 had been evaluated and it was recommended to proceed with new borrowing of £35.420m (excluding invest to save schemes). The detailed proposals were attached in Appendix 1 to the report.

The Treasury Management Strategy Report for 2020-21 attached to the report at Appendix 2, sets out the Council's management of its cash flow, borrowing and investments and the management of its associated risks.

The Investment Strategy Report for 2020-21 attached to the report at Appendix 3, deals with the management of the Council's balances and reserves, managing the balance between risk and return.

The Capital Strategy 2020-21 attached to the report at Appendix 4 to the report, provided a high level overview of how capital expenditure and capital financing contribute to the provision of local public services.

RESOLVED to recommend to Council that it (1) approves the 2020-21 Capital Starts Programme set out in Appendix 1 to the report;

(2) adopts the Treasury Management Policy set out in Appendix 2 to the report;

(3) adopts the Investment Strategy set out in Appendix 3 to the report; and

(4) adopts the Capital Strategy set out in Appendix 4 to the report.

29/20   REVISED VISION AND FUTURE STRATEGY FOR DIRECT CARE HOMES FOR OLDER PEOPLE 2020-25 (Adult Social Care) The Executive Director – Adult Social Care and Health reported on proposals on the future of the Council's Homes for Older People as a result of property

condition surveys carried out last year which had highlighted the poor state of many of the current buildings.

In 2018, detailed property condition surveys were commissioned in relation to some of the Council's residential homes for older people. These related to general building condition and electrical systems in the older homes. This was commissioned in the context of concerns that these ageing buildings were no longer considered fit for purpose and a concern for the state of the buildings given their age and the on-going need to ensure the safety and wellbeing of residents both now and in the future. The Executive Director advised Cabinet Members that an appropriate and rapid course of action was needed to mitigate the concerns raised and ensure the on-going safety of residents. Given the number of properties potentially unfit for purpose an approach that looked at homes on an individual basis was deemed insufficient.

The overall picture that emerged from the work was of a pressing need to address the refurbishment and rewiring requirements of the properties surveyed. Consideration was given to whether vacation of the properties should be immediate. However, to avoid this it was determined that a programme of works could be undertaken to adequately mitigate the risks associated with the need to rewire the homes and this programme of work was underway and due for completion by May 2020. This had meant a more planned approach could be undertaken.

It remained the case that the evidence was that the Council was in possession of a number of homes, with electrical wiring and other refurbishment issues that needed to be addressed with some urgency, but also which were not fit for purpose in terms of modern care standards and could not be modernised to meet those standards irrespective of willingness and availability of resources to fund any refurbishment.

In June 2015, Cabinet approved a Direct Care Strategy for Accommodation, Care and Support for Older People and this detailed a plan to close several Council owned homes for older people and the Ecclesfold short-term/respite care centre in Chapel en-le Frith. In addition to the five homes which closed following consultation activity linked to the 2015 Direct Care Strategy for Accommodation, Care and Support for Older People, a further report was presented to Cabinet in October 2016 that approved the closure of Ada Belfield Home for Older People in Belper as and when a new Council run care home was constructed and opened in the town. This new care home was anticipated to open in Spring 2020.

The 2015 Strategy also made provision for £4.200m capital funding to be available for the refurbishment of the remaining Council run homes for older people. Over the past few years, a programme of maintenance and

refurbishment had been undertaken at a number of establishments, utilising this capital funding alongside the Planned Maintenance Programme allocation (PMP) which was managed by the Council's Corporate Property Team. Through this programme, priority was given to those homes for older people in most urgent need of work. To date, major programmes of maintenance and refurbishment had been undertaken at Rowthorne (Swanwick) and The Leys (Ashbourne). In addition, there had been a programme of refurbishment of sluices, toilets, replacement of assisted baths, fire alarms and call systems.

In planning the programme of refurbishment and maintenance it became clear that more work was required at each establishment than was anticipated in the 2015 strategy evaluation. For example, the original costings for refurbishment work at Hazelwood was outlined to Cabinet in June 2015 as £0.729m but this actually rose to in excess of £2.000m when all works and the loss of income due to the potential partial closure of the home were taken into account. As of December 2019, there was now approximately £1.000m of the initial £4.200m allocation for major maintenance and repair work remaining.

In addition to the 2015 strategy consultation, there had also been consultation on the proposal to close Hazelwood, and subsequently Cabinet agreed in February 2018 that the home would close when a new Council run care home had been built on a site in the Cotmanhay area. Subsequently this led to the development of plans for a new residential care home and extra care housing scheme to be constructed on the site of the former Bennerley School.

In October 2018, Cabinet approved the 'Housing and Accommodation for an Ageing Population: A Strategic Vision for Derbyshire 2035'. This needs analysis was further developed in conjunction with district and borough councils and an 'Older People's Housing, Accommodation and Support Commissioning Strategy 2019-2035' was drafted and approved by Cabinet in May 2019. The commissioning strategy sets out analysis of the future anticipated need for housing and accommodation for older people based on projected demographic trends and provides detailed demand modelling across the age designated housing, housing with care, residential and nursing care sectors. Appendix 2 to the report sets out a summary of the strategy analysis in relation to the anticipated need for residential care provision to 2035.

The strategy also outlined associated actions that will enable a person to remain at home with care and support, as well as a number of design and quality standards we would encourage new schemes, or existing provision be re-shaped, to meet. This included Dementia friendly design standards and design features that supports active ageing.

In addition to implementing this strategy, the Council would be embarking on an ambitious programme of care pathway redesign which would

re-focus support arrangements on to 'what clients need' rather than 'what services were available'. It is anticipated that this programme of work will result in potentially fewer people than projected in the current commissioning strategy modelling being admitted to residential care as a long-term admission.

The care pathway redesign programme links to the findings of the latest evidence provided in the current Joint Strategic Needs Analysis (JSNA) for Derbyshire. The JSNA was an ongoing process, drawing together information in order to forecast the main health and wellbeing needs of Derbyshire people over the next 15 years. It provided a snapshot of the current health and wellbeing of Derbyshire's residents and considers the whole population, not just those who receive health and care services. The JSNA evidence base supports service re-design to ensure demand is met and health inequalities are identified. The JSNA also provides a framework for planning across services and agencies to deliver more cost effective services.

The Care Act (2014) outlined a range of duties the local authority had in relation to market shaping. Local authorities work with a range of stakeholders from the public, private, independent and voluntary sector to stimulate a diverse range of care and support services to ensure that people and their carers had choice over how their needs were met and that they were able to achieve the things that were important to them. The objective of market shaping was to ensure that the care market as a whole remains vibrant and stable.

Therefore, the on-going engagement and involvement by the Council with the wider housing and care provider sector would also help deliver the aims and ambitions of the Older People's Housing, Accommodation and Support Commissioning Strategy 2019-2035. This would include engaging with a number of housing providers, who may be particularly well placed to help deliver against the projected net undersupply of housing with care provision. Whilst there was a need for further discussion with providers, at this stage it is anticipated that sufficient alternative provision to residential care would be available to meet additional need. Further details on the proposed activity to develop the market was outlined in Appendix 3 to the report.

Direct Care provision currently played a key role in the local care market in Derbyshire as the largest sole supplier of residential care beds. The Direct Care homes for older people and Community Care Centres could play an important role in the wider market by fulfilling a range a functions, further details of which were presented. It was therefore important that any decisions regarding the future provision of Direct Care homes for older people were considered within the wider market and that the Council uses its resources to best effect where there was either a geographical gap in provision, or

alternatively a specific service where council run services were best placed to deliver that provision.

The following criteria needed to be taken into account when determining which Direct Care homes for older people were required in the medium and longer term;

- The physical condition of the buildings, works required and urgency of those works.
- The strategic need for services on a locality basis, focussing the services on delivering the vision for Direct Care and the supporting commissioning intelligence about future need and the wider market provision now and in the future as detailed in the Older People's Housing, Accommodation and Support commissioning strategy.
- The fitness for purpose of each building when considering the future strategic need for Direct Care services in each area. The quality of service being provided at each home and other operational considerations (for example staff vacancy levels and use of agency staff) which is based in part on current Care Quality Commission (CQC) ratings for each home.

To inform the evaluation of the homes, a programme of building facet surveys was undertaken by Faithful and Gould between November 2018 and January 2019 on the Council's Homes for Older People which were constructed more than ten years ago. In total this involved surveys being undertaken on fifteen of the Council's homes: Ladycross (Sandiacre), Beechcroft (West Hallam), Briar Close (Borrowash), Rowthorne (Swanwick), Holmlea (Tibshelf), New Bassett House (Shirebrook), East Clune (Clowne), Thomas Colledge House (Bolsover), The Spinney (Brimington), The Grange (Eckington), Goyt Valley House (New Mills), Whitestones (Chapel en-le Frith), Gernon Manor (Bakewell), The Leys (Ashbourne), Castle Court (Castle Gresley).

The following seven homes, were identified as needing rewiring as soon as possible: East Clune (Clowne), The Spinney (Brimington); Goyt Valley House (New Mills); Ladycross (Sandiacre); Beechcroft (West Hallam); Holmlea (Tibshelf) and New Bassett House (Shirebrook).

On further evaluation, it became clear that due to the age of the buildings and the poor state of electrical systems, Rowthorne (Swanwick), Briar Close (Borrowash) and Gernon Manor (Bakewell) needed rewiring.

In order to mitigate any increased risks associated with the need to rewire these homes the Council had arranged for essential works to be undertaken, such as upgrading fire alarm systems and replacing fire doors, as

well as increasing the number of night staff within these homes. Details of the project priorities costs were presented in the report.

Strategic Need and locality analysis utilised the analysis of future need outlined in the Older People's Housing, Accommodation Strategy, as summarised in Appendix 2 to the report, to identify factors in relation to the local market and future demographic trends in a particular geographical locality. From this an assessment has been made about the importance of supporting the wider market and the needs of the local population in relation to maintaining an appropriate amount of residential care provision to be operated by the Council.

In order to deliver the vision for Direct Care homes there was a minimum "fit for purpose" requirement in terms of facilities and space. The *Health and Social Care Act 2008 (Regulated Activities) Regulations* 2014 (Regulation 15: Premises and equipment) and the associated guidance set out the minimum requirements for care homes built after this date. A number of the Council's older homes do not meet these requirements and as such, whilst they were not in breach of the regulations, the Council believed that the physical environment in these homes was not conducive to providing high quality care to the residents.

The Council had worked closely with the Stirling University Dementia Services Development Centre to refine the design of newer care homes in order to ensure that they are 'Dementia friendly by design', details of which were presented. All six Community Care Centres all meet this minimum requirement and existing homes for older people at Thomas Colledge (Bolsover), Whitestones (Chapel en le Frith), Castle Court (Castle Gresley) and The Grange (Eckington) also meet this requirement. In addition, the new homes which were being constructed at Ada Belfield (Belper) and the Bennerley Fields Scheme in Cotmanhay, Ilkeston met the requirement.

However, eleven homes for older people do not meet these design requirements, namely Ladycross (Long Eaton), Beechcroft (West Hallam), Briar Close (Borrowash), Rowthorne (Swanwick), Holmlea (Tibshelf), East Clune (Clowne), New Bassett House (Shirebrook), The Spinney (Brimington), Goyt Valley House (New Mills), Gernon Manor (Bakewell) and The Leys (Ashbourne).

Appendix 4 to the report, contained a summary of all of the criteria outlined in the report and this analysis had been used to inform decision-making about which homes the Council was proposing to retain and which homes it was proposing to close, subject to the outcome of consultation. The most important criteria the Council had used were the cost of works required within the next five years as identified in the facet surveys, this also indicated the general condition of the building and the availability of other Direct Care

homes in the locality in line with the strategic approach for Direct Care. Of the other criteria, only "Fitness for Purpose" had been directly used to inform the recommendations and this has been on the basis of a distinction between those which were considered to be fit for purpose and those which were considered not to be.

The proposal to consult on possible closure of some of the Council's Homes for Older People is based on the following conclusions from the information presented:

- The Council would be seeking to offer alternatives to residential care through increased community based services and via engaging with the market in relation to the identified undersupply of housing with care provision to 2035.
- A number of the homes managed by the Council were no longer fit for the purpose they were originally designed for in that they do not have the space, facilities or capability to be adapted to meet the needs of increasingly frail older people.
- A number of the homes required significant expenditure in the short and medium-term in order to address urgent maintenance and refurbishment issues.
- Significant expenditure on those homes which there was diminishing strategic need for and which were not fit for purpose was not the best use of public money.

Under the revised strategy for Direct Care Homes for Older People, the Council would retain the Community Care Centres and more modern care homes plus sufficient other care homes to ensure a minimum of one Community Care Centre and one residential care home for older people in each locality. The exception to this was that it was proposed to treat the North Eastern area of Derbyshire (Chesterfield/Bolsover/North East Derbyshire) as a combined locality, due to its relatively close geography, with this locality having one specialist Community Care Centre and two residential homes for older people. This meant that by area the following homes and Community Care Centres continue to operate:

North Eastern area - Staveley Centre (Chesterfield), Thomas Colledge (Bolsover) and The Grange (Eckington)
Derbyshire Dales - Meadow View Community Care Centre (Darley Dale) and The Leys (Ashbourne)

Erewash - Lacemaker Court Community Care Centre (Long Eaton) and Hazelwood (Cotmanhay to be replaced by a new home in May 2022)
South Derbyshire - Oakland Community Care Centre (Swadlincote) and Castle Court

Amber Valley - Florence Shipley Community Care Centre (Heanor) and Ada Belfield (Belper to be replaced by a new home in April 2020)
High Peak - Thomas Fields Community Care Centre (Buxton) and Whitestones (Chapel en-le Frith)

There were therefore ten homes which the Council feels needed to be reviewed in respect of their medium and long-term future which were as follows:

North Eastern area - East Clune (Clowne), Holmlea (Tibshelf), New Bassett House (Shirebrook) and The Spinney (Brimington)
Erewash - Ladycross House (Sandiacre), Briar Close (Borrowash) and Beechcroft (West Hallam)
Amber Valley - Rowthorne (Swanwick)
High Peak - Goyt Valley House (New Mills)
Derbyshire Dales - Gernon Manor (Bakewell)

Based on the evaluation criteria set out in this report, and summarised at Appendix 4, the Council is proposing to close the following homes as soon as possible. If approved, following the consultation period, it was recommended that the closures take place in a phased way in order that appropriate planning and alternative arrangements could be made for residents living in these homes. The phasing would also allow for the further development of alternatives in the locality which would ensure that the care market was not destabilised. The proposed phases are:

- **Phase 1** – homes identified for immediate closure (subject to the outcome of consultation) East Clune, The Spinney, Ladycross House, Beechcroft
- **Phase 2** - closure as soon as possible (subject to the outcome of consultation) Holmlea, Goyt Valley House, Gernon Manor

In order to assess the wider impact of these proposed changes, Appendix 6 to the report, models the potential wider market impact if the beds at the above identified homes were removed from the modelling utilised in the Older People's Housing, Accommodation and Support Commissioning Strategy 2018-2035.

If the proposals in this report were approved following consultation, residents in the affected homes would have an up-to-date care and support assessment and care plan devised which takes account of any health conditions or other specific considerations prior to any transfer taking place. Residents and their families would be supported to make a choice about which alternative home they wish to move to and as far as possible this would be in an area local to the home in which they currently lived. The Councils Pledges to Residents were set out in Appendix 5 to the report and the full

arrangements were described in the Major Change and Closure Guidance which was also attached as Appendix 7.

In consideration of the modelling in the Older People's Housing, Accommodation and Support Commissioning Strategy it was clear that in order to effectively manage and support the wider residential care home market, in line with demographic trends, some Direct Care capacity would be required at least until 2025. With this in mind it was proposed that a programme of refurbishment be undertaken on three homes as soon as possible, further details of which were presented.

Depending on what choice was made by individuals this might mean social work staff would need to meet with residents and their families in order to arrange alternative care home placements in the locality in preparation for the refurbishment work commencing. This would need to start three months before the work commences in order to afford time for residents and their families to make choices as far as possible about where they would wish to move to during the time when the work was undertaken. It was anticipated that residents would be supported to return to the respective home once work was completed if they wish to do so.

There were a number of risk factors associated with this report which needed to be taken in to account, most notably the following:

- Delaying rewiring works leads to an increased risk of failure of electrical systems or components, potentially increasing the risk of a fire and/or the need to evacuate homes immediately.
- Current mitigation arrangements include additional staffing at night in the homes which require rewiring which is costly and difficult to sustain indefinitely.
- The care home market position can change quickly potentially leading to a shortfall in care home capacity.

All of the current identified risks were being monitored and mitigated on an on-going basis.

It was proposed that formal public consultation will commence on 31 January 2020 and last for 12 weeks ending on 24 April 2020. This consultation would be for all of the seven homes which are proposed for closure and for those three homes which were proposed for retention and refurbishment. There would be three consultation and engagement events for each establishment. It was anticipated that once consultation had been completed and an Equality Impact Analysis had been undertaken a further report would be presented to Cabinet on the outcome.

The total budget available for the proposals was £30.000m which would be used for both the capital and revenue costs. This would be funded from Adult Social Care and Health earmarked reserves. The costs associated with the refurbishment of three homes were based on two options: option 1 was for the full vacation of the three care homes to be refurbished whilst with option 2, the residents would remain in situ as the work was undertaken. Under option 1, there was a small surplus from the £30.000m resource available and option 2 showed a saving of £2.100m as there would be no requirement to arrange alternative residential care placements for residents whilst the refurbishment work is carried out in the 3 homes.

A sum of £5.000m had been set aside for contingency which formed part of the £30.000m that might be required for both capital and revenue use. The capital costs might vary considerably once the work commenced which had been the case with previous renovations of this scale and nature. The revenue costs may change if the timetable slipped considerably during the implementation phase.

The capital costs for the three homes to be refurbished was estimated to be £11.475m with residents remaining in situ whilst work was carried out, further details of which were presented in the report. The revenue costs for the fire safety mitigations were estimated to be £3.800m for the duration of the proposed programme, further details of which were presented.

The Council had a duty to recognise and mitigate the impact of any changes it proposed upon people in protected groups. The proposals affected older and disabled people living in residential care homes. The Council would take account of the challenges which the people affected by the proposals faced both in terms of participation in the consultation and in ensuring that the impact of any changes was mitigated if they were to be implemented. A full Equality Impact Analysis would be undertaken and this would be reported to Cabinet on the completion of the consultation on the proposals.

RESOLVED to approve (1) the revised future strategy for Direct Care Homes for Older People;

(2) consultation on the proposed closure of those homes which, following evaluation, were proposed for the reasons set out in the report to be unsustainable in the long-term, namely: Ladycross House (Sandiacre), Beechcroft (West Hallam), East Clune (Clowne), Holmlea (Tibshelf), The Spinney (Brimington), Goyt Valley House (New Mills) and Gernon Manor (Bakewell);

(3) consultation with residents and their families on the retention and refurbishment of the following homes which would be required in the medium-term according to the Council's market evaluation and investment plan: Briar

Close (Borrowash), Rowthorne (Swanwick) and New Bassett House (Shirebrook);

   (4) funding for design and feasibility works to be undertaken on the three homes which it was proposed to refurbish;

   (5) funding as outlined in Appendix 3 to the report to support market management and development activity associated with the implementation of the Older People's Housing, Accommodation and Support Strategy 2018-2035 that would seek to create a range of housing and accommodation options for older people to meet demographic demand; and

   (6) that a further report be received following the conclusion of the consultation and market engagement processes including a full Equality Impact Analysis

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 7 January 2020 at County Hall, Matlock.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillors J Coyle, J Patten and J Twigg

1/20 **MINUTES** **RESOLVED** that the minutes of the meeting of the Cabinet Member for Young People held on 3 December 2019 be confirmed as a correct record and signed by the Cabinet Member.

2/20 **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS**
RESOLVED to approve the nomination of the following persons to serve as Local Authority Governors:-

J Horner	-	Ambergate Primary School
D Maddocks	-	Riddings Junior School
S Wheatley	-	Whittington Green School
S Alton	-	Norbury CofE Primary School
S Bruce	-	Hartington Primary School
S Laming	-	Holy Trinity Primary School
A Pearcy	-	Youlgrave All Saints Primary School
S M Khan	-	Longmoor Primary School
S Bunting	-	Harpur Hill Primary School
J Edwards	-	The Valley Federation of Edale CofE and Hope Primary Schools
C Webster	-	Bamford Primary School
A Ball	-	Deer Park Primary School
H Canetti	-	Calow Primary School
J Green	-	Woodville Schools Federation
A Kitchen	-	Linton Primary School
T Parrans-Smith	-	Netherseal St Peter's Primary School

3/20 **BUDGET MONITORING 2019-20 – PERIOD 7**
The Cabinet Member was informed of the Revenue budget position of the Young People portfolio for 2019-20 up to the end of October 2019 (Period 7), budget savings, growth and one-off funding, risks and earmarked reserves.

The net controllable budget for the Young People portfolio is £109.121m and the Revenue Budget Monitoring Statement prepared at period 7 indicated that there was a projected year-end overspend of between £7.512m to £8.487m depending on whether the rate of placements for children in care levels off or continued the trajectory seen over the past six months. Based on known placements to the end of

October, the projected overspend was £7.087m. The Council has earmarked £1.382m within the budget management reserve to contribute to this overspend.

The Dedicated Schools Grant income transferred to contribute to costs incurred within Children's Services supporting Early Help services and children with additional needs was £6.756m however this may not continue at the same level in future years.

The key variances included Placements for Children in Care/Unable to remain at home (overspend £5.060m), Support for children with disabilities (overspend £0.832m), Children's Safeguarding services (overspend £1.027m), Early Help and Preventative services (overspend £0.769m), Home to School Transport (overspend £1.316m), Education Support services (overspend £0.883m), Pensions payable to former staff (overspend £0.206m), Redundancies (break-even), and Unallocated budget (underspend £2.946m).

The value of the savings initiatives identified for implementation in the current year was £3.013m and it was forecast that £2.323m of savings will have been achieved by the year-end.

The portfolio received additional budget allocations in 2019-20 for Social Worker recruitment (£1.300m ongoing, £2.600m one-off), Placement demand pressures (£3.000m ongoing, £5.000m one-off), Home to School Transport SEN (£1.450m ongoing), SEND assessment and planning (£0.275m ongoing), Increase in Special Guardianship placements - £1.097m ongoing, Children's Homes (£0.450m ongoing), Foster Carers (£0.060m ongoing), Care Leavers (£0.402m one-off), Children's Participation (£0.080m one-off), Child Protection (£0.105m one-off), Complex Case pooled budget (£0.250m one-off), Mobile Working (£0.260m one-off), and Children in Care Legal Proceedings (£1.050m one-off).

The report also detailed the services that could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary, the earmarked reserves totalling £7.989m that were currently held to support future expenditure and the profile of the debt position.

RESOLVED to note the report.

4/20   DEDICATED SCHOOLS GRANT MONITORING 2019-20 – PERIOD 7
The Cabinet Member was provided with an update of the Revenue Budget position of the Dedicated Schools Grant (Young People portfolio) for 2019-20 up to the end of October 2019 (Period 7).

The expected Dedicated Schools Grant and 6th form grant income was £371.143m plus the approved use of reserves for 2019-20 was £2.042m, making total income available to fund expenditure of £373.185m. The Revenue Budget Monitoring Statement prepared at period 7 indicated that there was projected year-end expenditure of £376.652m. The expected overspend compared to income was £3.467m, however this included the benefit of £0.365m underspend which was ring-

fenced to schools. The overspend falling to the Authority was £3.832m. Earmarked reserves of £0.551m were available to support this overspend.

The key variances were Central School Services Block (underspend £0.185m), Re-pooled school funding (underspend £0.365m), and High Needs Block (overspend £4.239m).

There was a risk that the High needs block placements and top-ups could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary.

RESOLVED to note the report.

5/20 **EXCLUSION OF THE PUBLIC RESOLVED** that the public, including the press, be excluded from the meeting during consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC, INCLUDING THE PRESS, WERE EXCLUDED FROM THE MEETING

1.   To consider the exempt report of the Executive Director for Children's Services on:-

(a)   Proposal Relating to the Efficient Use of Childrens Services Buildings (contains information which is likely to reveal the identity of any individual)

(b)   Request to Increase the Recommended Selling Price of School Meals (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)

2.   To consider the exempt Report of the Executive Director for Children's Services and the Executive Director of Economy, Transport & Environment on Home to School Transport- Hazardous Routes Assessment (contains information which is likely to reveal the identity of any individual)

This page is intentionally left blank

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND REGENERATION** held on 16 January 2020 at County Hall, Matlock

<u>**PRESENT**</u>

Cabinet Member – Councillor T King

Also in attendance – Councillor G Hickton

Apologies received from Councillor R Mihaly

19/19 <u>**MINUTES**</u> **RESOLVED** that the minutes of the meeting held on 5 December 2019 be confirmed as a correct record and signed by the Cabinet Member.

20/19 <u>**BUDGET MONITORING 2019-20 PERIOD 7**</u> The Cabinet Member was provided with an update of the Revenue Budget position for 2019-20, up to the end of October 2019.

The net controllable budget for the Economic Development and Regeneration Portfolio was £0.701m. The Revenue Budget Monitoring Statement, prepared at Period 7, indicated that there was a projected year end underspend of £0.085m. The areas which made up this projection were detailed in the joint report.

There was an Economic Development underspend of £0.126m: matched funding had been successful with the levering of EU funding (notably European Regional Development Fund) since 2015. The implementation of the revised 'enterprise and investment' function was continuing however recruitment had not been completed resulting in some staff underspend. Business support interventions and investment/trade promotion continued to be developed.

There was an Employment and Skills overspend of £0.073m due to incurring salary costs that were not budgeted for and which were pending rationalisation of the whole Economy and Regeneration Service structure.

The impact of Brexit on the demand for services from the Economy and Regeneration portfolio was not yet known. Partnership working to support Brexit readiness was well under way and could potentially have a significant impact on staffing and other resources, not just for the Council, but its partners also. The impact on the portfolio's forecast outturn position was not known.

Details of the Earmarked Reserves, totalling £0.832m, were currently held to support future expenditure.

RESOLVED that the Cabinet Member note the report.

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – ADULT CARE** held on 23 January 2020 at County Hall, Matlock.

<div align="center">

PRESENT

Councillor J Wharmby (in the Chair)

</div>

Also in attendance was Councillor C Dale.

Apologies for absence were received on behalf of Councillor J Twigg.

01/20   MINUTES RESOLVED that the minutes of the meeting held on 21 November 2019 be confirmed as a correct record and signed by the Cabinet Member.

02/20   BUDGET MONITORING 2019-20   The Cabinet Member was provided with an update on the Revenue Budget position of the Adult Care portfolio for 2019-20 up to the end of October (Period 7).

The net controllable budget for the Adult Care portfolio was £249.954m.

The Revenue Budget Monitoring Statement prepared at period 7 indicated that there was a projected year-end underspend of £1.667m. The significant areas which made up this projection were shown in the table below:

	Controllable Budget £m	Projected Actuals £m	Forecast Over/(Under) Spend £m
Purchased Services	185.330	188.291	2.961
Assistive Technology & Equipment	6.628	5.926	(0.702)
Social Care Activity	23.655	23.214	(0.441)
Information & Early Intervention	14.343	13.962	(0.381)
Commissioning & Service Delivery	17.853	16.894	(0.959)
Unallocated Budgets	2.145	0.000	(2.145)
Total	**249.954**	**248.287**	**(1.667)**

The Purchased Services overspend of £2.961m was mostly due to the increased costs for complex care packages and the reduction in Continuing Health Care funding.

The Budget Savings total target was 5.732m. The forecast to be achieved by the financial year end was 6.083m and the actual (shortfall)/additional savings target was 0.351m.

The portfolio received additional budget allocations in 2019-20 from the Adult Social Care Precept of £6.290m and from the Improved Better Care Fund of £6.149m. Both items were used to fund the £8.567m increase in independent sector fees and the £3.385m pay award, with the balance of £0.487m being used to partly address the equitable allocation of budgets across the eight districts.

Earmarked reserves totalling £30.033m were currently held to support future expenditure. Healthy Homes made up 0.033m of the total and the Older People's Housing Strategy completed the remaining 30.000m.

The profile of the debt raised, relating to income receivable by services within the Adult Social Care and Health department totalled 10.567m. In addition, at the end of October 2019 there had been a further £3.408m of debt relating to residential and co-funding charges that had not been invoiced.

In the 12 months up to the end of October 2019, the value of debt that had been written off totalled £0.764m.

RESOLVED that the Cabinet Member note the report.

03/20 **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting of the Cabinet Member for Adult Care held on 21 November 2019.

2. To consider the exempt report of the Executive Director of Adult Social care and health on the Group Manager Restructure.

MINUTES of a meeting of the **CABINET MEMBER FOR HIGHWAYS, TRANSPORT AND INFRASTRUCTURE** held at County Hall, Matlock on 23 January 2020

PRESENT

Cabinet Member - Councillor S A Spencer

Also in attendance – Councillor T Ainsworth

1/20 **PETITION** **RESOLVED** (1) to receive the under-mentioned petition:-

Location/Subject	Signatures	Local Member
Calver, Grindleford Road - Request for Reduction in the Speed Limit	42	Councillor J Atkin

(2) that the Executive Director – Economy, Transport and Environment investigates and considers the matters raised in the petition.

2/20 **MINUTES** **RESOLVED** that the Minutes of the meeting of the Cabinet Member for Highways, Transport and Infrastructure held on 21 November 2019 be confirmed as a correct record and signed by the Cabinet Member.

3/20 **PETITION – HIGH STREET, APPERKNOWLE - REQUEST FOR THE INSTALLATION OF A FOOTWAY AND BUS STOP HARDSTANDING**
Following the receipt of a petition requesting that a surfaced footway and a bus stop hardstanding be provided on High Street, Apperknowle investigations have been undertaken.

High Street was a classified road which formed a link from the residential area of Apperknowle to a local public house and a bus stop, which had no footway for approximately 60m. A footway on the south-west side of High Street for approximately 145m would be the only viable option, as an extension to the existing footway on the north-east side would require the acquisition of land.

A survey of both the pedestrian usage of the link between Apperknowle and the public house and the vehicular usage on High Street has been undertaken. This has demonstrated extremely low flows of pedestrians and vehicles using High Street, together with an 85th percentile vehicle speed of 26mph. The injury collision database, up to 31 June 2019, had no incidents recorded at the location over the last 15 year period.

The estimated cost of such an improvement would be in excess of £50,000 and due to the significant funding required, any improvement must be weighed against other Council priorities. It was therefore recommended that the request be added to the future schemes list to attract funding either through future development or through the Local Transport Plan Capital Schemes.

RESOLVED that (1) the request for the provision of a footway and a bus stop hardstanding on High Street, Apperknowle be added to the future schemes list with the view to attracting funding sometime in the future; and

(2) the Local Member and lead petitioner be informed of the decision.

4/20   PETITION – NETHERMOOR LANE, KILLAMARSH – CONCERNS REGARDING HIGHWAY SAFETY   Investigations have been undertaken following receipt of a petition concerning safety at a bend located towards on Nethermoor Lane in Killamarsh.

The petitioners felt that the bend in the road caused an issue as an area of planting within the boundary of a private dwelling reduced the forward visibility when travelling around the bend. It was acknowledged that all the planting on either side of the road should stay within the confines of each property boundary and that it should not encroach onto the adopted highway.

The collision database demonstrated a very good safety record on Nethermoor Lane and the recent survey of vehicle speeds showed an 85 percentile speed of 20mph. It was therefore recommended that safety measures could not be introduced at this site. However, a community speed watch initiative could be an effective way of combating drivers who failed to drive to the residential conditions.

RESOLVED that (1) Derbyshire County Council's Maintenance Team continues to inspect the private planting on Nethermoor Lane, Killamarsh as part of routine inspections, to ensure there is no encroachment onto the adopted highway; and

(2) the Local Member and lead petitioner be informed of the decision.

5/20   PETITION - STAFFORD CLOSE, SMALLEY – PARKING ISSUES Following receipt of a petition requesting measures to stop vehicles parking on Stafford Close, Smalley investigations have been undertaken.

The petitioners stated that they wanted to ensure that the residents and their visitors could park their cars safely and in close proximity to their homes without any form of abuse or harassment from motorists that was alleged to occur at present.

As the entire length of Stafford Close was adopted public highway, the County Council did not have the authority to provide a sign that stated that parking was only permitted for certain members of the public. Whilst the County Council could appreciate the residents frustrations with regard to the parking, it was important to note that all members of the public have equal rights over the public highway, and if a

vehicle has valid tax, insurance and MOT, and was parked in accordance with the Highway Code, no offence was being committed.

The Police were responsible for enforcing moving traffic offences and it might therefore be appropriate for the residents to contact the Police via their Local Safer Neighbourhood Team.

The Petition asked the County Council, along with other agencies, to work together to resolve this issue. In compiling this report, contact was made with Richardson Endowed Primary School, Future Housing Group and Amber Valley Borough Council and their responses were detailed in the report. It was suggested that the leaflets, attached as an appendix to the report, produced by the Office of the Police and Crime Commissioner in partnership with the County Council's Community Safety Unit, on 'Parking outside school?', be distributed to the school children to take home.

RESOLVED that (1) no further action be taken on Stafford Close, Smalley; and

(2) the Local Member and lead petitioner be informed of the decision.

6/20 **MEETING THE REQUIREMENTS OF THE CODE OF PRACTICE FOR WELL-MANAGED HIGHWAY INFRASTRUCTURE – APPROVAL OF TECHNICAL POLICY DOCUMENTS** The approval and implementation of Highway Infrastructure Asset Management (HIAM) plans and strategies were delegated to the Cabinet Member – Highways, Transport and Infrastructure in conjunction with the Executive Director – Economy, Transport and Environment by Cabinet.

Work has been underway to develop more in-depth plans to support the approved HIAM documents and approval was sought for the following seven documents :-

- Six HIAM documents, one relating to each of the highway asset areas of drainage; electronic traffic management; highways; street furniture; street lighting; and structures. These documents define the Level of Service that could be expected and the current practices relating to Asset Data Capture, Inspections and Surveys of Assets, Lifecycle Planning, Maintenance Programmes, Asset Financial Information, Asset Forward and Annual Programme, Asset Risk Register, Competency of Staff and Performance Management. Development areas have also been identified.

- Traffic Network Management Duty Plan which sets out the criteria by which the operations of the highway network were managed (i.e. how traffic is kept moving).

These documents provided the basis of the Council's approach to meeting the requirements of the 2016 Code of Practice Well-Managed Highway Infrastructure. The proposals set out to deliver a level of service that would be safe, sustainable and deliverable within current budgetary constraints across the highway network.

RESOLVED (1) to approve the technical documents forming the basis of the report and attached as background papers to the report;

(2) that reviews and major updates of the documents and their related appendices contained within the report be approved by agreement between the Cabinet Member – Highways, Transport and Infrastructure and the Executive Director of Economy, Transport and Environment; and

(3) minor updates to the technical policies and their related appendices contained within the report be delegated to the Executive Director – Economy, Transport and Environment.

7/20   STATEMENTS OF COMMON GROUND – NOTTINGHAMSHIRE COUNTY COUNCIL   Under Section 33A of the Planning and Compensation Act 2004, local planning authorities were under a duty to cooperate with each other and with other prescribed bodies, when local plans, (including mineral and waste local plans) were being prepared which concerned 'strategic matters' that crossed administrative boundaries.

In order to demonstrate effective and ongoing joint working as detailed in the National Planning Policy Framework (NPPF) it was expected that strategic policy-making authorities prepare and maintain one or more Statement of Common Ground (SoCG) to document the cross-boundary matters being addressed and progress made in cooperating to address these matters. National Planning Guidance advised that SoCG should be prepared and maintained throughout the plan-making process. By the time of draft local plan publication, SoCGs should be available on the websites of each of the responsible local planning authorities to provide transparent documentation that the collaboration has taken place.

A request for SoCG, in which the County Council was expected to enter/be signatories to, has been received from Nottinghamshire County Council on 8 November 2019. The nature of the Statement of Common Ground was the Nottinghamshire Minerals Local Plan SoCG (Final Draft). Specific details about the draft SoCG, including a summary of the strategic matters proposed to be agreed to as common ground on behalf of Derbyshire County Council and any significant issues on which there appeared to be an absence of common ground, were provided in the appendix to the report.

RESOLVED that approval be given for Derbyshire County Council to enter into a Statement of Common Ground, referred to in the appendix to the report, with Nottinghamshire County Council.

8/20   REVIEW OF CHARGES FOR COMMERCIAL WASTE
At the meeting on 12 September 2019 it was resolved that following recent changes to the County Council's long term waste contract, the commercial waste disposal recharge rate proposed for 2019-20 would be reviewed and reported to a future meeting.

The District and Borough Councils, as Waste Collection Authorities (WCAs), have a statutory duty to collect, on request, commercial waste from a range of organisations, amounting to 4% of the total local authority collected municipal waste stream in Derbyshire. WCA costs (including disposal) were recovered from the organisations from which they collected the waste.

The majority of commercial waste in the County was collected and disposed of by private sector waste collection companies. Some commercial waste collected by the WCAs was, however, disposed of by the County Council through its waste management contracts. Disposal of this commercial waste was undertaken by Resource Recovery Solutions (Derbyshire) Ltd (RRS) under the Council's long term waste management contract, however, following termination of that contract on 2 August 2019 disposal arrangements have been provided by Renewi UK Services Ltd (Renewi) under the Council's Continuity Services Contract.

The costs incurred in disposing of waste under the new contract with Renewi have been examined and the following table details the rates charged for in 2018-19 and sets out proposed revised charges for 2019-20:

Commercial Waste Charge	2018-19	2019-20
Total per tonne (gate fee + contractual disposal costs)	£130.78	£134.43
Annual administration fee	£1,265	£1,289

The commercial waste disposal recharge costs would require a full review once the current continuity services arrangements come to an end.

It was proposed that approval for new rates be sought and approved on a bi-annual basis to align with the proposals agreed on 12 September 2019.

RESOLVED (1) to approve the commercial waste disposal recharge rate for 2019-20 at £134.43 per tonne plus an annual administration charge to each Waste Collection Authority of £1,289; and

(2) that the submission of Cabinet Member reports requesting approval for proposed new annual commercial waste disposal recharges be undertaken on a bi-annual basis from 2019-20 onwards, to align with the approvals taken at the 12 September 2019 Cabinet Member meeting.

9/20 TO NOTE THE URGENT DECISION TAKEN BY THE EXECUTIVE DIRECTOR – ECONOMY, TRANSPORT AND ENVIRONMENT TO ACCEPT THE RURAL DEVELOPMENT PROGRAMME FOR ENGLAND GRANT AWARD
A Rural Development Programme for England (RDPE) Expression of Interest (EOI) bid to deliver the Visit. Sleep. Cycle. Repeat. (VSCR) Cycling Trails Programme within the Parish of Pleasley was submitted by the County Council at the end of May 2018. The EOI was successful and a full application was submitted in September 2019.

In a letter dated 29 November 2019, the Council was offered a grant of £403,977 by the RDPE to deliver the initial phase of the VSCR Cycling Trails Programme. This offer expired on 10 January 2020, before the next available Cabinet Member meeting.

Under the Council's Constitution, Executive Directors have the power to take such actions to safeguard the interests of the Council if the timescales do not allow for the matter to be dealt with by the next available meeting of the Council, Cabinet or Cabinet Member. An urgent decision was therefore taken by the Executive Director - Economy, Transport and Environment to accept the RDPE grant on behalf of the County Council.

RESOLVED to note the urgent decision taken by the Executive Director – Economy, Transport and Environment, in accordance with the Council's Constitution, to accept the Rural Development Programme for England (RDPE) grant offer of £403,977 to deliver the Visit. Sleep. Cycle. Repeat (VSCR) Cycling Trails Programme, as detailed in the report.

10/20   BUDGET MONITORING 2019-20 – PERIOD 7   The net controllable budget for the Highways, Transport and Infrastructure portfolio was £77.843m. The Revenue Budget Monitoring Statement, prepared at Period 7, indicated that there was a projected year-end overspend of £1.215m. The portfolio incurred additional costs of almost £0.547m due to the Toddbrook Reservoir Whaley Bridge incident which has been funded from General Reserve. The rest of the overspend would be supported by the use of £2.000m from the Budget Management earmarked reserves. After the use of this reserve, the forecast was an underspend of £0.785m.

The key variances included Waste Management (underspend £1.647m), Highway Maintenance (underspend £1.869m), Winter Maintenance (overspend £1.777m) and Planning and Development (underspend £1.778m).

Budget reductions totalling £2.609m were allocated for the year, with a brought forward figure from previous years of £3.321m. This has resulted in total reductions to be achieved of £5.930m at the start of the year. The short fall between the total reductions expected to be achieved and the identified savings initiative at the start of the year was £5.250m. It was forecast that £0.680m of savings would have been achieved by the year-end.

Growth items and one-off funding in the 2019-20 budget included Waste Treatment and Disposal (£1.500m ongoing), Highways Maintenance (£1.000m one-off), Public Transport (£0.500m ongoing), Water Body (£0.100m one-off), HS2 Co-ordination Officer (£0.064m one-off) and Street Lighting (£0.048m one off).

Earmarked reserves relating to this portfolio, totalling £16.805m, were currently held to support future expenditure. Risks and the debt position were also detailed in the report.

RESOLVED to note the report.

This page is intentionally left blank

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR STRATEGIC LEADERSHIP, CULTURE AND TOURISM** held on 23 January 2020 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor B Lewis

Also in attendance – Councillor R Flatley

1/20 **MINUTES RESOLVED** that the minutes of the meeting held on 6 December 2019 be confirmed as a correct record and signed by the Cabinet Member.

2/20 **CHANGES TO LIBRARY OPENING HOURS** At its meeting on 20 December 2018, Cabinet gave approval to implement the Derbyshire Public Library Service Strategy. Included in the strategy were proposals to transfer 20 libraries, and the mobile library service, to community management.

While the process for transferring 20 libraries to a community managed model was progressing in nine locations, in eleven locations no formal expressions of interest had been received to date. In approving the Strategy Cabinet agreed that where there were no initial expressions of interest from communities, by October 1 2019, the opening hours in those libraries would be standardised at 18 hours per week. This proposal would be subject to a further period of public consultation. A period of public consultation about proposed changes to opening hours at the following libraries, all of which were open more than 18 hours per week, was undertaken:

1. Brimington
2. Clowne
3. Creswell
4. Duffield
5. Gamesley
6. Killamarsh
7. Somercotes

The consultation sought to obtain responses on two proposed options to change opening hours, together with any other alternative suggestions that consultees wished to make. A total of 144 responses had been received to the consultation, while the proposed reductions to opening hours elicited positive comments about the value of the library service, unsurprisingly a number of

respondents were opposed to the proposed changes. However, there were no alternative proposals put forward for the majority of locations and no alternative suggestions about how savings could be made from the library service budget.

At Brimington Library a number of respondents commented that there was a story time on Thursday morning which was very well attended and also that they did not want the library closed for two consecutive days. In light of these comments, the proposal for Brimington had been amended so that the library would be open on both Tuesday and Thursday mornings, to accommodate the children's story time, and to avoid closure for two consecutive days.

Details of existing opening hours and the proposed changes were attached at Appendix 1 to the report. When implementing the changes to opening hours, staffing levels in libraries would be changed and aligned with the proposed levels of service. Library opening hours would change with effect from 6 April 2020.

The following libraries were currently open for less than 18 hours per week and although no changes were proposed to their opening hours staffing levels had been reviewed so that they more accurately reflected levels of usage.

1. Hadfield
2. Holmewood
3. Whitwell
4. Pinxton

RESOLVED to approve the implementation of the proposed changes to library opening hours, as outlined in appendix one of the report, and the associated staffing levels.

3/20   AWARD OF GRANTS TO EXTERNAL RECIPIENTS – VITAL VALLEY The County Council, on behalf of the Derwent Valley Mills World Heritage Site (DVMWHS) Partnership, had accepted a grant offer from the Heritage Lottery Fund (now the National Lottery Heritage Fund – NHLF) for a Great Place Scheme in the DVMWHS.

The Great Place Scheme included the Experiment Fund for heritage, arts and cultural organisations within the DVMWHS to experiment with projects that could lead to sustainable income generation in the future. The Experiment Fund had a total grant of £75,000 from the NLHF and £10,000 contribution from applicants.

Details of the applications that had been received were provided and approval was sought to award grants to the external recipients.

RESOLVED to (1) approve the award of grants, from the accepted National Lottery Heritage Fund grant of £1,285,800 for the 'Vital Valley' Great Place Scheme to:

- £20,000 to The Arkwright Society Ltd
- £19,920 to Derby QUAD Ltd
- £19,800 to Derbyshire County Council Countryside Service
- £2,138 to Wirksworth Civic Society
- £490 to Derwent Valley Mills Heritage Site Educational Trust
- £446 to Friends of the Cromford Canal,

totalling £62,794 from the grant of £75,000 from the National Lottery Heritage Fund approved for the Experiment Fund.

(2) monitor and measure the success of the scheme and its' returns and to report back in 6-12 months.

4/20   BUDGET MONITORING 2019-20 – PERIOD 7 (AS AT 31 OCTOBER 2019) The net controllable budget for the Strategic Leadership, Culture and Tourism portfolio was £12.825m. The Revenue Budget Monitoring Statement prepared at period 7 indicated that there was a projected year-end underspend of £0.256m. The significant areas which made up this projection were highlighted and the key variances were as follows:-

Communications – underspend £0.072m
The main underspends related to Your Derbyshire, now having 3 copies per year instead of 4; and IT Hardware and Software – procurement of new contracts using the Derbyshire Framework.

Policy and Research – underspend £0.176m
The main underspends related to staff vacancy and VCS grant to Bolsover CVP (no longer in operation).

Call Derbyshire – underspend £0.134m
The underspend related to high staff turnover due to employees gaining experience and moving on to posts with the Council for promotional purposes.

Tourism and Twinning – underspend £0.057m
The underspend was due to a vacancy which had not been filled. The full year effect would eliminate this underspend in future years.

Heritage – overspend £0.063m

The overspend was due mainly to the Environmental Studies Service which had been allocated a budget saving of £0.120m in 2018-19 that had not yet been fully achieved.

Budget reductions totalling £0.760m had been allocated for the year. It was forecast that £0.760m of savings will have been achieved by the year-end. There were £0.120m of savings identified in the previous year for the Environmental Studies Service of which £0.034m had been achieved. Details of the performance against the target were presented.

The portfolio had received the following additional budget allocations in 2019-20:

(i)   Thriving Communities £0.368m (on going)
        Funding to concentrate on three priorities in respect of rolling out the Council Plan commitment across Derbyshire: radically reshaping demand, unlocking community potential and creating an alliance for work and skills. This was to replace one off funding from reserves and was due to be spent in year.

(ii)   Enterprising Council £0.094m (on going)
        Support for this programme of transformational change, which would affect the whole organisation and was a Council Plan commitment. It was expected that £0.094m would be spent in year.

(iii)   Community Managed Libraries £0.742 (one off)
        Funding for the Council Plan commitment to introduce community managed libraries over the next 5 years.

Earmarked reserves totalling £3.206m were currently held to support future expenditure and details of these reserves were presented.

RESOLVED to note the report.

5/20   EXCLUSION OF THE PUBLIC RESOLVED to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1.   To consider the exempt report of the Executive Director Economy, Transport and Environment on a request for additional funding for Creswell Heritage Trust (contains information relating to the financial or

business affairs of any particular person (including the Authority holding that information))

This page is intentionally left blank

DERBYSHIRE COUNTY COUNCIL

CABINET

13 February 2019

Report of the Executive Director Commissioning, Communities and Policy

INCOME GENERATION THROUGH ADVERTISING

1. Purpose of the report

To seek approval to generate income for Derbyshire County Council (the "**Council**"), through selling advertising space on selected Council platforms, procuring a specialist company to deliver the initiative by a Concession Contract awarded under Protocol 1 of the Council's Financial Regulations, in partnership with two District Councils in the initial phase.

2. Information and analysis

In line with around 50 other councils across the UK, the Council has the opportunity to achieve its savings targets in the Communications area by generating income through advertising on carefully selected platforms.

An internal precedent for income generation through Communications activity already exists, with the provision of a crisis communications service to schools, which generates in the region of £50,000 per annum.

Income generation through advertising embraces the 'Enterprising Council' approach and would see managed advertising appear on the Council's website, in Derbyshire Now magazine, with the issuing of the Gold Card travel permit and in newspaper / magazine advertising related to the Trusted Trader scheme. It is estimated, through benchmarking against other local authorities, that an income of over £125,000 could be made in the first year of the contract.

Most councils restrict advertising that is not aligned with social value aims, prohibiting areas like gambling, alcohol, fast food and pay day loan companies. It is recommended that the Council follows these principles. Political advertising is prohibited by law on local government websites and intrusive advertising such as pop-ups are also largely banned. An advertising policy for the Council is set out in Appendix 1, which will ensure that only appropriate advertising is carried on Council platforms.

Website advertising

The introduction of advertising to the Council website, and potentially other relevant websites within our control, is one of the main drivers of this approach.

Advertising is now a feature on 52 local government websites – a figure which risen gradually since Hammersmith & Fulham Council were the first to allow advertising in 2009.

In areas where advertising has been allowed, there have been relatively few complaints from residents. This is largely because the use of advertising is so widespread across the internet. Advertising would be placed in agreed areas of web pages and will not detract from the information presented.

A number of factors need to be taken into account when considering advertising on the Council's website:

- Website advertising would act as catalyst for other advertising / sponsorship opportunities, because an advertising sales representative would be able to sell across multiple platforms. While income opportunities exist without website advertising, the potential and efficiency of our model would be greatly reduced to the extent where the model may no longer be viable, because the necessary quantum of opportunities may not exist to justify the resources.
- Local sales could be particularly lucrative in areas like weddings, where the Council has a high penetration of potential customers through our website.
- The advertising policy (Appendix 1) would need to be applied and agreed.

Advertising will be formatted to ensure negligible impact on the performance of the website, and site performance will continue to be monitored by the Communications Team with any required action taken immediately.

It is expected that the website will make around 26% of the income target in the first year of delivery, with that percentage increasing significantly over time.

Derbyshire Now Council Magazine advertising

It is proposed that an equivalent of eight full pages of Derbyshire Now be dedicated to advertising, with the introduction of three regional editions to maximise income generation opportunities (north-east, mid and south Derbyshire).

In order to maintain the space we currently enjoy for Council articles and to keep within postal cost brackets, we propose to add eight pages to the publication and to reduce the physical size of the magazine by a third. This will ensure we do not enter a higher postal weight bracket and will keep the additional annual cost of the publication to the Council to approx. £4,000 per year (mitigated by income).

We expect Derbyshire Now to make around 53% of the income target in the first year of delivery.

Gold card (older and disabled person's travel permit)

This opt-in scheme currently attracts approximately 35,000 people to sign up or be issued replacement cards each year. Promotional materials can be included when cards are issued or replaced at no cost other than production, which would be no more than a few thousand pounds per year (exact cost to be established when number of interested advertisers is known) and would be mitigated by income.

We expect the Gold Card to make around 9% of the income target in the first year of delivery.

Trusted Trader scheme

There are around 1,000 traders registered within the scheme. There are opportunities to promote the scheme in a more commercial way which could include newspaper and magazine advertising placed by the Council, with traders paying to be featured within adverts and / or features in Derbyshire Now online (our e-newsletter).

We expect Trusted Trader to make around 12% of the income target in the first year of delivery.

Recommended delivery model

Gaining income from advertising requires a sales-based operation, targeting companies who may want to take advantage of the offer and significant logistical expertise to manage and deliver the technical and offline requirements. The Council could appoint an existing company to deliver its requirements, or could set up an in-house service.

An in-house service would enable us, over time, to embed commercial advertising expertise within the organisation. However, it would also:

- Be a higher risk model if we underachieve on sales, given the cost of employing staff;

- Be difficult to implement within the council's pay structure given the need to pay a commission based on the sales achieved (which will drive higher income targets);

- Require new resource-intensive processes to manage administration and finance; and

- Require a commercial skillset that does not currently exist within the organisation.

As such, it is recommended that a delivery model is adopted which gives the Council access to commercial expertise, without the risk and overhead costs of employing staff directly.

The preferred approach would be to commission a company with a proven track record of working with councils, to generate income from advertising on a payment-by-results model. A number of such organisations exist and we would expect to pay a commission of between 35% and 25% based on volume of sales.

The procurement of this service falls within the Concession's category. Due to the value of the contract, it will not require advertising in the Official Journal of the European Union (OJEU), but will require advertising on Source Derbyshire and Contracts Finder.

Clear requirements for reporting, auditing and payment will be laid out in the Procurement documents, with the contract managed by Communications & Customers and offered initially on two year contract term, with the option for the Council to extend for a further year.

Partnership pilot with North-East Derbyshire and Bolsover District Councils

Once established, this income generation model may provide an opportunity for district councils to utilise their assets in a similar way in partnership with the Council.

In order to test this, North-East Derbyshire and Bolsover District Councils will join the Council in the procurement exercise, in order to deliver advertising on their own platforms. Their requirements will be part of the Council's tender documents, but all councils will hold their own contracts with any chosen supplier.

In this pilot phase, no commission or payment will be taken by the Council from the District Councils whilst the success of the model for both the Council and Districts is tested. Should income targets be met for all organisations involved, consideration will be given to widening participation to other District Councils, with consideration also given to the Council charging a commission to the Districts, in future phases of any ongoing process.

3. Financial Considerations

If Cabinet chooses to adopt the recommended model, there will be no additional cost to the Council other than staff time to run the procurement process (Procurement Team), support to the Supplier for ongoing implementation (Communications Team) and to manage the contract (Communications & Customers).

The addition of 8 pages into Derbyshire Now magazine, and the creation of regional editions, will cost an extra £4,000 per annum, which will be taken from the income gained. The production of leaflets to accompany the Gold Card will cost a maximum of a few thousand pounds each year (the exact cost will be established when the number of interested advertisers, and hence the size of the leaflet, is known) and will be met either by the Supplier (depending on the proposal of the chosen Supplier) or will be taken from the income gained.

The cost of the placing of Trusted Trader advertisements (likely to be in the hundreds of pounds, but dependent on advertiser interest) will be met by the Supplier or taken from income gained (depending on the proposal of the chosen Supplier).

The Supplier will take a commission expected to be between 25 – 35% (dependent on the proposal of the chosen Supplier) of the income gained from hosting the advertising. This commission is not included in the Council's income target.

An income target of £125,000 has been set in the first year of the contract, based on benchmarking and initial projections. Income will be reported on a monthly basis by the Supplier to allow the ongoing success of the model to be assessed and progress towards the income target monitored.

4. Legal Considerations

Section 1 of the Localism Act 2011 provides the Council with the power to do anything that individuals generally may do. This power can be used for commercial purposes or otherwise. The Council may exercise this power for the benefit of the authority, its area, or persons resident or present in its area.

Furthermore, where the Council's assets (including but not limited to websites, Derbyshire Now, the Gold Card and the Trusted Trader scheme) are made available to third parties for commercial purposes, that arrangement would amount to the letting of a concession contract. The Concessions Contracts Regulations 2016 require that contracting authorities competitively procure such contracts where the estimated value exceeds the threshold (currently) of £4.551m. As the value of this proposed arrangement is below the Concessions OJEU threshold, no such competitive procedure is required. However, the proposed

Concession Contract must nonetheless be awarded in accordance with the Council's Financial Regulations.

5. Other considerations

In preparing this report the relevance of the following factors have been considered: financial, human resources, human rights, equality of opportunity, health, environmental, transport, property, crime and disorder and social value considerations.

6. Key decision?

No

7. Is it necessary to waive the call-in period?

No

8. Officer recommendations

That Cabinet approve:

6.1 The principle of generating income through advertising at the Council;

6.2 The appointment of an external company to deliver this opportunity, paid on a commission basis through the award of a Concessions Contract awarded under Protocol 1 of the Council's Financial Regulations; and

6.3 North-East Derbyshire and Bolsover District Council's inclusion in the initial phase as a pilot, with a view to potential expansion to other District Councils in the future (with future approval of District Council involvement being delegated to the Executive Director for Commissioning, Communities & Policy.

Emma Alexander
Executive Director for Commissioning, Communities and Policy

Derbyshire County Council Advertising and Sponsorship Policy 2019

1. Background

1.1 The purpose of this policy is to give guidance on the principles and procedures relating to any advertising or sponsorship carried by Derbyshire County Council.

1.2 The application of the principles of Derbyshire County Council's advertisement and sponsorship policy are context-dependent and will, at times, require subjective judgements. These will be communicated to advertisers upon request as reasonably required.

1.3 The standards and procedures contained herein are consistent with Derbyshire County Council's advertising and sponsorship objectives:

i.   To ensure that our position and reputation are adequately protected in advertising and sponsorship agreements.
ii.   To ensure that we adopt a consistent and professional approach towards advertising and sponsorship.
iii. To ensure best value is obtained and provided in sponsorship arrangements, including any arrangements made where we receive either money or a benefit in kind.
iv.   To protect members and individual officers from allegations of inappropriate dealings or relationships with advertisers and sponsors.
v.   To ensure the council consistently implements its commitment in relation to the Local Government Declaration on Sugar Reduction and Healthier Foods.

1.4 Advertisement

i.   For the purposes of this policy, advertising is defined as the following: "an agreement between Derbyshire County Council and the advertiser where we receive money for the placing of an announcement in our publications, on our website, our intranet and other physical sites (including but not limited to: billboards, hoardings, printed materials and vehicles), from an organisation or individual for the act or practice of calling public attention to one's product or service or to raise awareness."
ii.   This policy clarifies the standards for approval of advertisements.
iii. The regulation of advertising in the UK is the responsibility of the Advertising Standards Authority (ASA). The ASA applies the Advertising Codes [http://www.cap.org.uk/Advertising-Codes.aspx]. Any requirements listed herein are to be regarded as in addition to those required by the ASA UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code).
iv.   Derbyshire County Council values advertising revenue and will work to maximise this income stream. Some forms of advertising may be accepted but restricted to certain channels and / or pages on our website and other named publications / opportunities.

A maximum level of advertising will be set for each channel and intrusive advertising will be avoided.

v.   The appearance of advertisement on any council publication is not an endorsement by Derbyshire County Council of that company, product or service. In order to make this clear all publications with advertising should carry the 'Disclaimer Notice' (Annex 1).

1.5 Sponsorship

i.   For the purposes of this policy, sponsorship is defined as the following: "an agreement between Derbyshire County Council and the sponsor, where we receive either money or a benefit in kind for an event, campaign, or initiative from an organisation or individual which in turn gains publicity or other benefits."

ii.   This policy sets the terms upon which sponsorship may be both sought and accepted by Derbyshire County Council.

iii.   We will actively seek opportunities to work with both local and national organisations by identifying sponsorship opportunities of mutual benefit and which are in keeping with our strategic priorities and core values.

2. Standards for approval of advertisements

2.1 Advertisements carried by Derbyshire County Council will not conflict with:

i.   Relevant ASA Advertising Codes.
ii.   Consumer Protection from Unfair Trading Regulations 2008.
iii.   Equality Act 2010.
iv.   The Code of Recommended Practice on Local Authority publicity. [https://www.gov.uk/government/publications/recommended-code-of-practice-for-local-authority-publicity]
v.   The council's policies, cores values or the stated aims and priorities as set out in the Council Plan.
vi.   Additional required standards as outlined below [2.2-2.3].

2.2 Advertising will not be accepted if it promotes any of the following:

i.   Weapons, violence or anti-social behaviour of any description.
ii.   Pornography and sexually explicit services and products.
iii.   Loans and speculative financial products.
iv.   Gambling products, services or organisations.
v.   Cosmetic surgery.
vi.   Tobacco and related products, including e-cigarettes / vaping.
vii.   Alcohol.
viii.   Unproven health and weight loss products e.g. weight loss pills.
ix.   Directly or indirectly, food and non-alcoholic drink which is high in any of fat, sugar and salt ('HFSS' products), according to the Nutrient Profiling Model managed by Public Health England. In any case of doubt, it is for the advertiser to show that their product is not HFSS, their advertisement is not promoting HFSS products or there are exceptional grounds. (See annex 2 for further guidance).
x.   Products that compete directly with our own services.

2.3 Advertising will not be accepted if, in Derbyshire County Council's opinion, it is reasonably objectionable on the grounds that it:

i. Does not comply with the law or incites, provokes or condones someone to break the law (particularly crime, violence and antisocial behaviour).

ii. Discriminates on the grounds of age, race, colour, national origin, religion or belief, sexual orientation, gender or disability.

iii. Poses a health and safety risk. For example, as a result of flickering or other visual imagery in the case of digital media.

iv. Could reasonably be seen as likely to cause pressure to conform to an unhealthy body shape, or as likely to create body confidence issues, particularly among young people.

v. Originates from a prohibited organisation, namely:
- Political organisations, lobby and campaign groups.
- Manufacturers and distributors of tobacco products and / or alcohol.
- Payday lenders.

vi. Is inappropriate to display because it is of a sensitive, indecent or obscene subject matter and/or content. For example:
- It is of a racial, religious or political nature.
- It affects public support for a political party or a person identified with such a party.
- It is likely to cause widespread or serious offence to reasonable members of the public on account of the nature of the product or service being advertised, the design of the advertisement, its wording or by way of inference*.
- It in someway touches on socially contentious issues, contains messages which could be regarded as contentious or a subtext which could cause offense*.
- It can be considered as mocking of a group or citizens.
- It depicts adults or children in a sexual manner or displays nude or semi-nude figures in an overtly sexual context.
- It depicts or refers to indecency or obscenity or uses obscene or distasteful language.

vii. Conflicts with Derbyshire County Council in so far as it:
- Appears to compete directly with a council service, income stream and/or the local economy of the area. Examples are out-of-borough further and adult education colleges and adoption/fostering services.
- Associates the council with organisations in financial or legal conflict with the council.
- Contains negative references to Derbyshire County Council's services.
- Is unacceptable for some other substantial reason which Derbyshire County Council will identify and explain as reasonably required.

*Advertisements which promote tolerance, discourage prejudice, and are in line with the Equality Act 2010, will not normally be disapproved on the grounds that they may cause offence or relate to socially contentious issues. Likewise neither will adverts which intend to promote the right to life, liberty or security of the person, or which reasonably promote causes which are not party political.

3. Procedures for advertisement approval

3.1 All contracts for corporate advertising will be managed centrally through the Communications Service to ensure that the best terms are negotiated, that standing orders are not breached and to ensure continuity should the person originally party to the agreement change jobs or leave.

3.2 The Communications Service will need to see and approve:

i.	All advertising before any Derbyshire County Council publication goes to press or any advertisement is displayed in any part of the council or the borough (including in publications in a civil, ceremonial or fundraising role).
ii.	The layout, content and placement of any advertising features or supplements.
iii.	In all circumstances the Assistant Director of Communications & Customers retains the right to disapprove any advertisement or editorial related to advertisements in line with Section 2 of this policy.
iv.	Acceptance of advertising does not imply endorsement of products and service by Derbyshire County Council. In order to make this clear all publications with advertising or sponsorship should carry the 'Disclaimer Notice' (Annex 1).

4. Standards for approval of sponsorship

4.1 Sponsors carried by Derbyshire County Council must operate within all relevant legislation and guidance including:

i.	UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code).
ii.	Code of Recommended Practice on Local Authority Publicity.
iii.	The Business Protection from Misleading Marketing Regulations 2008.
iv.	The Consumer Protection from Unfair Trading Regulations 2008.
v.	Equality Act 2010.

4.2 Derbyshire County Council cannot put itself in a position where it might be said that a partnership has, might have, or may be thought to have:

| i. | Influenced the council or its officers or members in carrying out its statutory functions in order to gain favourable terms from the council in any business or other agreement. |
| ii. | Aligned the council with any organisation which conducts itself in a manner which conflicts with our aims or values. |

4.3 Derbyshire County Council is not able to enter into agreements for sponsorships which:

i.	Are in direct conflict with the council's advertising policy.
ii.	Are, at the sole discretion of the Communications Service, considered inappropriate in regard to the organisation, individual or in respect of particular products.
iii.	Involve companies who produce or promote predominantly HFSS foods and / or drinks (according to the Nutrient Profiling Model) including sports drinks, fruit juices and smoothies.
iv.	In accordance with the International Code of Marketing of Breast-milk Substitutes, involve companies who produce or promote infant formula, other infant milks, bottles and teats, and foods marketed as suitable before 6 months of age.

4.4 Sponsorship materials must:

| i. | Not detract from Derbyshire County Council's strong corporate identity. |
| ii. | In their nature and content, be consistent with advertising policy as set out in Section 2. |

5. Procedures for sponsorship approval

5.1 Before seeking sponsorship, council officers must consider this policy document and follow the guidelines provided. It is recommended that all potential sponsors are referred to this policy.

5.2 In accordance with our procurement policy and procedures we may advertise a sponsorship opportunity to potential sponsors.

5.3 Sponsorship agreements must be referred to Legal Services for review prior to signing. Before agreeing to any sponsorship opportunity all financial costs must be identified, including the sponsorship equivalent value of any sponsorship in kind.

5.4 All sponsorship bids shall be approved by the Assistant Director of Communications and appropriate Cabinet member.

5.5 The Communications Service will agree with the sponsor the nature and content of the publicity and will retain the right to approve all advertising material in line with advertising policy.

5.6 Acceptance of sponsorship does not imply endorsement of products and service by Derbyshire County Council. In order to make this clear all publications with sponsorship should carry the Disclaimer Notice in Annex 1.

Annex 1: Disclaimer Notice for advertisement or sponsorship

'Whilst every effort has been made to ensure the accuracy of advertisements contained in the publication, Derbyshire County Council cannot accept any liability for errors and omissions. Derbyshire County Council cannot accept any responsibility for claims made by advertisers and their inclusion in [name of publication] should not be taken as an endorsement by Derbyshire County Council.

Annex 2: Guidance for decisions regarding advertising including high fat, salt or sugar food and non-alcohol drinks.

1. Definition of high fat, salt, sugar foods:

   1.1 Consistent with the Transport for London advertising policy effective 25 February 2019 the UK Nutrient Profiling Model (NPM) has been adopted by Derbyshire County Council to define high fat, salt and sugar (HFSS) foods.

   1.2 Any revisions to the NPM will be reflected in the advertisement decisions made by the council.

   1.3 Explanatory guidance for calculating the Nutrient Profile score for food and drink can be found here: https://www.gov.uk/government/publications/the-nutrient-

profiling-model. It is the advertisers' responsibility to verify the HFSS status of any product featured in their advertisement.

2. Exemptions:
    2.1 Advertisements including food and non-alcoholic drink considered HFSS under the NPM may be considered for an exception by Derbyshire County Council if the advertiser or their agent can satisfactorily demonstrate and evidence that the product does not contribute (via HFSS diets) to obesity in children or adults.

3. Decision Table:

Advertisement Content	Outcome	Notes
Only non-HFSS products featured	Approval	Advertisement must also meet standards for approval of advertisements; Section 2.
Only HFSS products featured	Rejection*	
A range of products are featured, including some which are HFSS	Rejection*	A meal or range e.g. meal deal will only be accepted if all products or food items are non-HFSS. Applies across all settings (restaurants, delivery services etc.)
No food or non-alcoholic drink is featured directly, but the advertisement is from a food and non-alcoholic drink brand.	Approval only if the advertisement promotes healthier options, with no HFSS product included*.	Inclusive of ads with brand logos only, directions to a brand's physical, mobile or online presence, or promotional advertising.
Food or non-alcoholic drink is shown incidentally or implied	Probable rejection if the food or non-alcoholic drink can be reasonably considered to be HFSS*	Includes cases in which the depicted food is made from non-food products.
Food and non-alcoholic drink is referenced in text or through graphical representations	Possible rejection if the advertisement can be reasonably considered to promote HFSS food*	Includes cases in which references do not relate to a specific product which can be assessed for its HFSS status.

*[unless a practical exemption has been agreed for the HFSS

This page is intentionally left blank

Agenda Item No 6(b)

DERBYSHIRE COUNTY COUNCIL

CABINET

13 February 2020

**Report of the Executive Director for
Commissioning, Communities and Policy**

**Procurement Transformation Mid-Programme Update
Enterprising Procurement Vision & Mission
Procurement Strategy 2019-24 and Implementation Plan**

(CORPORATE SERVICES)

1   Purpose of the Report

1.1   Receive and review the Procurement Transformation Mid-Programme Update

1.2   Receive and review the Enterprising Procurement Vision & Mission

1.3   To note and approve the Council's Procurement Strategy 2019-24.

2   Information

The three attached documents provide the following;

2.1   An update of the progress to date on the delivery of the previous 2018-21 procurement strategy at the halfway stage of the Procurement Improvement Programme.

2.2   A description of additional actions taken which were outside the scope of the previous procurement strategy.

2.3   Explain how the Procurement Vision and Mission utilises CIPS best practice to shape the future activity of Corporate Procurement to most effectively support the Council achieve the objectives defined in the Council Plan 2017-21

2.4   An explanation of the move to an annually updated five year rolling strategy which will contain an annual plan of work deigned around CIPS best practice and changing organisational needs.

2.5   The annual iteration of the Procurement Strategy as required by the Councils Financial Regulations.

PHR-1019   1

3   Background Papers
        The following papers are attached
        3.1   Procurement Transformation Mid-Programme Update
        3.2   Enterprising Procurement Vision & Mission
        3.3   Procurement Strategy 2019-24 and Implementation Plan

4   Officer's Recommendations

It is recommended that Cabinet:

4.1   Approve and endorse the Council's 2019 iteration of the Procurement
         Strategy covering the period 2019-2024

EMMA ALEXANDER

Executive Director for Commissioning, Communities and Policy

MID-PROGRAMME

UPDATE OF THE

2018-2021

PROCUREMENT STRATEGY

IMPLEMENTATION

PROGRAMME

Contents

Introduction and Overview of Year One of Two of the Procurement Strategy Implementation Programme

This document is an overview of the progress of the initial twelve months of the twenty four month programme to deliver the 2018-21 DCC Procurement Strategy and transform procurement. The update will give an overview of what has been completed to date and the approach being taken in the second half of the programme.

At the time of writing, 74% percent of the 2018-21 Procurement Strategy objectives have been either started, are awaiting IT or have been completed. Along with a number of other significant activities, which have been delivered that were not included in the original strategy, demonstrate significant progress within the first year. Of the remaining 16 items (25.8% overall), which have not yet been started, 12 (75%) of these will be addressed in a 'Value' programme which is being scoped and will be completed within the second year of this programme.

The remaining four items relate to strategic sourcing and supplier relationship management, which will be delivered via the implementation of category management, which will also be substantively completed in the second year, subject to successful recruitment.

It should be noted that a number of significant deliverables, which collectively form a procurement portal, are externally dependant on the DCC IT department and, whilst every effort has been made to support and assist where possible, County Procurement does not have control over the delivery of its technology capacity and capability other than with the use of Pro-Contract to which there is a dedicated stream of development activity.

Foundation Work and Fixing the Underlying Issues

DCC Procurement, now named 'County Procurement', is halfway through the implementation of the 2018-21 Procurement Strategy. DCC Procurement itself has over the last few years undergone a number of restructures and changes of leadership, which meant that more fundamental work had to be undertaken in parallel to the delivery of the Procurement Strategy. Morale was low and there was a lack of consistent leadership and management structure in place. This has now been resolved by a number of whole team development sessions and the implementation of a regular Procurement Leadership meeting.

A further fundamental issue has been in the availability of key information from which leadership decision can be made. Work has been undertaken to move a legacy bespoke in-house contract management database into the corporate Pro-Contract solution to give a 'single view of the truth'. The use of technology generally is lagging and a programme of work has been undertaken to introduce new technologies to improve visibility of performance and to aid decision making.

All of the activity and more has been completed in addition to the delivery of the Procurement Strategy. Many of the items identified were fundamental and items in the Procurement Strategy were dependant on them being in place before they could be delivered. Details of some of the major activities are found in the table in 1.3.

Note on the Existing and Future Procurement Strategy Development Process

It appears the historical approach to strategy writing was to take a point in time and to write a five year strategy from that point to five years into the future, at the end of which the process would start again. This created a number of issues, namely that the time to write the strategy and have it signed off would be in the region of 12 to 18 months meaning a gap in strategy, or starting the strategy three fifths of the way through the existing strategy delivery. Furthermore

the pace of change in the real world meant that the strategy would be in part outdated by the time the strategy was signed off and be completely outdated by the time it expired five years into the future.

Paragraph 2.6.3 of the Council's Standing Orders Relating to Contracts, Appendix 8B mandates a different approach, which is that: "2.6.3 The Chief Financial Officer is responsible for annually producing and updating the Procurement Strategy for approval by Cabinet." To ensure compliance with the Council's 'Standing Orders Relating to Contracts' and ensure that the Procurement Strategy remains current and relevant, a new approach is being adopted.

The Procurement Strategy will be constructed and maintained as follows.

The existing strategy will be reviewed and refreshed on an annual basis. It will cover five years into the future with the start and end year incrementally moved forward by one year, each subsequent year. E.g. 2018-23, 2019-24, 2020-25 and so on.

The strategy will have a short, medium and long term view based on what is known at the time of writing. This will ensure that the objectives that are more certain and tangible can be dealt with in the Annual Strategy Delivery Plan, where longer term horizon scanning can be dealt with in the medium/long term. This will maintain focus on the relevant, whilst keeping a weather eye on future developments.

The end of year Annual Strategy and Performance Review Report will record progress against the Annual Strategy Delivery Plan as set out in the previous iteration of the strategy. It will also record activities that were undertaken, which were not included in the original strategy, which may be then added to the next iteration strategy if deemed appropriate.

Each annual revision of the Procurement Strategy will include an Annual Strategy Delivery Plan, which delivers elements of the strategy that are deemed relevant or in need of action in the following twelve months.

This mid-programme update will comprise of a pack of documents, which collectively cover off the delivery 2018-23 Procurement Strategy; develop a different method of strategy creation and delivery; align the procurement transformation programme to the DCC 'Enterprising Council Approach' and 'Derbyshire Council Plan 2019-2021; and create the 2019-2024 Procurement Strategy, including the Annual Strategy Delivery Plan. The documents included in the mid-programme update are as follows:

- This Mid-Programme Update Report;
- The Enterprising Procurement Paper Vision and Mission document; and
- The 2019-2024 Procurement Strategy and Annual Strategy Delivery Plan

Note on work that has been undertaken, which was not included in the Procurement Strategy

As stated above in the Introduction and Overview, there have been a number of additional activities that have been completed that were not included in the Procurement Strategy. A table of the major items is included below.

Description	Status
1. Implementation of Scrum/Agile As there is no surplus funds available to set up a traditional Prince 2 project management office, the use of scrum and agile has been adopted by the transformation programme to ensure delivery. This is a lightweight but powerful approach to project management which allowed the first piece of programme delivery to be achieved in just sixteen working days after	Complete

programme kick off. Additional support in scrum and agile methodologies has also been provided to Enterprising Council, Highways and DCC Traded services.	
2. Creation of an annual forward plan of procurements process, driven by the contracts database, which will be annually reviewed by the various service areas and will be used as the basis for the planning of procurement activity though the year.	Progressing
3. Data Migration to ProContract A large effort has been expended to bring all of the contract data from the Corporate Procurement SQL database and the wider Council into the Council's centrally managed ProContract system, which when fully completed will mean that all contract information will reside in a single location and enable reporting and status of procurements/contract to be more easily monitored and manged. When complete this will also automate the generation of the transparency data, which at present is a multi-stage manual process, which is inefficient and error prone. A copy of the Procurement Data Cleanse Phase 1 Completion Report is included as Appendix 3 to give further insight into the process being undertaken.	Progressing due complete December 2019
4. Retraining of all procurement staff in the use of Pro-Contract with plans to extend this to the wider DCC user group as part of ongoing efforts to raise standards of knowledge and the reduction of errors in the system.	Ongoing
5. Creation of a Procurement Support Function within the Council's Core Business System team. Procurement resource has been transferred into the team to enable the County Procurement team to focus on strategic procurement and to maintain data integrity in the system and to develop analysis capability. In addition, the Core Business System Team has taken over the management of the Pro-Contract system to provide technical support, training, system enhancement and to fully exploit the features of the Pro-contract system which had previously not been utilised.	Complete
6. Development of Enterprising Procurement It is clear that the current Procurement Strategy does not go far enough and is not clear enough as to how it will deliver savings and an excellent procurement function. In addition, DCC Standing Orders relating to Contracts mandate that the Procurement Strategy will be refreshed every year and submitted to members for sign off.	Complete
7. Standardised DCC Savings Methodology There is at present no standardised methodology for reporting and validating savings made and as such at present corporate procurement savings self-validated and hence could be challenged. A draft savings validations process paper has been created and has been being circulated to technical finance for approval before being adopted.	Progressing
8. Relocated the Procurement Team from County Hall to Chatsworth Hall. This dealt with a number of fundamental issues such as standardisation of process and developing closer team working, stronger identity, improved morale and overall performance.	Done
9. Creation of a single repository and process to monitor business case by protocol type and to capture their progress through the stages of development. This data is informing the improvement of procurement protocols, identifying bottlenecks and reducing lag in the business case system.	Done - BAU
10. Development of a Procurement Reporting Pack, which will capture all relevant procurement metrics and data such as tracking progress against the forward plans of procurement, savings made and spend against contract etc., which will eventually be published across the organisation.	Progressing

A draft of the Procurement Reporting Pack is attached to this document as Appendix 2 to give a sense of how this is progressing, though further development work is underway.	

Procurement Strategy Delivery Performance Metrics

Below are a series of visualisations of the status of the Procurement Strategy objectives and their progress. It should be noted that there is no estimation of the quantum of effort or weighting given to each of the objectives or their sub-components as it was deemed disproportionate at this juncture as the objective is to give a general overview of progress against the current Procurement Strategy.

In the delivery of the projects within the new Procurement Strategy, objectives will be given an estimate of relative effort to other strategic deliverables to enable more accurate recording of progress. At present a small piece of work or functionality that is completed will carry the same weighting as a large strategic objective sub-element that is completed.

Note on the colour coding used in the document

The document uses a typical Red, Amber, Green (RAG) colour coding system based on the following criteria.

Colour	Criteria
Red	The work has not been started. This does not mean that there is an issue, only that the work has not begun. All aspects of the strategy have a proposed solution, however, not all have been initiated at this moment in time. Red should not be read as an exception or issue, only a comment on its status regarding stage of delivery. Any issues in the programme during the day-to-day running of the programme will be reported by the HoP to the Dir of Finance and dealt with as appropriate.
Amber	Items that have begun and are underway. This will include items where there are external dependencies, or where the scale of the work means that it has not yet been completed.
Green	The item is complete and no further work is required. The item in question may have moved into business as usual and may, as a result, require ongoing updating or reporting on. Though for the purposes of this change programme, no further change work is required at this point. Items may enter the change programme at a future date if required.

TABLE 1, LIST OF THE STRATEGY OBJECTIVES AND NUMBER OF SUB-ELEMENTS IN EACH

Objective Title	% of Total	Count of items
Objective 1: Governance and Guidance	20.97%	13
Objective 2: Value for Money (VfM)	11.29%	7
Objective 3: Social Value	9.68%	6
Objective 4: Skills and Development	12.90%	8
Objective 5: Strategic Sourcing	19.35%	12

Objective 6: Category Leads	8.06%	5
Objective 7: Supplier Relationship Management (SRM)	17.74%	11
Grand Total	**100.00%**	**62**

% of total delivery by status

- Not yet started
- Progressing
- Complete

27.42% | 25.81% | 46.77%
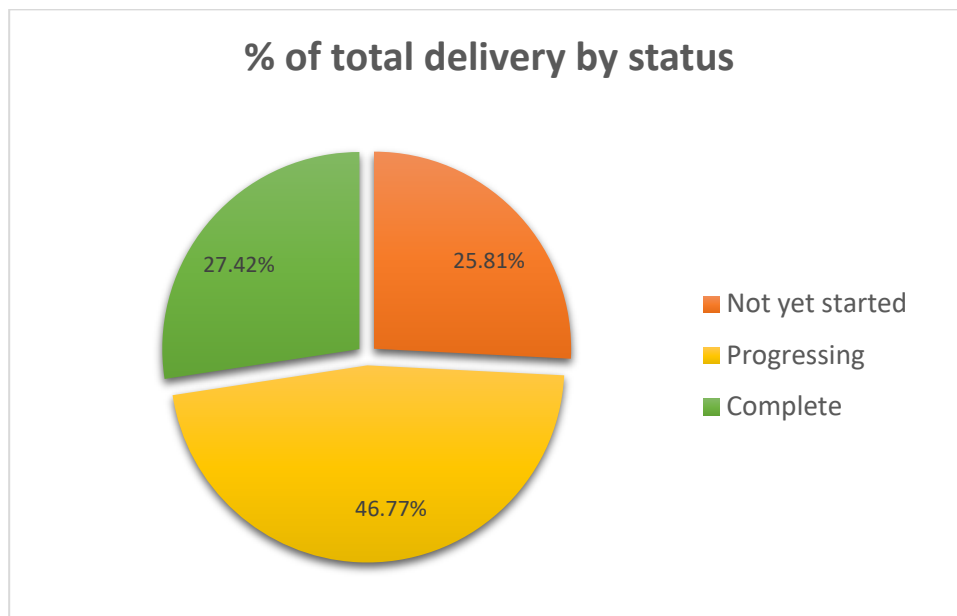
Pie chart at figure 1, shows that 74.2% of the strategic objectives have been either started or are complete. Of the 25.81% total 'Not yet started', twelve of those which account for 75% are in the Value for Money and Social value which are planned for the second year of the programme, with the Social Value project having been started slightly ahead of time, though the project is embryonic and it is not currently reported as progressing owing to its early stage.

.

TABLE 2, COUNT AND PERCENTAGE BY STATUS

Row Labels	% of Total	Count by Current Status
Not yet started	25.81%	16
Progressing	46.77%	29
Complete	27.42%	17
Grand Total	**100.00%**	**62**

TABLE 3, COUNT OF RAG BY OBJECTIVE

Objective Title	Not yet started	Progressing	Complete
Objective 1: Governance and Guidance	1	7	6
Objective 2: Value for Money (VfM)	6	1	1
Objective 3: Social Value	6	1	1
Objective 4: Skills and Development	1	2	6

Objective 5: Strategic Sourcing	2	7	3
Objective 6: Category Leads	1	5	1
Objective 7: Supplier Relationship Management (SRM)	2	8	1
Grand Total	**16**	**29**	**17**
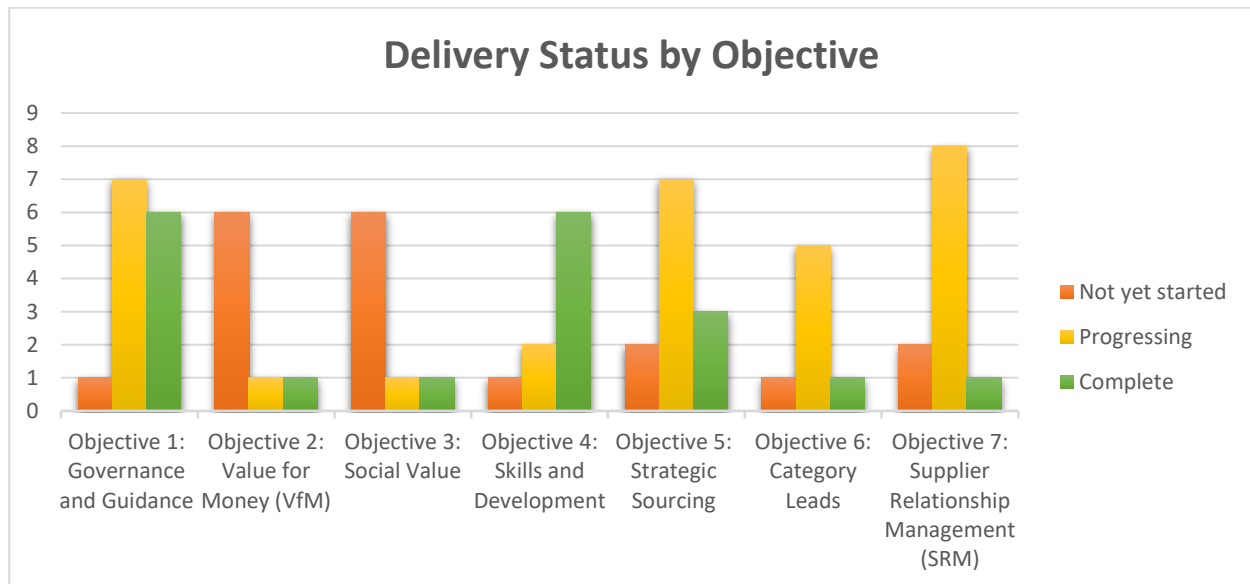
Appendix 1, Table 4 -2018-2023 Procurement Strategy Delivery Status and Comment

Objective Theme	No	Objective Title	Current Status	Comment
Objective 1: Governance and Guidance	**1.1**	Engage with the Enterprising Council Board with Council-wide representation and implement, appropriate governance arrangements with a remit to review Strategic Sourcing and Supplier Relationship Management and make recommendations for improvement;	Progressing	Completed a series of engagement events with the Enterprising Council (EC) Programme. Have supported/ implemented Scrum and Agile. The EC Programme has been used to inform the Enterprising Procurement Vision and Mission Paper.

The specific review of Strategic Sourcing and Supplier Relationship Management is picked up in other specific areas and is delivered via the Enterprising Procurement Business Case.
Future requirements with the EC Programme will be monitored by regular check in sessions. It is not envisaged that this Objective will be carried forward other than delivering the Enterprising Procurement business case. |
| Objective 1: Governance and Guidance | **1.2** | Implement a risk-tolerance policy to encourage flexibility in procurement and reduce the timescales required for procurement; | Done | Procurement has adopted and is implementing the Council's Risk Management Strategy. As a result there is now a County Procurement Team Risk Register which is regularly updated and monitored. Further refinements are underway. Risk management is now a standing item on the County Procurement monthly meeting with the register being reviewed. |
| Objective 1: Governance and Guidance | 1.3 | Introduce more risk-tolerant procedures to promote flexibility in procurement and reduce procurement timescales by removing the need, under the Council's Financial Regulations, to seek Cabinet/Cabinet Member approval to procure where a procurement has not been included in a | Done | Procurement has adopted and is implementing the Council's Risk Management Strategy. As a result there is now a County Procurement Team Risk Register which is regularity updated and monitored. Financial Regulations were updated 01/04/19 which removed the requirement for Cabinet approval to procure and award on a project by project basis. A procurement Forward |

		Service Plan, meaning that only approval to award will now be required;		Plan is now produced at a departmental level on an annual bases and approval is sought from Cabinet as part of the Departmental Service Plan. Approval to award has also been delegated to Executive Directors in line with the Departmental Scheme of Delegation. In addition, there is an understanding that the Council's Standing Orders Relating to Contracts are to be reviewed in October/November 2019 to which County Procurement will have input.	
Objective 1: Governance and Guidance	1.4	Secure commitment to effective, consistent and coordinated procurement from members and officers in order to achieve the delivery of high quality, innovative and cost-effective services;	Progressing	Creation of the Category Management approach will deliver consistent engagement with the organisation. A regular monthly planning meeting and process to monitor progress has been established with ETE and remaining business areas once recruitment is completed.	
Objective 1: Governance and Guidance	1.5	Require procurement practitioners to remain up to date with policy, guidance and legislative changes affecting procurement;	Done	A training audit has been completed and courses made available, specific training in Pro-Contract and Light Touch regime and the use of skype have been delivered with more to follow. Staff developmental requirements are now being recorded as part of staff supervision (1-2-1) sessions and collective requirements monitored to ensure future training address team wide requirements.	
Objective 1: Governance and Guidance	1.6	Support the implementation and delivery of the Enterprising Council 'Early Starts' Programme;	Done	Support has been provided to Enterprising Council across a number of its work streams, however, as of yet no specific request has been made to support with the Early Starts Programme. Support will be offered as and when it is requested.	
Objective 1: Governance and Guidance	1.7	Ensure the transfer of learning and development from the Enterprising Council approach to influence both commissioning and procurement practices and iterate guidance where appropriate;	Done	There is not currently any learning and development material emanating from the Enterprising Council programme. Once this is made available it will be implemented.	
Objective 1: Governance and Guidance	1.8	Develop, and update as required, standard template procurement documentation to be used across the Council;	Progressing	Initial work has been done to audit and catalogue the currently used materials and further work has been done to standardise and automate the templates. This will	

				eventually be held in the Procurement Portal which is awaiting ICT to deliver. Additional work will be undertaken to standardise where possible, to ensure that there are only variances in the core document set where required, which will be distributed using EDRM until such time as the Procurement Portal is live.
Objective 1: Governance and Guidance	1.9	Publish and monitor the use of standard procurement documentation templates and associated guidance on the Council's Procurement Connection website;	Progressing	Initial work has been done to audit the currently used materials and further work has been done to standardise and automate the templates as per 1.8. It is not appropriate to use the Procurement Connection website to store the Council's internal procurement documentation as this creates confusion for anyone trying to do business with the Council. The live document set and explanatory materials will be presented through the Procurement Pilot which is awaiting ICT.
Objective 1: Governance and Guidance	1.10	Raise awareness and share understanding within the Council of the complex regulatory framework in which procurement operates, and improve understanding of high risks in respect of financial, legal, environmental, health & safety and reputational impacts;	Progressing	There has been a number of training sessions to update the organisation on the updated Standing Orders Relating to Contracts which are part of the Financial Regulations, the feedback from which was used to provide further enhancements to the document Further training has been provided on changes to the use of ProContract and further work will be undertaken to increase awareness using the Procurement Portal. This will, in part, be achieved using the Procurement Portal which is currently awaiting ICT. The structure of procurement will be changed to align itself with the organisational structure and will allow for an account management type approach with material being disseminated via the relevant procurement leads. This approach has been successfully piloted in ETE.

Objective 1: Governance and Guidance	1.11	Share information and best practice with other local authorities;	Done	The Council has now reconnected with the East Midlands Procurement Hub to give it a stronger voice in the region. Specific pieces of work have been undertaken with Nottingham City on a DPS for taxi services and with Lincolnshire for DFG grants. This is now part of the culture and will continue to be strengthened as part of BAU.
Objective 1: Governance and Guidance	1.12	Develop an eLearning module to provide all current and new Council staff with an understanding of procurement;	Progressing	Work is underway to reconfigure the induction pack, this will eventually be translated into an eLearning module. This will, in part, be achieved using the Procurement Portal which is currently awaiting ICT. At present the current Intranet is not able to support the creation of eLearning module. Discussion with the Council's e-content team is also scheduled to look at possibilities of an online learning module on the Standing Orders Relating to Contracts which are part of the Financial Regulations. It is envisaged that self-service training will be made available via the Procurement Portal. Work will be undertaken to review which parts of training should be made compulsory.
Objective 1: Governance and Guidance	1.13	Publish datasets in line with, and where possible exceeding, the requirements of the Local Government Transparency Code 2014 (The Code).	Progressing Due Dec 2019	A large effort has been put into loading all of the Council's contract data, which was not contained in any single system into the ProContract system. The ProContract system automates the publication of contract notification in keeping with the government Transparency Code. Once all of the contracts are loaded into ProContract they will be made live, meeting the Council's Transparency obligations.

Objective 2: Value for Money (VfM)	2.1	Establish and develop a VfM Board to oversee VfM reviews of key contracts, supporting its representatives to undertake reviews and make recommendations;	Done	Complete, however, this does not undertake a corporate wide approach to value for money, so this will be picked up in a wider project that will look at value.
Objective 2: Value for Money (VfM)	2.2	Support and promote an understanding of what VfM means in practice across the Council;	Not yet started	As per 2.1
Objective 2: Value for Money (VfM)	2.3	Maintain VfM as a key principle underlying all procurement processes and ensure it remains a clear and central focus through the life cycle and management of all contractual arrangements;	Not yet started	As per 2.1
Objective 2: Value for Money (VfM)	2.4	Develop whole life costing models to assess and evaluate costs and benefits (including social value) over the lifetime of goods, works and services;	Not yet started	As per 2.1
Objective 2: Value for Money (VfM)	2.5	Encourage and promote the use of joint working, collaboration and partnership arrangements, to deliver cost savings through economies of scale	Not yet started	As per 2.1
Objective 2: Value for Money (VfM)	2.6	Deliver year on year efficiencies and savings through the contractual arrangements we establish and manage;	Not yet started	As per 2.1
Objective 2: Value for Money (VfM)	2.7	Challenging procurement approaches which do not optimise VfM.	Not yet started	As per 2.1
Objective 3: Social Value	3.1	Ensure contractual terms require primary contractors to act fairly in their dealings with sub-contractors and supply chains, including mandating timely payments;	Not yet started	The section on social value will be reviewed in a wider workstream on value. Where relevant and plausible, County Procurement will work with Legal to ensure

				contractual terms drive behaviours which deliver enhanced social value.
Objective 3: Social Value	3.2	Consider, for each procurement project, how and what is procured might improve the economic, social, and environmental well-being of Derbyshire residents and how that improvement might be secured, where relevant and proportionate – in line with the Public Services (Social Value) Act 2012;	Not yet started	See 2.1
Objective 3: Social Value	3.3	Ensure technical specifications address the requirement for services to be equally accessible to everyone and appropriate to the diverse needs of all sections of the Derbyshire community;	Not yet started	See 2.1
Objective 3: Social Value	3.4	Consider whether it is appropriate, on the basis of the user requirement and specification, to reserve contracts for organisations providing supported employment opportunities for people with disabilities;	Not yet started	See 2.1
Objective 3: Social Value	3.5	Produce clear guidance on additional value principles into procurement decision making such as the use of sustainability, equalities and Social Value impact assessments;	Not yet started	See 2.1
Objective 3: Social Value	3.6	Review our implementation of the Public Services (Social Value) Act 2012 to ensure it remains proportionate and fit for purpose	Not yet started	See 2.1
Objective 4: Skills and Development	4.1	Ensure that procurement practitioners have the necessary commercial skills to engage and develop relationships with providers, as well as engage and negotiate effectively with suppliers to influence and respond to a change in demand or supplier approach;	Progressing – Ongoing BAU	An Enterprising Procurement Vision & Mission paper has been written to create a commercial capability in the County Procurement Team. This will provide the required commercial capability. This is agreed in principle by Pete Handford and will be submitted as a

				business case in October 2019 along with the annually updated procurement strategy.
Objective 4: Skills and Development	4.2	Ensure that procurement practitioners have access to training and development opportunities including, where appropriate, formal procurement qualifications and professional development;	Done	A skills audit has been undertaken and training made available to all those identified as requiring it. A process for promoting development opportunities within the procurement category teams has been introduced where staff are able to move between teams when vacancies occur. This offers opportunities to team members to develop knowledge of regulations, which are more applicable to particular procurement categories such as LTR and major works procurements.
Objective 4: Skills and Development	4.3	Commit to a positive learning culture through adopting a 'train the trainer' and a skills and knowledge sharing approach;	Done	Regular training is now being provided and internal resources are undertaking training each other where appropriate, this is augmented with external specialists where it is deemed necessary. An example has been the insourcing and upskilling of Council staff in ProContract where we now have undertaken a knowledge transfer process and have sufficient in-house capability to support ourselves in all but the most technical elements of the system. Tech Champions have been identified to accelerate and enhance the uptake of technology in the team. Bringing the team together into a single open plan environment has created a culture of skills and knowledge sharing.
Objective 4: Skills and Development	4.4	Require all procurement practitioners to undertake regularly scheduled 'My Plan' meetings to identify personal and professional development plans and	Done	All My Plan meetings are regularity conducted by management with their staff through regular 1 2 1 meetings. Developmental requirements are recorded

		objectives, including where applicable achieving the qualification of MCIPS (Member of Chartered Institute of Procurement & Supply);		and collective requirements monitored to ensure future training address team wide requirements.
Objective 4: Skills and Development	4.5	Require all procurement practitioners to retain membership of CIPS (Chartered Institute of Procurement & Supply);	Done	Done
Objective 4: Skills and Development	4.6	Require MCIPS procurement practitioners to maintain an appropriate CPD (Continuing Personal Development) programme to record their annual development activity;	Done	Done
Objective 4: Skills and Development	4.7	Gather evidence and case studies of good and effective commissioning and procurement to share and enable best practice;	Progressing	Procurement staff regularly pass information from industry, press and personal experience to each other. It is envisaged that this will eventually be put into the Procurement Portal once it becomes available. This will be further enhanced with the Procurement Portal and associated Team Site
Objective 4: Skills and Development	4.8	Adopt best practice in procurement in a holistic way.	Done	Done - The team ethos and culture creates a holistic approach to procurement.
Objective 5: Strategic Sourcing	5.1	Utilise benchmarking where possible to understand how the Council's contracts perform in comparison to similar contractual arrangements put in place by comparable organisations and the NPS for Local Government in England (current version 2014);	Not yet started	Not yet started. This element is dependent on the there being reliable and sufficient quantities of data to enable detailed analysis of category spend. Work is underway to facilitate this.
Objective 5: Strategic Sourcing	5.2	Use the information available through the Council's Core Finance and Procurement System (SAP) to identify high volume - low value and repeat off-contract purchases;	Progressing	Data from SAP is available from the SAP team, but is not routinely analysed. Initial work completed using Microsoft Power BI, further work will be completed using the Procurement Commercial Capability once in place.

Objective 5: Strategic Sourcing	5.3	Consider, where appropriate, the options to break-down and package requirements into Lots, to open more opportunities to a larger more diverse number of suppliers, including those in the local area;	Progressing	Work is underway to increase the use of Dynamic Purchasing Systems to lower barriers to entry and allow SMEs and local companies' easier access to Council opportunities. Additional work in further developing data analytics capabilities will be used to find market opportunities, which ensure procurements have as wide a participation as is possible including local providers. Once the category management structure is in place, there will be the ability to feedback market structure data to the organisation.
Objective 5: Strategic Sourcing	5.4	Work with partner organisations including the Derbyshire Economic Partnership, The East Midlands Chamber of Commerce and The Federation of Small Businesses to support SMEs and VCSEs to improve access to information about the Council's procurement processes and the tender opportunities advertised by the Council;	Not yet started	This will be picked up in Wave 2, part of the wider information and interface work.
Objective 5: Strategic Sourcing	5.5	Continue to promote the Source Derbyshire website (www.sourcederbyshire.co.uk), which is part of the wider Source East Midlands initiative, as the primary location where information about all of the Council's tenders can be found, including information on the option to set up tender alerts for future opportunities;	Progressing	Consideration is being given to the ongoing benefit of Source Derbyshire – analysis has shown a dramatic reduction in usage since the change in Procurement regulation which required all opportunities to be advertised via Contract Finder. Members of the EMHOP (East Midlands Heads of Procurement) are considering options for continuation. It should also be noted that the sites have also been superseded with the introduction of ProContract. Source Derbyshire may be kept live, but with only a direction 'link' back to the ProContract site.
Objective 5: Strategic Sourcing	5.6	Promote opportunities for collaboration between departments and other public sector bodies, to make better use of available procurement resources;	Progressing	This is being picked up during events and will ultimately be the responsibility of the category leaders as they develop their relationships.

This has begun via the ETE and Property monthly meetings and will be further enhanced by the |

				implementation of category management where category managers will share opportunities for collaboration where spend categories warrant it. Once target areas of send are identified, networks will be checked for partner opportunities. External opportunities will be taken on a case by case basis as is with Sinfin and collaborate with Derbyshire Dales District Council. Closer working with Nottingham City and other councils via the regional head of procurement board may also yield further opportunities.
Objective 5: Strategic Sourcing	5.7	Become the business partner of choice;	Done	Done - County Procurement is the business partner of choice
Objective 5: Strategic Sourcing	5.8	Extend the use of available procurement technology across the Council, including the Council's retendering portal and capitalising on the benefits of the additional functionality being developed through SAP;	Progressing	The Councils e-tendering portal (ProContract) is being enhanced and developed to make the existing functionality much easier to use, leading to a number of process/time efficiencies such as with online tender evaluation. Management of the system has been handed over to the 'Core Business Systems Team' who will ensure future development is maintained and the system knowledge is kept in-house. A mid and long term technology strategy will be developed over the next 12 months to ensure procurement takes advantage of technology as new developments arise. Future developments will look at the new capability within SAP HANA and the potential for using the SAP Ariba system. Work is underway to develop a procurement portal using Microsoft Enterprise E365. This is dependent on ICT

					which at present is getting to grips with the implementation and as such this Objective is externally dependant.
Objective 5: Strategic Sourcing	5.9	Take a risk-tolerant approach that is proportionate to the contract, and where appropriate empowering local decision making;	Done		County Procurement has adopted the council's risk management process which will used to develop a County Procurement Specific Risk Log.
Objective 5: Strategic Sourcing	5.10	Work with partner organisations to promote effective collaboration to achieve economies of scale, greater buying power and VfM;	Progressing		The Council has co-procured its procurement portal thought the East Midlands Procurement Partnership of which the Council is an active member. As the category management is implemented, the subsequent category analysis and benchmarking will identify opportunities for partnering. Category managers will also work with their respective business partners to review Forward Plans and emerging requirements to identify areas of collaboration.
Objective 5: Strategic Sourcing	5.11	As part of the Enterprising Council approach, support the review of services and facilitate the consideration of alternative delivery mechanisms;	Done		Done - County Procurement is connected in with the Enterprising Council Programme and will assist as required.
Objective 5: Strategic Sourcing	5.12	Establishment of appropriate governance arrangements, responsible to the Enterprising Council Board, to oversee the development of the Strategic Sourcing approach and to identify opportunities for improving outcomes and/or increasing VfM through a strategic review of planned procurements.	Progressing		Although not governed by ECB, procurement work has stated with departments via monthly procurement review meetings held at assistant/director level. The department's entire contractual landscape has now been made visible and procurements can be considered and planned as part of that entire landscape. A pilot approach has been tested with ETE and will be rolled out more widely once category managers are in place.
Objective 6: Category Leads	6.1	Identify the main spend categories across the Council, through an assessment of	Progressing		Work is underway to develop data analytics capability. This model will be developed further to give a map of

		current and future requirements, historical spend and existing arrangements;			spend across the organisation which will be used by category leads in working with their respective teams.
Objective 6: Category Leads	6.2	Develop innovative and bespoke strategies and goals for each category that address the specific challenges, risks and opportunities of that business area;	Progressing ,		This will be delivered by the category leads once in place.
Objective 6: Category Leads	6.3	Utilise in depth knowledge of the business need, market, supplier base, and delivery options to develop the requirements and procurement processes that are most appropriate to the specific areas of the market;	Progressing		This will be delivered by the category leads once in place.
Objective 6: Category Leads	6.4	Continuously monitor and develop the category areas, to address both changes in the markets and additional areas of spend that the Corporate Procurement Service is involved with;	Progressing		This will be delivered by the category leads once in place.
Objective 6: Category Leads	6.5	Review market information to identify areas where there is significant risk to service viability and sustainability.	Progressing		This will be delivered by the category leads once in place.
Objective 7: Supplier Relationship Management (SRM)	7.1	Adopt a robust approach to contract and supplier management;	Not yet started		This needs further work – Wil be picked up in Year 2 of the programme.
Objective 7: Supplier Relationship Management (SRM)	7.2	Ensure SRM, including contract management, is recognised as an integral part of the procurement cycle, integrated into the procurement process and can be evidenced;	Progressing		SRM will be delivered once the structure is configured to category management. Once in place the category plans for each category will cover off the SRM elements. Data management has now been enabled in ProContract to drive the initiation of new procurements. There will be further automation and embedding of SRM in the procurement portal and potential further enhancements of ProContract and SAP once initial analysis is complete.

Objective 7: Supplier Relationship Management (SRM)	7.3	Scrutinise contractual arrangements following award, including consistent measuring and monitoring throughout their life cycle, to ensure the stated benefits and service levels are achieved;	Progressing	Contract management will be delivered via the category management structure once in place during the second half of the programme delivery. This will be supported by improved data and underpinned by a consistent approach, enabled by an enhanced technology solution.
Objective 7: Supplier Relationship Management (SRM)	7.4	Apply a pro-active and effective approach to the management of established contractual arrangements, ensuring suppliers are supported to enable them to meet their obligations; determine and manage risks; and identify and introduce opportunities to generate further savings and efficiencies.	Progressing	Contract management will be delivered via the category management structure once in place during the second half of the programme delivery.
Objective 7: Supplier Relationship Management (SRM)	7.5	Identify and develop bespoke performance measures and indicators that are relevant to specific requirements and contractual arrangements;	Progressing	Contractual performance measures are created during the contracting process. Further work will be done to enhance once the category structure is in place. Work is underway to use contract data held in ProContract as well as data held in the SAP system to create insight.
Objective 7: Supplier Relationship Management (SRM)	7.6	Ensure we have the most appropriate and proportionate commercial mechanisms in place for SRM, including contract management. Identifying strengths and weaknesses and applying this knowledge and understanding to new contracts;	Progressing	This will be delivered as part of the SRM duties of the category teams.
Objective 7: Supplier Relationship Management (SRM)	7.7	Develop processes to identify contractual spend, benefits, efficiencies and feedback from stakeholders regarding the quality of goods, works or services provided;	Progressing	This will be delivered as part of the spend analysis element of the wider reporting work that is underway.
Objective 7: Supplier Relationship	7.8	Seek innovation from suppliers to help improve efficiency and reduce procurement and operational costs;	Not yet started	This is picked up during the procurement process and in the development of the specification. Soft market testing is undertaken as part of the procurement process though this is not routine or

Management (SRM)				codified. Further work will systematise the requirement for innovation, encouraging and rewarding suppliers for being innovative. This needs to be couplbed with a culture of innovation within the Council itself to maximise the benefit derived from innovation in the market. There is currently a lack of understanding of how to measure and capture innovation in a meaningful way during the procurement process. Work will be undertaken in the second half of the programme delivery to develop a full approach to innovation
Objective 7: Supplier Relationship Management (SRM)	7.9	Develop a corporate approach to recording and monitoring contractual arrangements;	Progressing	Contracts are now being captured in Pro-contract which is the corporate standard system. Contracts which were held in the Corporate procurement contract management database and in departments are being created in ProContract. This will create a 'single version of the truth' and enable accurate analysis of performance and forecasting of known activity. Further work will be undertaken by the Category Managers to bring other areas of the Council into Procontract to ensure there is 100% contract visibility and contracted spend under management. Work will be undertaken to ensure that the Council's Standing Orders Relating to Contracts ensure that Contracts are effectively managed.
Objective 7: Supplier Relationship Management (SRM)	7.1	Monitor suppliers and markets to ensure there is early warning regarding challenges faced by individual suppliers or specific sectors;	Done	The Council has signed up to a credit rating service which actively sends reports to the Council in the case that a supplier has issues. In addition finance colleagues receive audit alerts whereby other Councils and Audit Commission are aware of potential issues and they share with us or if we get an insolvency notice in respect

				of a customer we also check if they are also a supplier and block the account. Once data is in place County Procurement will investigate a system to ensure that where suppliers are at risk of commercial failure that the Council is warned in good time allowing for mitigation actions to be put in place.
Objective 7: Supplier Relationship Management (SRM)	7.11	Using the relevant mechanisms such as the Enterprising Council Board and VfM Board, to monitor compliance with contractual terms, ensuring procurement activity commences in a timely way to avoid unnecessary contract extensions and/or price increases; to ensure a whole Council view of contract end dates to enable strategic review of the appropriate consolidation of individual contracts, to fit with the Council's strategic priorities.	Progressing	This is progressing although not via the ECB or VFM Board. Monthly procurement review meetings are now held at assistant/director level with ETE & Property. The department's entire contractual landscape has now been made visible and procurements are being considered and planned in line with the agreed Forward Plan of procurements to ensure procurement activity commences in a timely way to avoid unnecessary contract extensions. This approach will be rolled out to other business areas once the category leads are appointed. Once in place the creation of a Procurement Governance Board is proposed to support a more strategic view and the appropriate consolidation of individual contracts Annual planning is captured via a Forward Plan of procurements, using Procontract to trigger re-procurements, review of business cases e.g. protocol 10 to change business case.

TABLE 5, STRATEGY TRANSITION PROJECT PLAN INCLUDING WHEN DELIVERED AND IF THE ITEM IS RELEVANT FOR THE NEW STRATEGY AND DELIVERY PLAN

Objective Theme	No	Q4 18	Q1 19	Q2 19	Q3 19	Include in 2019-24 Strategy	Q4 19	Q1 20	Q2 20	Q3 20
Objective 1: Governance and Guidance	1.1					No - Initial requirement from Enterprising Council did not manifest, SRM will be picked up elsewhere.				
Objective 1: Governance and Guidance	1.2			🟩		Part of BAU – Process and Governance				
Objective 1: Governance and Guidance	1.3			🟩		Part of BAU – Process and Governance				
Objective 1: Governance and Guidance	1.4		🟩			Residual part of Technology	🟧	🟧	🟧	🟧
Objective 1: Governance and Guidance	1.5			🟩		No – BAU - People				
Objective 1: Governance and Guidance	1.6		🟩			No – Project Specific				
Objective 1: Governance and Guidance	1.7					No - Initial requirement from Enterprising Council did not manifest, will include in work plan if required				
Objective 1: Governance and Guidance	1.8		🟩	🟩		Residual work will be completed in the Information works stream in the Procurement Portal.	🟧	🟧	🟧	🟧
Objective 1: Governance and Guidance	1.9			🟩	🟩	Further work carried out under the Process work stream, more to do, once standard documents are completed they will be distributed via the Procurement Portal	🟩	🟩		
Objective 1: Governance and Guidance	1.10			🟩		Residual activity continues in the Information work stream in the procurement portal.				

Objective Theme	No	Q4 18	Q1 19	Q2 19	Q3 19	Include in 2019-24 Strategy	Q4 19	Q1 20	Q2 20	Q3 20
Objective 1: Governance and Guidance	1.11		[green]	[green]	[green]	No - Will continue as part of BAU.				
Objective 1: Governance and Guidance	1.12					Original requirement unlikely to be completed in its original form, though training material will be delivered through the Procurement Portal. [amber]			[green]	[green]
Objective 1: Governance and Guidance	1.13					Work almost complete due Dec 2019 – will continue as BAU in the information work stream. [amber]	[green]			
Objective 2: Value for Money (VfM)	2.1		[green]			Board operational, further work on VFM rolled into the governance strand. [green]	[green]	[green]		
Objective 2: Value for Money (VfM)	2.2					Despite a VFM Board being created there is no clear approach to VFM within the Council. A project will be created to develop a cohearent approach to VFM [red]	[green]			
Objective 2: Value for Money (VfM)	2.3					[red]	[green]			
Objective 2: Value for Money (VfM)	2.4					[red]	[green]			
Objective 2: Value for Money (VfM)	2.5					[red]	[green]			
Objective 2: Value for Money (VfM)	2.6					[red]	[green]			
Objective 2: Value for Money (VfM)	2.7					[red]	[green]			
Objective 3: Social Value	3.1					The social value obligations will be included in the VFM project. [red]	[green]			
Objective 3: Social Value	3.2					[red]	[green]			
Objective 3: Social Value	3.3					[red]	[green]			
Objective 3: Social Value	3.4					[red]	[green]			

Objective Theme	No	Q4 18	Q1 19	Q2 19	Q3 19	Include in 2019-24 Strategy	Q4 19	Q1 20	Q2 20	Q3 20
Objective 3: Social Value	3.5					*(red)*	*(green)*			
Objective 3: Social Value	3.6					*(red)*	*(green)*			
Objective 4: Skills and Development	4.1					To be delivered as an outcome of the Enterprising Procurement Paper *(amber)*	*(green)*	*(green)*		
Objective 4: Skills and Development	4.2			*(green)*	*(green)*	Complete – Further work will be BAU under the People strand. *(green)*				
Objective 4: Skills and Development	4.3		*(green)*	*(green)*		Complete – Further work will be BAU under the People strand. *(green)*				
Objective 4: Skills and Development	4.4		*(green)*	*(green)*		Done *(green)*				
Objective 4: Skills and Development	4.5			*(green)*		Done *(green)*				
Objective 4: Skills and Development	4.6					Done *(green)*				
Objective 4: Skills and Development	4.7			*(green)*	*(green)*	Done in part, further work will be completed in the information strand and disseminated via the Procurement Portal. *(amber)*		*(amber)*	*(amber)*	
Objective 4: Skills and Development	4.8	*(green)*	*(green)*	*(green)*		The procurement team culture has radically transformed over the last 12 months.				
Objective 5: Strategic Sourcing	5.1					Dependant on quality data being available and is being addressed in the information work stream. *(amber)*		*(green)*		
Objective 5: Strategic Sourcing	5.2					As with 5.1 and will be picked up with the Information work stream. *(amber)*		*(green)*	*(green)*	
Objective 5: Strategic Sourcing	5.3					Underway – include in People and Organisational Interface *(amber)*		*(green)*		
Objective 5: Strategic Sourcing	5.4					Not started – will be picked up in the Organisational Interface work stream. *(amber)*	*(green)*	*(green)*		
Objective 5: Strategic Sourcing	5.5					Underway - will be picked up in the Information work stream *(amber)*	*(green)*	*(green)*		

Objective Theme	No	Q4 18	Q1 19	Q2 19	Q3 19	Include in 2019-24 Strategy	Q4 19	Q1 20	Q2 20	Q3 20
Objective 5: Strategic Sourcing	5.6					Progressing – will be picked up under category management (orange)			(green)	
Objective 5: Strategic Sourcing	5.7		(green)	(green)		Done – Not included going forward. Implicit in the future design. (green)				
Objective 5: Strategic Sourcing	5.8					Underway; currently dependant on corporate IT. Will continue in the technology workstream. (red)	(red)	(red)	(red)	(red)
Objective 5: Strategic Sourcing	5.9				(green)	Done – will form part of the governance BAU. (green)				
Objective 5: Strategic Sourcing	5.10					Will be for part of the category management role. (orange)		(green)	(green)	
Objective 5: Strategic Sourcing	5.11					Done – not directly carried forward, will assist if required. (green)				
Objective 5: Strategic Sourcing	5.12					Subsumed - Strategic Sourcing and VFM will be picked up in governance and process going forward, then into BAU. (orange)	(orange)	(orange)	(orange)	(orange)
Objective 6: Category Leads	6.1			(orange)	(orange)	Work is ongoing and this will be picked in the Information work stream. This will then form part of the Category management BAU. (orange)				(green)
Objective 6: Category Leads	6.2					Progressing and will form part of the Category Manager role going forward. (orange)			(green)	
Objective 6: Category Leads	6.3					Progressing and will form part of the Category Manager role going forward. (orange)			(green)	
Objective 6: Category Leads	6.4					Progressing and will form part of the Category Manager role going forward. (orange)			(green)	
Objective 6: Category Leads	6.5					Progressing and will form part of the Category Manager role going forward. (orange)			(green)	
Objective 7: Supplier Relationship Management (SRM)	7.1					Not started and will be picked up in the external interface workstream in the 2019-24 Procurement Strategy. (red)	(orange)	(orange)	(orange)	(green)
Objective 7: Supplier	7.2					Progressing and will form part of the category manager role and will be picked up in the (orange)	(orange)	(orange)	(orange)	(green)

Objective Theme	No	Q4 18	Q1 19	Q2 19	Q3 19	Include in 2019-24 Strategy	Q4 19	Q1 20	Q2 20	Q3 20
Relationship Management (SRM)						Process and Interface work streams going forward				
Objective 7: Supplier Relationship Management (SRM)	**7.3**					Will be delivered via the category management role and infrastructure.				
Objective 7: Supplier Relationship Management (SRM)	**7.4**					Will be delivered via the category management role and infrastructure.				
Objective 7: Supplier Relationship Management (SRM)	**7.5**					Progressing – will be delivered in the process and technology strands going forward.				
Objective 7: Supplier Relationship Management (SRM)	**7.6**					Delivered via the category management infrastructure.				
Objective 7: Supplier Relationship Management (SRM)	**7.7**					Initial work underway and will form part of the category management approach.				
Objective 7: Supplier Relationship Management (SRM)	**7.8**					Lack of innovation infrastructure at present. Will be picked up in governance, external interface and process.				

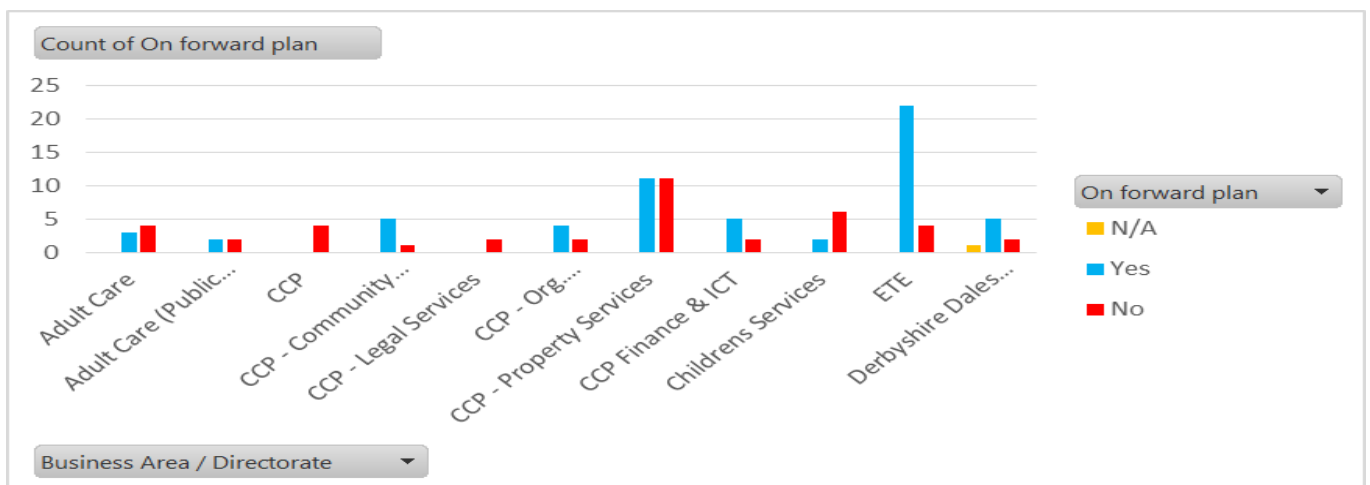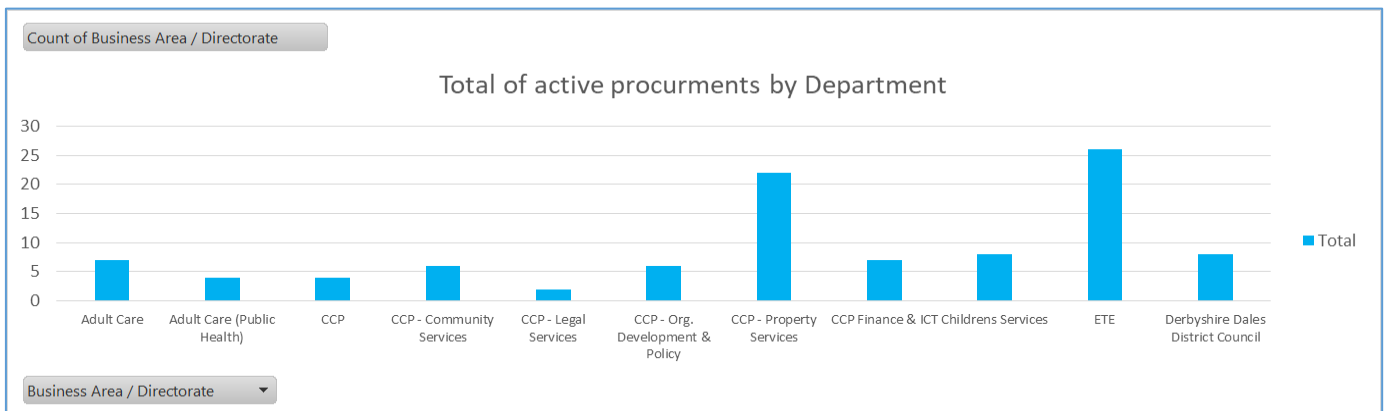| Objective Theme	No	Q4 18	Q1 19	Q2 19	Q3 19	Include in 2019-24 Strategy	Q4 19	Q1 20	Q2 20	Q3 20
Objective 7: Supplier Relationship Management (SRM)	**7.9**					Work is underway to transfer all data to ProContract.	🟩			
Objective 7: Supplier Relationship Management (SRM)	**7.10**					Done – caveat that the current system did not pick up a failed supplier so will revisit the effectiveness.	🟧			
Objective 7: Supplier Relationship Management (SRM)	**7.11**					Work has started with ETE and will continue as BAU and will be rolled out under the category approach.	🟧	🟧	🟩	

Appendix 2, Procurement Reporting Pack

Elements from the County Procurement activity dashboard 2019. More data presentations are available and will be eventually be available on the Procurement Portal.

Total of active procurments by Department

Row Labels	Count of Business Area / Directorate
Adult Care	7
Adult Care (Public Health)	4
CCP	4
CCP - Community Services	6
CCP - Legal Services	2
CCP - Org. Development & Policy	6
CCP - Property Services	22
CCP Finance & ICT	7
Childrens Services	8
ETE	26
Derbyshire Dales District Council	8
Total Active Procurements	**100**

Count of On forward plan

Total on the forward plan

On forward plan ▾
- Yes
- No
- N/A
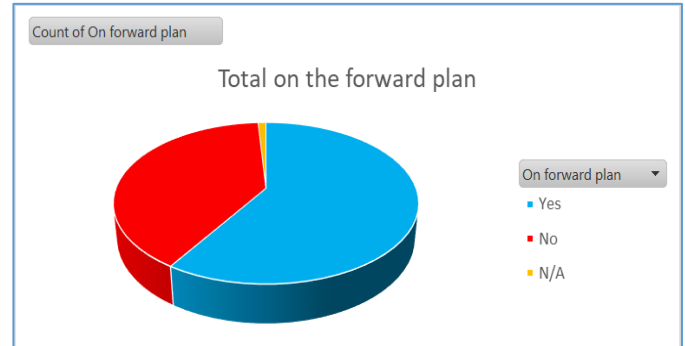
Total of procurments on the forward plans

Row Labels	Count of On forward plan
Yes	59
No	40
N/A	1
Total Active Procurements	**100**

Count of Business Area / Directorate

Total of active procurments by Department

Business Area / Directorate ▾

Count of On forward plan

Business Area / Directorate ▾

On forward plan ▾
- N/A
- Yes
- No

Appendix 3, Data Cleanse Phase 1 Completion Report

**Procurement Data Cleanse - Phase 1 Completion Report**

Introduction

Phase 1 of the data cleanse, which was to cleanse and verify the contract data held both on SQL Database and ProContract, has now been completed.

In completing Phase 1, 898 data records were extracted from the SQL Database and compared to those held in ProContract. Of those 898 records it was found that the data for 355 contracts was held on both the SQL and ProContract databases and of those 355 contracts it was agreed that 135 should not be cleansed or promoted; 69 of them had already expired; and 66 of them were contracts procured on behalf of other organisations or departments (Derbyshire Dales (19), Adult Social Care and Health (18), Childrens Services (9) or Apprenticeships (20)); the work on which is for further discussion or has moved into Phase 2.

Therefore, as at the end of Phase 1, which took approximately 12 weeks, the Procurement Support Team (PST) have cleansed and verified 220 contracts records. These are now ready to hand back to the Contract Managers to promote and publish on ProContract.

This Phase 1 work has included, sourcing and attaching the original documentation to ProContract so that all the data for the contracts is in one place.
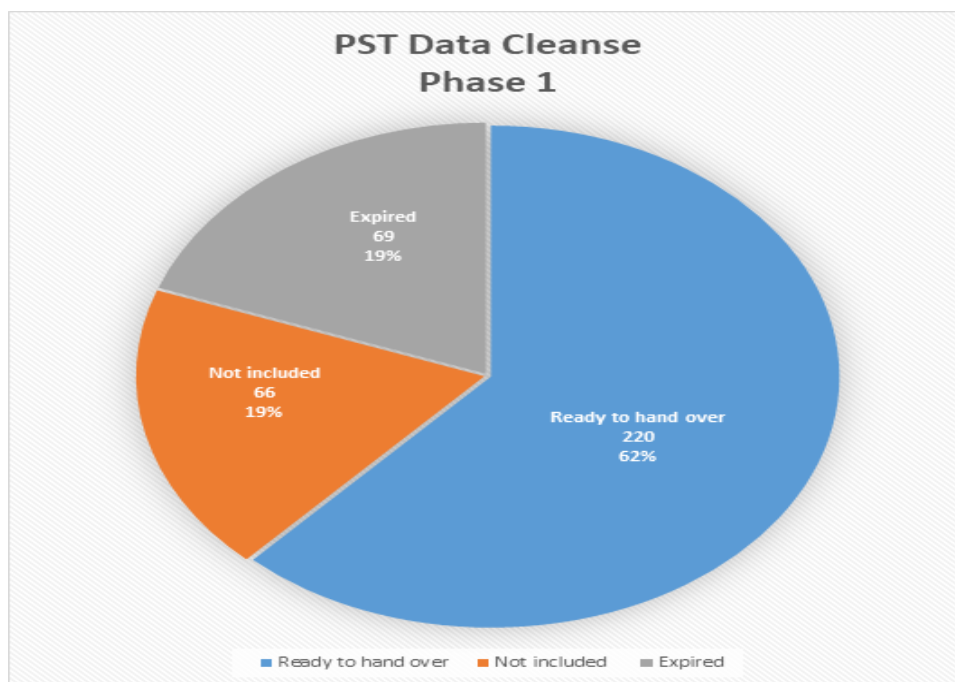
Allocation of Work

The allocation of the work between the PST was done by department and contract manager to work with the strengths of the team members. This, however, proved to be problematic as some departments used ProContract more than others and some Contract Managers were more thorough when entering the data than others; so the amount of work or time taken by department/Contract Manager is difficult to quantify but overall worked out equally amongst the team.

The split of contracts by department was as follows:
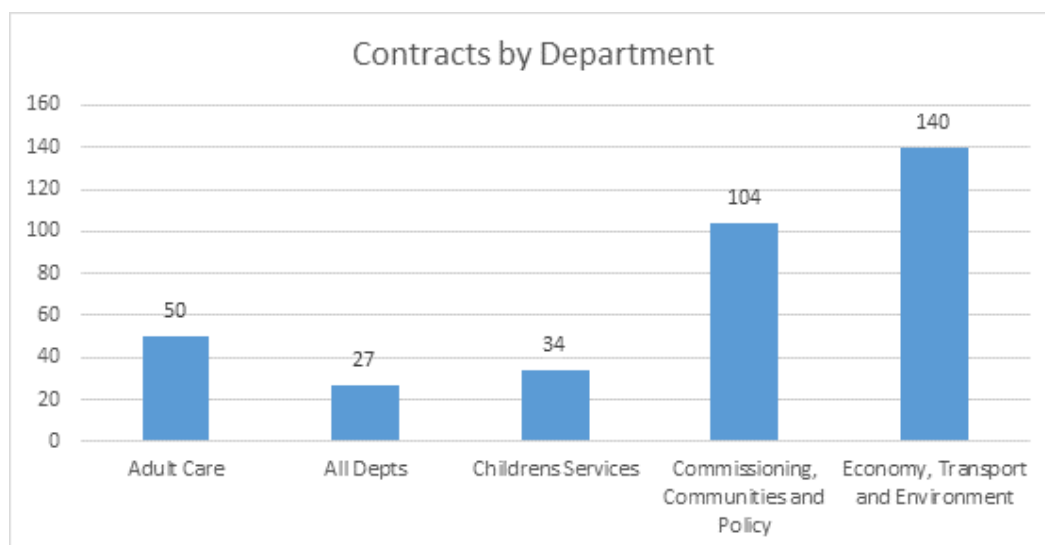
And the split by Contract Manager:

| Contracts by Contract Manager			
Adult Care CM	18	Jason Thornhill	5
Alison Walbank	2	Jayne Smith	29
Andrew Hickson	4	Jess Whetton	8
Carolyne Knott	15	Joanne Niven	56
Childrens Services Catering CM	5	Julia Apperley	44
Childrens Services CM	4	Katee Fletcher	4
Chris Rouse	11	Nicola Wood	15
Dave Lander	14	Pernilla Selby-Sly	2
Debbie Wright	12	Peter Towndrow	2
Gemma Walker	7	Sally Beckett	10
George Davies	36	Shane Linthwaite	3
Graeme Unwin	1	Stuart Etchells	20
Graham Bell	17	Tom Greenwood	1
Guy Wilding	10		
Total			**355**

Phase 1- Outcome

The outcome of Phase 1 is that all 220 contracts that have been cleansed have now been promoted to the contract management section of ProContract.

The next step is for the Contract Managers to promote the contracts to the Contracts Register under the status 'Private'. This means that the data can be seen internally but as yet cannot be seen by others outside of the Authority.

As at the time of this report, 198 of the 220 records have been handed back to the Contract Managers, of which 90 (45%) have been completed and promoted to the Contacts Register, leaving 108 (55%) still to do; the remaining 9 will be handed back to the Contract Managers after they have attended the ProContract training workshop.

All County Procurement Contract Managers have been invited to attend workshops in October, which will give them the tools to promote the contracts to the Contracts Register correctly and to enable them to keep their contract data clean and up to date.
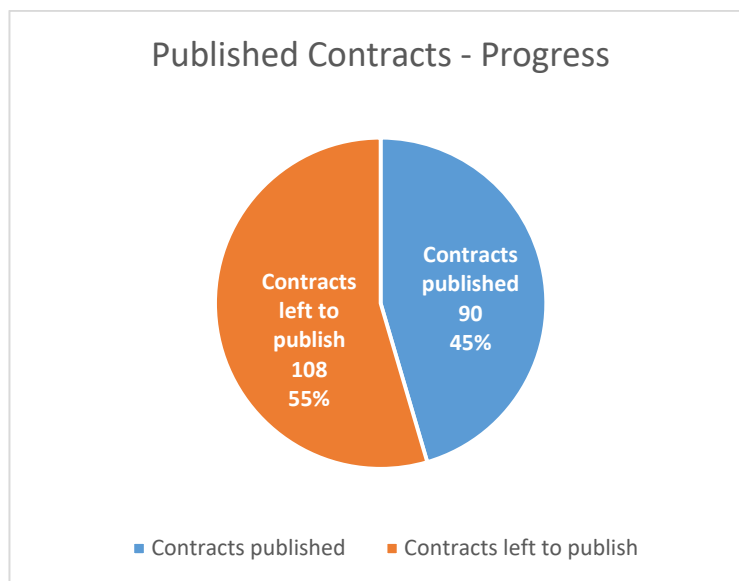
Phase 1- Challenges

The main challenges were:

- Missing and inaccurate information on ProContract, which needed to be sourced and verified.
- Lack of access to departmental folders, for which permission to access was needed from senior departmental managers.
- Delays in responses to questions from some Contract Managers
- Contract Managers not fully understanding the role of the PST.
- Discrepancies in data, which needed to be researched and verified.
- Data entry fields on the database that hadn't been clearly defined.

The solutions to those challenges were to:

- Contact corporate procurement and departmental Contract Managers requesting them to supply the missing documents/data.
- Receive direct access to departmental drives and folders.
- Chase Contract Managers and contacting line managers.
- Hold 1-2-1 meetings with Contract Managers.
- Spend time unravelling discrepancies and talking to Contract Managers
- Define the data entry fields through the development and publication of a Glossary of Terms.
- Develop a Step by Step Guide
- Delivery of knowledge transfer/training workshops by the PST.

Next Steps

Going forward we need to make sure that the data that has been cleansed does not become corrupted and that any new data is entered correctly and kept up to date.

The following actions have been identified as possible ways to prevent the system data being corrupted, some of which have already been put in place:

- Training and instructions on new process.
- Instructions from team managers and section champions on the new process.
- Concise field parameters – ensuring use of the field glossary.
- Elimination of duplicate contract management spreadsheets.
- Use of regular reports to undertake 'sanity' checks on the data.
- Ongoing support from the PST.

Phase 1 has also raised a number of question for further discussion:

- At what point will the SQL database be changed to 'display only' and officers instructed to solely use ProContract for contract management?
- In the meantime, where should officers be putting their data?
- Are we currently storing too much data?

Phases 2 and 3

Phase 2 will see the remaining 543 contracts processed in three stages:

- An initial pilot 'mass' upload of 100 contract details has already been undertaken and the records uploaded onto ProContract by the database provider ProContract.
- The remaining 443 contracts are now undergoing an initial data cleanse, with any non-'true'/sole supplier contract data records being removed, and are being inputted onto a single spreadsheet for a further 'mass' upload, by ProContract in the coming weeks.
- Once all the data has been uploaded to ProContract the data will then be cleansed and verified as it was in Phase 1.

Once this has been completed and the data promoted to the Contracts Register by the Contract Managers, Phase 3 will be a mass conversion of the data from 'Private' to 'Public', at which point the data will become visible outside of the Authority and will automate the transparency report requirement

The target date for completing Phases 2 is the end of January 2020.

Summary

In the first twelve months of implementation and delivery of the Procurement Strategy good progress has been made, however, there is much left to do, which will be delivered in the second year. The revised method for developing and maintaining the Procurement Strategy will ensure that it remains current and relevant and require a relatively small amount of effort annually.

Together with the Enterprising Procurement Vision and Mission paper and Business Case and the revised 2019-2024 Procurement 5 year Strategy and Plan, these documents will establish and maintain a high performing procurement function, which is able to support the Council in delivering the Councils objectives as described in the Council Plan.

Derbyshire County Council

Enterprising Procurement

Vision & Mission

To

Transform Procurement and Create a Commercial Capability

Contents

Introduction

Background and Aspiration

The current Derbyshire County Council (the 'Council') procurement function has suffered from a number of deleterious factors over several years, this coupled with the Council's aspirations as described in the Council Plan and the Enterprising Council Strategy have resulted in a procurement function that requires change and improvement to assist the organisation to meet its objectives. The existing Procurement Strategy is insufficiently competent to implement the Council Plan objective which states 'At the heart of our plan is a desire to provide you with maximum value for money on your council tax by delivering the most efficient and effective public services possible'.

This document will describe the vision for 'County Procurement', the new procurement function and the mission objectives broken down into steps that will be taken to transform the procurement capability from its current state to one that is aligned to, and meets the aspirations of, the Council and community that it serves.

The wider procurement profession is facing real challenges in managing more and more complex supply solutions and technologies to bring benefits to stakeholders. In its current configuration the Council's County Procurement is unable to adequately deal with or beneficially exploit these supply solutions and technologies.

To enhance capability and increase performance of County Procurement the transformation of procurement will utilise the six Chartered Institute of Purchasing and Supply (CIPS) recognised industry standard best practice building blocks of: STRATEGY, GOVERNANCE, ORGANISATIONAL INTERFACE, PEOPLE, PROCESS and INFORMATION & TECHNOLOGY (I&T).

This document sets out what these building blocks are and how they will be utilised to maximise the Council's return on investment in its procurement function.

Defining Procurement Value

At the macro level, there are three procurement value propositions or drivers. Other procurement value drivers may be defined, however, they will likely fall within the following three procurement value propositions.

1. **Effectiveness -** reducing the total cost of ownership of external spend using procurement techniques (such as category management, strategic sourcing and supplier relationship management).

2. **Efficiency -** reducing costs from within the procurement function and procurement processes (for example, through process reengineering, deploying technology and automation).

3. **Customer Service -** providing best value materials and services to internal customers on time, to specification, above expectation and with maximum VfM and social responsibility.

These procurement value propositions often compete with each other and, in some cases, are directly opposed. As a result, they need to be carefully managed and balanced to optimise value for the organisation. The six procurement building blocks focus on balancing effectiveness, efficiency and customer service to maximise procurement value for an organisation.

The 2019-24 Procurement Strategy and Annual Strategy Delivery Plan will address how County Procurement will be implemented utilising the best practice model and associated six building blocks.

Procurement Maturity at Derbyshire County Council

Effectiveness

Over a number of years there has been confused leadership and a lack of clear vision in the procurement domain. As a result the Procurement Service has fallen behind its peers. Basic systems and processes have either not been established, applied or standardised and data on the overall performance is non-existent other than by labour intensive manual extraction in excel. Through the first year of the procurement transformation a number of major steps have been taken to improve Process, Systems and I&T, however, there is much more to do.

The complex and disjointed procurement process and variable application of procurement regulations across the wider Council along with weak overall control in the business case system through to contract management, means there is a lack of consistency and an inability to report performance and to know how effective procurement is at driving Value for Money. A lack of central control and standardised processes and procedures allows poor practice to occur outside the control of the County Procurement function.

The amount of spend under management and influenced spend is not accurately known or reportable, which in and of itself, demonstrates an exceptionally low level of organisational maturity. The first year of the procurement transformation has delivered progress towards being able to report these basic procurement KPIs, though more work is required before there is an automated regular report which contains figures with high confidence.

ROI/ Cost benefit

The return on investment (ROI) taken as procurement 'savings made', which is self-reported as £2,728,408 divided by the total cost of procurement, which is £1,064,828, creates a ROI of 2.56. The average peer group as per the Hackett World Class Procurement Paper (the 'Hackett Paper') is returning 4.83 and world class organisations are returning 10.45. The Hackett Paper shows that the average peer group had an ROI of 2.5 in 2009, putting the procurement function 10 years behind its peers in relation to ROI performance.

It should also be noted that the procurement 'savings made' is a self-reported and self-validated number, which is likely to be lower if rigorously interrogated for actual cashable savings. It is proposed that a different mechanism for establishing savings is developed with external validation via finance to ensure authenticity.

It is clear that procurement as it stands on its self-reported estimate, is ten years behind its peer group. The financial consequence of this low ROI is that the Council is forgoing between £2,414,711.24 and £8,399,044.60 of savings per year against its peers based on current ROI performance.

Overview of the Six Building Blocks to Enhance Procurement Capability

As noted above, there are six key building blocks that will be used to transform procurement capability and to increase procurement value within the organisation. These are Strategy, Governance, Organisational Interface, People, Processes and Information & Technology, which are organised into three distinct tiers.

1. **Strategy**, including associated plans and performance measurement methods that need to be built to drive the procurement function.
2. **Governance and Organisational Interface,** the second row enables a direct link to the wider organisation through a procurement governance framework and the management of the organisational interface**,** particularly with internal customers, executives and suppliers. All upon a foundational layer of people, process and technology.
3. **People, Processes, and Technology,** this is the foundation level and is built upon the organisation's core values and guiding principles such as the Council Plan.
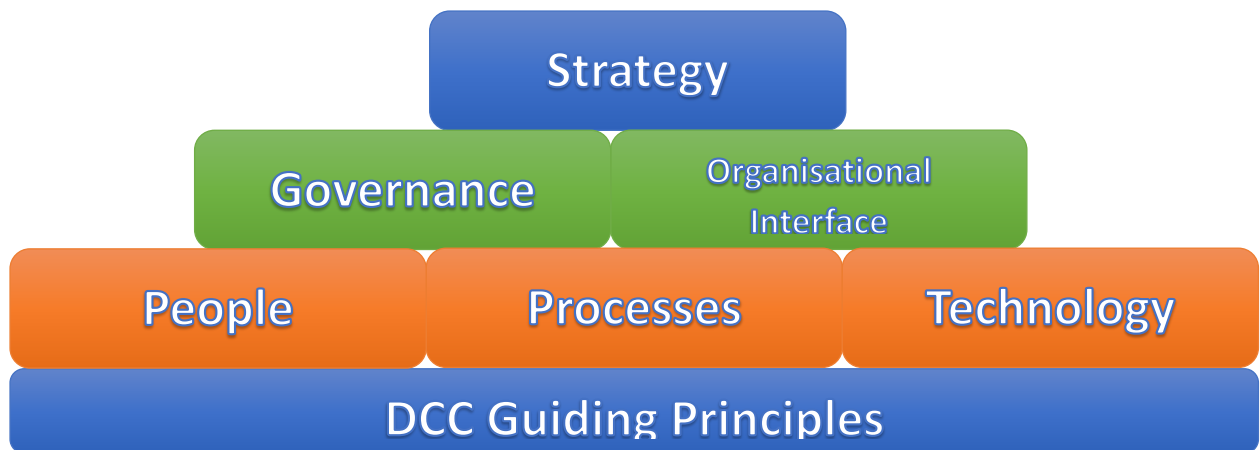
The remainder of the document describes each of the building blocks and what elements are required to transform procurement and create a commercial capability.

Strategy

Procurement 'strategy' is concerned with identifying, selecting and implementing the procurement structures, systems, skills, processes, programmes, shared values, initiatives and objectives for an organisation that add significantly to its goals and financial sustainability. The procurement strategy drives the other five building blocks for procurement capability: governance, the organisational interface, people, processes and information & technology.

Once the procurement strategy has been developed, it must be translated into organisational action. To ensure delivery, a linked business planning and performance measurement process will be assembled as part of the 'strategy' building block. The following characteristics will be addressed in developing the strategy and its delivery.

Strategy setting:

- A comprehensive long term (five year) strategy setting process is operative for developing procurement strategies.
- A clear vision and mission for the procurement function are defined and marketed throughout the organisation.
- The values and guiding principles by which procurement will operate are also defined and marketed.
- The vision, mission, values and guiding principles are aligned with the organisation's strategic objectives, goals and values, with the link actively marketed.
- Procurement strategies and measurable goals to accomplish the vision and mission are defined and applied.
- Risk and total cost are balanced in strategy setting.

Business planning:

- A comprehensive business planning (annual) process is operative for the translation of procurement strategies into organisational action.
- The business plan details and communicates the procurement strategies, activities, actions, and goals.
- The business plan is the focus of all procurement activity.

Performance measurement:

- Procurement performance is managed via a balanced scorecard, which details the performance measures and goals and is linked to the procurement strategies and business plans.
- Performance measures and goals are aligned with the organisation's strategic objectives, goals and values, with the link actively marketed.
- Internal customer satisfaction and supplier feedback mechanisms are incorporated into the performance measures.
- Procurement work group and individual job goals are directly linked to the business plan and balanced scorecard outcomes.
- Performance results are used to review, change and develop new strategies and goals, and continuously improve the procurement function.

Essential Principles of the New Procurement Strategy?

A procurement strategy is dependent on that organisation's strategic objectives, goals and values, coupled with the maturity level of its procurement function. The following essential principles for any organisation's procurement strategy will be addressed:

- Risk and total cost are balanced.
- Individual end user customer and overall company needs are balanced.
- The strategies directly enable the three procurement value propositions of effectiveness, efficiency and customer service.
- Effectiveness, efficiency and customer service value are balanced.
- External influences, such as market and economic conditions, legislation changes and moral obligations are dealt with (e.g. security of supply, talent scarcity, carbon tax, social responsibility and sustainability, etc.).
- Procurement personnel are allocated to strategic and tactical roles, with technology and automation utilised to eliminate transactional procurement activities.
- The other five building blocks for procurement capability (governance, the organisational interface, people, processes and technology) are built and continuously improved.
- Simplicity.

Governance

Procurement governance encompasses control and direction for the organisation's procurement function via a framework of formal structures, mandates, policies, operating procedures, delegations and other decision rights. Procurement governance is essential in building procurement capability and ensuring the benefits from strategic procurement activities are maximised corporately, as well as meeting corporate audit and other requirements.

The following characteristics are commonly associated with successfully laying the "governance" building block in order to transform procurement capability.

The governance framework components:
- Procurement is responsible for all addressable external spend.
- Procurement policies that are simple, consistent with the corporate culture and are embedded.
- A clear, Council wide mandate to comply with procurement policies and business plan activities is operative.
- Effective change management has resulted in the corporate culture supporting the procurement governance framework.
- Corporate systems have appropriate controls embedded, which support the procurement governance model throughout the organisation.

- Procurement personnel are empowered to make decisions on behalf of the Council in accordance with the policies.
- A formal approval framework specifies the authorisation process for procurement spend.
- Procurement actions are based on ethical principles, including probity, fairness, impartiality, accountability and transparency.
- Procurement processes, systems, tools and techniques are documented, referenced and maintained as operating procedures, consistent with the corporate standards.

Some Detail Procurement Governance Essentials:
- Procurement dealings are only conducted with approved suppliers.
- No goods or services are obtained without a valid purchase order.
- Market engagement processes promote effective competition between potential suppliers.
- Formal contracts are operative for high spend or high risk categories.
- Formal authority levels are in place for procurement spend and system generated to optimise processing.
- Confidential procurement information and/or intellectual property are safeguarded.
- Conflicts of interest are minimised and effectively managed.
- Liabilities are provided for and procurement commitments reported.
- Ethical standards are promoted.

Centralised or Decentralised – Point of Debate?

A procurement governance discussion should debate the centralisation versus decentralisation question. Is a centralised procurement organisational structure more advantageous than a decentralised structure?

Some organisations deploy centralised procurement structures and others favour decentralisation, and the fact that numerous organisations cycle between the two structures is a testament to the difficulty of balancing the three procurement value propositions of effectiveness, efficiency and customer service.

Centralised structures naturally (and often unconsciously) tend towards achieving (and prioritising) efficiency and effectiveness value, whilst decentralised structures have a tendency to favour customer service and effectiveness value.

So, where organisations believe they are losing efficiency gains, or the corporate culture is not supporting or complying with procurement policies and initiatives (and hence effectiveness value), they may opt for a centralised structure. On the flipside, organisations may feel that customer service (and in turn effectiveness) needs improving, as a result, for example, of a procurement department not accurately understanding and supporting customer challenges and priorities, so a decentralised structure may be favoured.

The right procurement organisational structure for a company (similar to the right procurement strategy) is dependent on that organisation's strategic objectives, goals, governance models and values, coupled with the maturity level of its procurement function.

A centralised structure is more favourable for a young, Greenfield or immature procurement function, or where a rapid procurement transformation is required. Where the procurement function is of greater maturity and a robust governance model has been institutionalised to the degree that the corporate culture supports the model, then decentralisation is probably the way to go. The other variable to explore is geographic location. One might have a centralised procurement structure for reporting line purposes, however, actually collocating the procurement personnel within their end user customer areas will assist in providing balance to the three procurement value propositions, particularly around the customer service versus efficiency payoff.
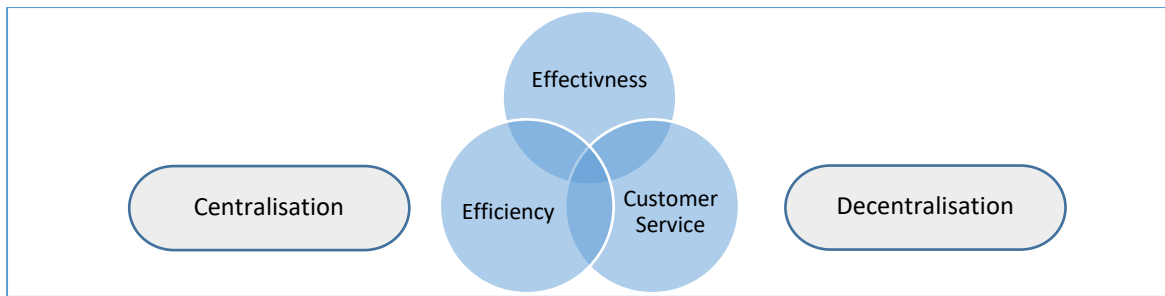
Organisational Interface

To optimise value, procurement professionals need to augment procurement governance with managing the organisational interface. Although governance provides procurement legitimate authority and decision rights around some organisational elements, a lot of what procurement needs to do to be successful can only be delivered through managing the organisational interface.

Managing the organisational interface is about getting buy-in from key stakeholders regarding procurement strategies, activities and goals. It encompasses leadership, communication, the ability to form relationships, build credibility and influence internal customers and senior executives, as well as get the best out of suppliers. Simply, a procurement professional needs to make or at least influence internal decisions where it has no decision rights (i.e. governance) to do so.

A procurement contract with a supplier may be managed via structured contract performance management activities, but to maximise the value from the engagement, procurement professionals also need to manage the supplier relationship as a component of managing the organisational interface. The following characteristics are required when managing the 'organisational interface' in order to transform procurement capability.

Internal stakeholders:
- A procurement communication plan is operative and communicates procurement strategies, plans, activities, measures and results.
- Service Level Agreements (SLAs) are in place with customers. The SLAs contain joint strategies, activities, actions and goals that measure the performance of the collaborative relationship.
- A procurement intranet site, consistent with the corporate standards, is in place to actively communicate and report procurement information.
- An appropriate review is undertaken after every 'project' a procurement department performs with/for a customer.
- A customer satisfaction survey is issued to customer groups annually.
- Results from reviews and surveys are analysed, actioned, marketed to stakeholder groups and used as a driver for the evaluation of procurement strategies and activities.
- Procurement integrates and develops key relationships with internal customers.
- Procurement accurately understands and supports customer challenges and priorities.
- Procurement proactively identifies improvement opportunities in customer areas.

Third Party Suppliers:
- Procurement owns and facilitates relationship development programs with key suppliers.
- Techniques are operative to integrate suppliers into the improvement process.
- Suppliers are included in the organisations cross functional teams.
- Joint business plans and projects are in place with suppliers focused on extracting additional value from the collaborative relationship.
- Opportunities and risks are shared with suppliers to optimise procurement results.
- Supplier initiated savings are operative, recognised and rewarded.
- Two way business information updates are regularly held with suppliers (e.g. quarterly briefings, monthly meetings, supplier workshop newsletters, etc.).

- A supplier recognition and awards program is in place that formally recognises and rewards supplier contributions.
- Procurement's values, particularly around ethics, safety, environment, community and sustainability are promoted with suppliers.

What does success look like?

Managing the organisational interface to build procurement capability is arguably the toughest of the six building blocks to accomplish due to its reliance on 'softer' skills such as developing relationships, leadership and influence. Components for the organisational interface are as follows:

- Procurement has a seat at the table at the highest levels in the organisation.
- Procurement is responsible for all addressable external spend.
- Procurement is an attractive career within the organisation and there is a clear career path within, and beyond, the function.
- Procurement provides a clearly defined professional track for resources striving for executive level positions.
- Procurement has a strategic influence on the conduct of the overall business.
- Procurement strategy is an integral component of the overall corporate strategy.
- The corporate culture complies with procurement policies and initiatives.
- Procurement articulates a credible business case for increased involvement and collaboration in customer areas.
- Procurement is a driver in integrating and developing key relationships between internal customers and suppliers.
- Suppliers are integrated into the improvement process.
- Supplier initiated savings are plentiful.
- Suppliers share procurement's values, particularly around ethics, safety, environment, community and sustainability.

People

The degree to which procurement is able to achieve its mission, strategies and objectives in a corporation is very dependent on the mix and calibre of its personnel and the environment in which it operates. The ability to attract and retain the right mix of people with regard to education, experience, expertise and skills is vital. Consequently, establishing the right environment in terms of roles, tasks performed, motivation, training, career development and reward and recognition becomes critical to the provision of an effective, efficient and customer focused procurement function. The following characteristics are commonly associated with successfully laying the 'people' building block in order to transform procurement capability.

People and performance:

- The best people are recruited, high performers are rewarded and retained aggressively, and underperformers are developed before being managed out.
- Business plan and balanced scorecard outcomes are directly linked to work group and individual job goals.
- The achievement of job goals is in turn linked to performance review systems, incentive systems and remuneration.
- 360 degree feedback systems are in place.
- The work environment reflects the shared values espoused in the procurement business plan.
- Personnel demonstrate an overriding commitment to ethics, health, safety, environmental and community responsibility.
- Success is celebrated.
- Wellbeing and morale are tracked (e.g. employee satisfaction, safety, turnover, absenteeism) and actions are operative to increase morale and motivation.

Training and development:

- Roles have defined technical and personal competency requirements.
- Procurement personnel are assessed against the role competencies and individual training plans are developed and managed to close the gaps.
- People development strategies are regularly reviewed in light of current progress, participant feedback, changes in strategic direction, market conditions and technology.
- Succession planning is operative and linked to training and competency requirements of individuals.
- Training towards MCIPS is actively promoted and facilitated.
- Programmes are in place for procurement trainees and graduates.
- Procurement is an attractive career within the organisation and there is a clear career path within, and beyond, the function.

Proposed Operating Model - Structure

Self Service - Order Point Catalgouge	Transactional Procurement - Three Quote Process	Tacktical Prourement - £50k to OJEU - Procurement Process	Strategic Procurement & Commercial - OJEU and above
• Annual Value £1.6m • Transation Volume - 46k • Seek to increase use across the Council	• Order Value - £1k to £50k • Annual Value £31m • Transaction Volume 58K • Centralise • RFQ or Due North? TBD	• Portion of £138.1m • Run on OJEU principles via Due North	• Reduce gap of £171m and £350m unaddressed spend. • Find opportunties to reduce tail spend, aggregate spend into frameworks ets.

Processes

Similar to any other corporate function or business activity, processes are a foundational building block for procurement. There is a wide range of procurement processes in the corporate world, however, in keeping things simple (particularly with internal stakeholders), discussions on procurement processes almost always reference back to the two macro, end to end processes: Source to Contract & Procure to Pay.

At a strategic level, the Source to Contract process includes planning for the category procurement exercise, developing the appropriate sourcing strategy, going to market, establishing and managing the contract and supplier relationship; all with organisational engagement and participation.

The Procure to Pay process is a transactional process, which typically commences with a requisition for the creation of a purchase order and ends with the fulfilment of the goods or services and payment to the supplier. The Procure to Pay process often facilitates purchases from contracts established via the Source to Contract process. These two processes may be called by different names, or by the numerous sub process within them.

The role of 'Category Management' which is defined as, 'the entire art and science of the procurement subject applied to a single genre of expenditure (i.e. category)'. In terminology referenced in this document, 'the entire art and science of the procurement subject' comprises the Source to Contract and Procure to Pay processes. Or in other words, category management is the Source to Contract and Procure to Pay processes applied to a category.

Briefly, the following are the essential sub blocks in transforming procurement capability through 'processes'.

Source to Contract Process:

Plan: This sub-block plans the entire sourcing initiative and focuses on designing the sourcing strategy for the category.

- Needs analysis and start-up identifying the need, gathering the baseline data, quantifying the opportunity, identifying stakeholders and initiating the cross functional team.
- Category and market analysis analysing category spend patterns, supplier and market conditions, and developing specifications and cost drivers.
- Sourcing strategy testing and refining sourcing options to create a sourcing strategy.

Engage: This sub-block selects the supplier(s) best able to meet the category objectives, reflects the outcome in a contract, and transitions the arrangement to contract management.

- Go to market creating the RFx, evaluating proposals and risks, conducting negotiations and selecting the optimal supplier(s).
- Transition executing the contract, communicating the outcome, developing the operational plan, transitioning to contract management, and conducting a project review.

Manage: This sub-block implements the contract and proactively manages the supplier relationship and contract and category performance.

- Contract start-up implementing the contract.
- Supplier relationship management sharing opportunities and risks with suppliers to maximise results.
- Contract and performance management managing supplier and contract performance against category objectives.
- Value discovery rigorous assessment of category performance and situation as input into the appropriate future category strategy.

The Procure to Pay Process:

FIGURE 2, PROCURE-TO-PAY
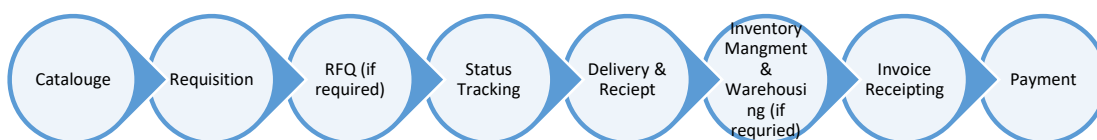
- Catalogue is searched and drawn upon for the creation of requisitions.
- Requisition is approved.
- RFQ (request for quote) is issued to suppliers and responses are evaluated.
- Purchase order is created and issued to the supplier.
- Purchase order status is updated through expediting sub-processes.
- Physical receipt of the material, validation of hours worked or completion of a service scope or specification is acknowledged.

Page 116

- Inventory management and warehousing sub-processes for inventory are operative.
- Invoice is matched with the purchase order and receipt.
- Payment is made including the generation of the remittance advice.

Technology

Technology is a great enabler for procurement capability and value. Technology can speed up and simplify routine procurement transactions and lower the cost of information acquisition, analysis and dissemination. Procurement technology ranges from market intelligence tools and e-auctions for strategic sourcing through to an electronic transactional platform for the creation and transmission of Procure to Pay documents. Integrating an organisation's Source to Contract process through an end to end system and utilising an Enterprise Resource Planning (ERP) system to integrate and automate the Procure to Pay process should be high priority for any Central Procurement Organisation (CPO). The following characteristics are required to effectively deliver the 'technology' building block in order to transform procurement capability.

- All procurement activity is managed electrically and linked to the finance system where possible.
- Manual intervention and rekeying in minimised.
- Contract management activities are automated where possible.
- Inventory is optimised by the system and automatically replenished.
- Invoices received from suppliers are electronic (i.e. E-invoices).
- Invoices are electronically matched with the purchase order and receipt.
- ETF (Electronic Funds Transfer) is used for payment and remittance advices are electronically transmitted to the supplier.
- Suppliers view the status of their invoices via the internet or a self-service portal.
- Purchasing cards and travel cards (e.g. Visa, American Express) are used and reconciled electronically.
- System reporting on Procure to Pay activities is operative.

A note on Agile

The transformation change work being undertaken by the procurement department has been undertaken using an agile project management methodology called Scrum and tracked using the Kanban system, which has allowed the transformation programme to move from initiation to delivery in seventeen working days. It is planned that this methodology be continued to be used during the remainder of the transformation owing to its light weight and high effectiveness.

Conclusion

The new County Procurement and Commercial Function will deliver a fit for purpose capability to maximise value for money and enable and facilitate the Enterprising Council to deliver the Council Plan.

Regardless of the organisation's procurement function's current level of maturity, achieving the best practice as described in the six key building blocks will be essential for building procurement capability and maximising procurement value within the Council.

If the Council structures its procurement improvement efforts around these six blocks, it can develop a simple and practical design to improve procurement capability, enable effectiveness and efficiency whilst improving customer service and increasing procurement derived value within the organisation.

Derbyshire County Council

PROCUREMENT STRATEGY 2019-2024

And

ANNUAL STRATEGY DELIVERY PLAN

2019–2020

DRAFT

Contents

Introduction

This 2019-25 five year rolling Procurement Strategy marks a change in the way in which the DCC Procurement Strategy will be created and maintained going forward. Rather than the strategy being fixed for a four year period and then redrafted every fourth year, the Procurement Strategy will now be produced with a five year horizon with an annual update each year to ensure the relevance of the key objectives for the coming year. This change in the production process also ensures alignment with paragraph 2.6.3 of 'Appendix 8(b) – Standing Orders Relating to Contracts' of the Council's Constitution. This state 'The Chief Financial Officer is responsible for annually producing and updating the Procurement Strategy for approval by Cabinet'.

This iteration of the Procurement Strategy is written 12 months into a 24 month Procurement Change Programme created to transform the Council's County Procurement function to ensure that it is best able to support the 'Council Plan 2019-21'; the Enterprising Council Programme and all applicable legislative requirements such as the Public Services (Social Value) Act 2012.

The Procurement Change Programme has already delivered a number of objectives from the 2018-21 Procurement Strategy and many more have begun. There has also been a significant amount of underpinning work undertaken, which was not captured as part of the 2018-21 Procurement Strategy. Also, a number of objectives have now been deemed to be no longer relevant and have been removed. A full report of progress to date has been captured in the 'Mid-Programme Update of the 2018 – 2021 Procurement Strategy Implementation Programme'.

Procurement Value Drivers

Below are the three value drivers which underpin the transformation and ongoing operational activities of County Procurement. These value drivers shape the direction of the Procurement Strategy and associated delivery plans

1. **Effectiveness** - reducing the total cost of ownership of external spend using procurement techniques (such as category management, strategic sourcing and supplier relationship management).

2. **Efficiency** - reducing costs from within the procurement function and procurement processes (for example, through process reengineering, deploying technology and automation).

3. **Customer service** - providing best value materials and services to internal customers on time, to specification, above expectation and with maximum monitory and social value.

This 2019-25 Procurement Strategy has been structured around the Chartered Institute of Purchasing Supply (CIPS) best practice procurement model, with the 2019 Annual Strategy Delivery Plan also being structured to support the new model. Previous objectives and work started under the 2018-21 Procurement Strategy have been mapped to the 2019 Annual Strategy Delivery Plan and can be tracked through to completion where applicable.

Strategic Aims - 2019-20

1. Ensure the completion of any outstanding items from the 2018-21 Procurement Strategy.
2. Consolidate any outstanding items from the 2018-21 Procurement Strategy into new projects aligned to the CIPS best practice building blocks.
3. Configure County Procurement, based on the Enterprising Procurement Vision and Mission, to effectively meet the Council's strategic and operational objectives as directed by the Constitution and other applicable strategies.
4. Align the development of the County Procurement function to industry best practice as defined by CIPS and other relevant bodies to transform County Procurement and create a commercial capability.
5. Prioritise and deliver new and emerging requirements as identified through day-to-day experience.

6. Deliver change using the low-overhead Agile/Scrum approach to reduce administrative burden and bureaucracy associated with delivering change.

Building Block Overview

The procurement value drivers identified above can often compete with each other and, therefore, need to be carefully managed and balanced to optimise procurement value. The CIPS best practice model identifies six key building blocks, which focus on extracting and balancing effectiveness, efficiency and customer service for an organisation. This methodology has been adopted to transform the DCC procurement capability and to increase procurement value within the organisation.

These six key building blocks are Strategy, Governance, Organisational Interface, People, Processes and IT, which are organised into three distinct tiers.

1. **Strategy**: including associated plans and performance measurement methods that need to be built to drive the procurement function.
2. **Governance and Organisational Interface**: the second row enables a direct link to the wider organisation through a procurement governance framework and the management of the organisational interface, particularly with internal customers, executives and suppliers.
3. **People, Processes, and IT**: this is the foundation level and is built upon the organisation's core values and guiding principles such as the Council Plan.

Figure 1, the Six Building Blocks of 'Enterprising Procurement'
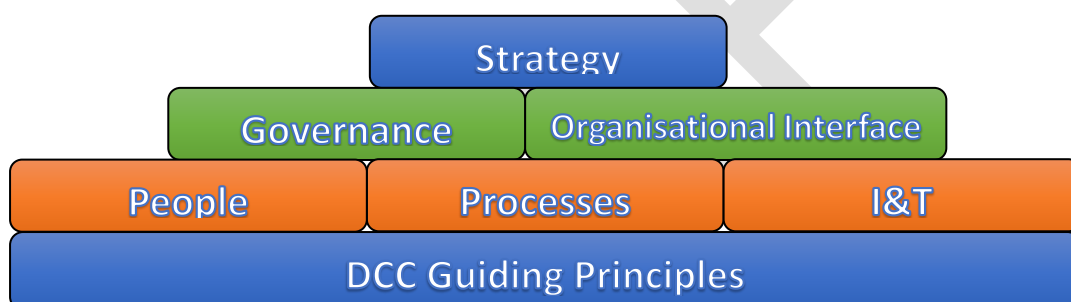
The following section gives a brief description of what is expected within each 'building block'; and the 2019-20 Annual Strategy Delivery Plan then details specific activities identified from either existing work underway or new work that will deliver the 2019-20 strategic aims and the Council's 'Enterprising Procurement' function.

Strategy

The Procurement Strategy is concerned with identifying, selecting and implementing the procurement structures, systems, skills, processes, programmes, shared values, initiatives and objectives for DCC that add significantly to its goals and financial sustainability. The Procurement Strategy drives and gives form to the other five building blocks for procurement capability.

Once the Procurement Strategy has been developed, it is translated into an Annual Strategy Delivery Plan. To ensure delivery, a linked business planning and performance measurement process will be assembled as part of the 'Strategy' building block.

Governance

Procurement governance encompasses control and direction for the organisation's procurement function via a framework of formal structures, mandates, policies, operating procedures, delegations and other decision rights. Procurement governance is essential in building procurement capability and ensuring the benefits from strategic procurement activities are maximised corporately, as well as meeting corporate audit and other requirements.

Organisational Interface

To optimise value, procurement professionals need to augment procurement governance with managing the organisational interface. Whilst governance provides procurement with legitimate authority and decision rights around some organisational elements, procurement delivery is delivered through managing the organisational interface both through internal (customers) and external (suppliers) stakeholders.

Managing the organisation's 'internal' interface is about getting buy-in from key stakeholders regarding procurement strategies, activities and goals. It encompasses leadership, communication, the ability to form relationships, build credibility and influence internal customers and senior executives, to assist in getting the best out of suppliers. It is the interface where procurement professional's exercise influence to gain and maintain maximum value for internal customers.

In the 'external' organisational interface, contracts with suppliers should be managed via structured contract performance management activities, but to maximise the value from the market as a whole, procurement professionals also need to manage the supplier relationship as a component of managing the external organisational interface.

People

The degree to which County Procurement is able to achieve its mission, strategy and objectives in the Council is dependent on the mix and calibre of its personnel and the environment in which it operates. The ability to attract and retain the right mix of people with regard to education, experience, expertise and skills is vital. Consequently, establishing the right environment in terms of roles, tasks performed, motivation, training, career development and reward and recognition is critical to the provision of an effective, efficient and customer focused County Procurement function.

Processes

Similar to any other corporate function or business activity, processes are a foundation building block for procurement. There is a wide range of procurement processes available, however the objective is to keep things simple particularly with internal stakeholders who are supported by County Procurement. At a strategic level, the source to contract lifecycle includes an annual category planning exercise, developing the appropriate sourcing strategies, going to market, establishing and managing the contract and supplier relationship; all with organisational engagement and participation.

The 'procure to pay' process is a transactional process which typically commences with a requisition for the creation of a purchase order and ends with the fulfilment of the goods or services and payment to the supplier. The 'procure to pay' process often facilitates purchases from Council wide contracts established via the source to contract process. This is not directly the responsibility of County Procurement, however, 'category management' should identify areas of spend which can be consolidated into frameworks, DPS and other procurement methods so that they can be implemented as catalogues within the SAP Order Point System, which can be self-served by the relevant organisational roles.

Work will be undertaken to review, standardise and simplify all procurement processes and to automate these where possible. The objective will be to create a clear and easy to use set of processes which enable the user to navigate the process unassisted, unless a particular process warrants assistance or when assistance is requested.

I&T

I&T is a critical enabler for procurement capability to derive value. I&T can speed up and simplify routine procurement transactions and lower the cost of information acquisition, analysis and dissemination of information. Procurement I&T ranges from market intelligence tools and e-auctions for strategic sourcing through to an electronic transactional platform for the creation and transmission of 'procure to pay' documents, integrations with SAP, Procurement Portal and ProContract. The future Procurement Strategy will be to integrate where possible the organisation's source to contract process through an

end-to-end system and utilising the SAP ERP system to integrate and automate the 'procure to pay' process via Order Point.

Procurement Strategy Implementation Plan – 2019/20

The 2019/20 strategy implementation is structured around the CIPS six building blocks model detailed above, which has been written into the Enterprising Procurement Vision and Mission document.

Each of the building blocks contain 'best practice characteristics', which are required to be present and effective for an organisation to deliver an excellent and high performing procurement function.

A large proportion of the strategic aims for 2019-20 and those brought forward from 2018/19 can be achieved by the adoption of 'Best Practice Characteristic' detailed within the CIPS model. The tables below detail the Best Practice Characteristics; the methods/actions identified to achieve them; and a RAG status to indicate current status.

It is expected that over time there will be less work to do on achieving best practice, with each successive year moving towards a steady state with activities undertaken to implement improvement or to deal with fundamental changes arising.

Specific planned strategic projects are detailed separately within each 'building block'.

Objectives carried forward from the previous Procurement Strategy are also captured in a separate table in appendix 1, to aid tracking through this changed approach to strategy creation and delivery.

Best Practice Characteristics, Attributes and Planned Strategic Projects by Building Block

Strategy

There will an annual refresh of the Procurement Strategy, which will be produced in July 2020. This will contain a retrospective on delivery of the 2019-20 plan, the revised Procurement Strategy and the Annual Strategy Delivery Plan for 2020-21.

The 'Strategy' building block consists of three sub-sets of characteristics covering 'Strategy Setting', 'Departmental Service Planning' and 'Performance Measurement'. The following best practice characteristics will be addressed in developing the Procurement Strategy and its delivery:

Strategy Setting:

No	Best Practice Characteristic	Method to achieve and RAG
S1	A comprehensive long term (five year) strategy setting process is operative for developing procurement strategies.	This document.
S2	A clear vision and mission for the procurement function are defined and marketed throughout the organisation.	Completed as the Enterprising Procurement Vison and Mission.
S3	The values and guiding principles by which procurement will operate are also defined and marketed.	To be completed 2019-20.
S4	The vision, mission, values and guiding principles are aligned with the organisation's strategic objectives, goals and values, with the link actively marketed.	To be completed 2019-20 – Baseline document is Enterprising Procurement Vision and Mission.
S5	Procurement strategies and measurable goals to accomplish the vision and mission are defined and applied.	This document.

No	Best Practice Characteristic	Method to achieve and RAG
S6	Risk and total cost are balanced in strategy setting.	Implementation of the Council's Risk Management Process.

Departmental Service Planning:

No	Best Practice Characteristic	Method to achieve and RAG
S7	A comprehensive service planning (annual) process is operative for the translation of departmental procurement plans into actions for the County Procurement team.	This document and the process to create it.
S8	The service plan details and communicates the procurement strategies, activities, actions, and goals.	This document, the communication plan, implementation of the category plan.
S9	The departmental plan is the focus of all procurement activity.	The category management approach will develop service plans with each department, this will include the forward plan of procurements from which annual activity is planned.

Performance Measurement:

No	Best Practice Characteristic	Method to achieve and RAG
S10	Procurement performance is managed via a Dashboard which details the performance measures and goals and is linked to the procurement strategies and departmental plans.	Contract data has been moved into Pro-Contract so it can be reported automatically, an additional WIP reporting system has been developed which will be automated into the Procurement Portal.
S11	Performance measures and goals are aligned with the organisation's strategic objectives, goals and values, with the link actively marketed	This document and Enterprising Procurement align County Procurement to the Council's strategic objectives
S12	Internal customer satisfaction and supplier feedback mechanisms are incorporated into the performance measures.	This will be part of the category management approach and will be picked up in the monthly meeting. The procurement portal will allow for feedback.
S13	Procurement work, group and individual job goals are directly linked to the service plan and Performance Dashboard.	Implemented in the category management approach.
S14	Performance results are used to review, change and develop new strategies and goals, and continuously improve the procurement function.	This is delivered in the category approach through the annual planning process

Essential Principles of Procurement Strategy

The procurement strategy is dependent on the Council's strategic objectives, goals and values, coupled with the maturity level of its procurement function. Below are the essential principles for any council's procurement strategy and will be addressed thought the delivery of the strategy:

Essential Principles	Status and Approach
Risk and total cost are balanced.	The Council's Risk Management Strategy has been adopted.
Individual end user customer and overall Council needs are balanced.	Annual and regular planning process being delivered via category management.
The strategies directly enable the three procurement value propositions of effectiveness, efficiency and customer service.	The procurement process is structured to deliver effectiveness and efficiency. Customer Service will be addressed in the Organisational Interface Block.
Effectiveness, efficiency and customer service value are balanced.	Value will be addressed in a wider Value Project.
External influences, such as market and economic conditions, legislation changes and moral obligations are dealt with (e.g. security of supply, talent scarcity,	This will be addressed in 2020-21 plan via the creation of the commercial capability.

carbon tax, social responsibility and sustainability, etc.).	
Procurement personnel are allocated to strategic and tactical roles, with technology and automation utilised to eliminate transactional procurement activities.	Category management will align staff to the organisational structure. The development of Procontract and the Procurement portal will automate a significant portion of work that is currently manually completed.
The other five building blocks for procurement capability (governance, the organisational interface, people, processes and technology) are built and continuously improved.	The annual strategy is revised annually and consists of the five blocks.
Simplicity.	The strategy and annual plan is made as simple as possible.

Strategy Projects – 2019/20

Title	Description	Delivery
St1. Rewrite the procurement strategy based on best practice	Socialise, amend – complete end of October 2019 Sign off – by cabinet as soon as the end of December 2019 The 2020-2025 Procurement Strategy and annual plan including a retrospective of delivery against the 2019-20 annual plan.	Q4 2019
St2. Delivery	Deliver the strategy using one-month sprints using agile/Scrum or any other means deemed appropriate.	Q1, Q2 2019
St3. Write and issue the 2020-21 strategy	Start and complete the process used to generate this document and the annual procurement update report.	Q3, 2019

2. Governance

There is a recognition that there are a number of factors in the Standing Orders Relating to Contracts, which require further work. A project is underway to define the scope and scale of issues, which will be turned into a prioritised list with each item being addressed in order of priority.

A second project will be created under the governance work stream which will look at Value for Money and Social Value, the purpose of which will be to define and agree a common understanding of the various forms of value and to create a standardised approach to delivering enhanced value through purchasing activity.

The governance framework components:

No	Best Practice Characteristic	Method to achieve and Rag
G1	Procurement is responsible for all addressable external spend.	A desire has been expressed to centralise all external spend. This project has not been scoped at the time of writing.
G2	Procurement policies that are simple, consistent with the corporate culture and are embedded.	A project is underway to review the policies and procedures relating to procurement in the contract standing orders. Once complete is will be made available to the organisation via the procurement portal.
G3	A clear, council wide mandate to comply with procurement policies and service planning activities are operative.	A project is underway to review the policies and procedures relating to procurement in the Standing Orders Relating to Contracts.

G4	Effective change management has resulted in the corporate culture supporting the procurement governance framework.	Delivered via the category management approach and creation of the Procurement Portal.
G5	Corporate systems have appropriate controls embedded which support the procurement governance model throughout the organisation.	This is being delivered via the Standardisation project and the Governance Block.
G6	Procurement personnel are empowered to make decisions on behalf of the council in accordance with the policies.	This will be reviewed via the Standardisation project in the Governance Block.
G7	A formal approval framework specifies the authorisation process for procurement spend.	Will be reviewed within the Governance Block through a project to review of the Governance documents including the Standing Orders Relating to Contracts.
G8	Procurement actions are based on ethical principles including probity, fairness, impartiality, accountability and transparency.	This is enshrined in the Council's Constitution Standing Orders Relating to Contracts.
G9	Procurement processes, systems, tools and techniques are documented, referenced and maintained as operating procedures, consistent with the corporate standards.	This is picked up in the Standardisation project and issued via the Procurement Portal.

Procurement Governance Essential Attributes:

Best practice Attribute	Method to achieve and RAG
Procurement dealings are only conducted with approved suppliers.	A drive towards a centralised purchasing capability, which is Council wide with access to a sufficient quantity of pre-approved suppliers to meet the organisation's needs. Increased use of self-service though SAP catalogue and category management to interrogate spend and move it towards Council wide contracts where appropriate.
No goods or services are obtained without a valid purchase order.	Move towards No PO no Pay is in the hands of finance. This may progress in the future with the use of early invoice payment schemes.
Market engagement processes promote effective competition between potential suppliers.	This will be addressed in the Governance work stream.
Formal contracts are operative for high spend or high-risk categories.	Delivered via category management and associated category spend analysis.
Formal authority levels are in place for procurement spend and system generated to optimise processing.	Current procurement protocols are being reviewed to ensure they are effective, with the resulting process being automated in the Procurement Portal.
Confidential procurement information and/or intellectual property are safeguarded.	Pre-Procurement work is captured in the EDRM system. This will eventually move into the Procurement Portal and be dealt with in Microsoft E365.
Conflicts of interest are minimised and effectively managed.	Controls with the Procurement Initiation Documents coupled with the revised Standing Orders Relating to Contracts will deliver this.
Liabilities are provided for and procurement commitments reported.	ProContract advertised spend data will be cross-referenced to SAP vendor spend to ensure there is no contract overspend. This will form part of the Procurement Reporting Pack. The business case process data is also included in the Procurement Reporting Pack.
Ethical standards are promoted.	This will be addressed in the Total Value project

Title	Description	Delivery
Gov1 - Catalogue and map existing DDC procurement governance arrangements	Review applicable elements of the Standing Orders Relating to Contracts e.g. the procurement protocols and other internal procurement related constitutional elopements and review their effectiveness. Work to be completed with Legal to ensure that there are no unintended consequences of any changes proposed. Once complete the output will be a major revision to the Standing Orders Relating to Contracts, which will be released through the change control process.	Q4 2019 through Q3 2020
Gov2 - Resolve Centralisation vs Decentralisation	There is an initial direction that the ownership of purchasing should be centralised, though detailed work will need to be completed to define how this will be realised. This will be addressed in 2020/21 and is the medium-long term section at the end of this document.	Q4, 2019 through Q2 2020
Gov3 - Total Value project	A project to analyse current value drivers and to develop a Council wide value proposition to ensure maximum value both financial and social are derived from all of the Council's spend.	Q1 Q2 2020
Gov4 - Procurement Policy and Procedures (PPP) document	As part of the initial review of the Standing Orders Relating to Contracts it is clear that there is a requirement to split out policy and procedure from the Constitution, which will signpost readers to the Procurement Policy and Procedures documents. This will reduce the frequency of the changes that need to be made to the Constitution, with low level changes being made in the Policy	Q2, Q3 2020

3. Organisational Interface

This element is broken into two main sub-elements; the first deals with the relationship of County Procurement and the stakeholders within the organisation with second deals with the with stakeholders outside the organisation.

Internal stakeholders:

No	Best Practice Characteristic	Method to achieve and RAG
O1	A procurement communication plan is operative and communicates procurement strategies, plans, activities, measures and results.	The communications plan will be developed though Q4 2019 and Q1 2020.
O2	Service Level Agreements (SLAs) are in place with customers. The SLAs contain joint strategies, activities, actions, and goals that measure the performance of the collaborative relationship.	SLAs will be developed by the Category Managers with each Department. The Head of Procurement will develop and report on Country Procurement KPIs with the Head of Finance, through existing reporting channels.
O3	A procurement intranet site, consistent with the corporate standards, is in place to actively communicate and report procurement information.	A Procurement Portal is being developed using SharePoint as a pilot with Corporate ICT.

No	Best Practice Characteristic	Method to achieve and RAG
O4	An appropriate review is undertaken after every 'project' procurement performs with/for a customer.	The post award review process will be developed through the standardisation process. The process itself will be designed to reduce errors, though there is still an opportunity for lessons to be captured and disseminated via the Procurement Portal.
O5	A customer satisfaction survey is issued to customer groups annually.	This will be provided as part of the procurement process and will be available for all to use on the Procurement Portal.
O6	Results from reviews and surveys are analysed, actioned, marketed to stakeholder groups, and used as a driver for the evaluation of procurement strategies and activities.	Once in place the Procurement Portal will provide this functionality.
O7	Procurement integrates and develops key relationships with internal customers.	This will be delivered through the category management approach.
O8	Procurement accurately understands and supports customer challenges and priorities.	This will be achieved via the category management annual planning process
O9	Procurement proactively identifies improvement opportunities in customer areas.	The category management structure will achieve this with ongoing regular update meetings throughout the year.

Third Party Suppliers:

No	Best Practice Characteristic	Method to achieve and RAG
O10	Procurement owns and facilitates relationship development programs with key suppliers.	Category managers will develop market management strategies as part of their category management process.
O11	Techniques are operative to integrate suppliers into the improvement process.	Category managers will develop market engagement strategies as part of their category management process.
O12	Supplier representation is included in the council's cross functional teams.	Category managers will develop market engagement strategies as part of their category management process.
O13	Joint service plans and projects are in place with suppliers focused on extracting additional value from the collaborative relationship.	Category managers will develop market management strategies as part of their category management process.
O14	Opportunities and risks are shared with suppliers to optimise procurement results.	Category managers will develop market management strategies as part of their category management process.
O15	Supplier initiated savings are operative, recognised and rewarded.	Category managers will develop market management strategies as part of their category management process.
O16	Two-way service information updates are regularly held with suppliers (e.g. Quarterly briefings, monthly meetings, supplier councils, newsletters, etc.).	Category forward plans (where appropriate) will be shared with the relevant market segments via the market engagement strategy.
O17	A supplier recognition and awards program is in place that formally recognises and rewards supplier contributions	Category managers will develop market management strategies as

		part of their category management process.
O18	Procurement's values, particularly around ethics, safety, environment, community and sustainability are promoted with suppliers.	Category managers will develop market management strategies as part of their category management process.

What does success look like?
Components for the organisational interface are as follows:

Best Practice Characteristic	Method to achieve and RAG
Procurement has a seat at the table at the highest levels in the organisation.	Development of a Procurement Leadership Forum to drive 'Total Value' in all spend
Procurement is responsible for all addressable external spend.	Work with Finance and the Constitution to ensure that all 3rd party spend is addressed in the most effective manner.
Procurement is an attractive career within the organisation and there is a clear career path within, and beyond, the function.	Work with HR and promote Procurement in the Council as an exceptional career option for exceptional people.
Procurement provides a clearly defined professional track for procurement staff striving for executive level positions.	Work with HR and promote Procurement in the Council as an exceptional career option for exceptional people.
Procurement has a strategic influence on the conduct of the overall business.	Development of a Procurement leadership forum to drive 'Total Value' in all spend
Procurement Strategy is an integral component of the overall Corporate Strategy.	Embed the annual Procurement Strategy and departmental planning process into the DMT, ensure that demonstrating total value is mandatory.
The corporate culture complies with procurement regulations, policies and initiatives.	Redesign the Procurement protocols and Standing Orders Relating to Contracts so that they are truly value adding to those using them and then enforce the Constitution such that those who wilfully ignore them and place the Council at legal and reputational risk are dealt with accordingly
Procurement articulates a credible business case for increased involvement and collaboration in customer areas.	County Procurement's category management infrastructure is embedded into departments; effectively supporting with excellent service and driving towards 'total value'.
Procurement is a driver in integrating and developing key relationships between internal customers and suppliers.	Category management utilises the external facing Organisational Interface to co-develop market strategies with departmental partners.
Suppliers are integrated into the improvement process.	The category management market strategy develops meaningful relationships with the supply chain.
Supplier initiated savings are plentiful.	A consequence of the effective market management strategy.
Suppliers' share procurement's values, particularly around ethics, safety, environment, community and sustainability.	A consequence of the effective market management strategy.

Organisational Interface Projects – 2019/20

Title	Description	Delivery
Org1. Implement category management including SRM	This is an essential element in the procurement maturity journey and will provide the foundation stone of the Council's ability to consistently and effectively manage.	Q1 2020 through Q3 2020

Org2. Category Managers to develop market engagement and market management strategies as part of their Category Plans.	As part of the implementation of category management, there will be a requirement to create a series of management documents to ensure the category is managed correctly and for effective decision to be made as to how best to influence and drive value from the market.	Q3 2019 though Q3 2020
Org3. Develop an internal and external communication plan	This will allow the Council to identify target audiences and to create a suite of tailored communications to effectively pass messages to and from the market. This will be largely informed by the Category Mangers for a given category of spend. Internal communications of performance and access to the policy and procedures will be made available via the procurement portal one online.	Q2 2020 through Q 2 2020

4. People

The People block is subdivided into two sub-block, which are People and Performance and Training Development.

People and performance:

No	Best Practice Characteristic	Method to achieve
Pe1	The best people are recruited, high performers are rewarded and retained aggressively, and underperformers are developed before being managed out.	Working with HR to develop a Staffing Strategy.
Pe2	Service plan and balanced scorecard outcomes are directly linked to work group and individual job goals.	Developed as part of implementing category management
Pe3	The achievement of job goals is in turn linked to performance review systems, incentive systems and remuneration.	Developed as part of implementing category management
Pe4	360 degree feedback systems are in place.	My plan and 1:2:1 sessions are in place, this will be augmented with client feedback through the Procurement Portal feedback process.
Pe5	The work environment reflects the shared values espoused in the Departmental Service Plan.	The move to Chatsworth Hall has enabled a more cohesive and collegiate team to form. Clear direction from the Head of Procurement has installed effective line management mechanisms in place and the rebranding to County Procurement has begun the process of developing a strong brand and identity for the team.
Pe6	Personnel demonstrate an overriding commitment to ethics, health, safety, environmental and community responsibility.	The newly formed team is performing well and is currently using legacy processes; however, work is required to create the infrastructure that allows officers to more effectively demonstrate these commitments.
Pe7	Success is celebrated.	Monthly procurement leadership meeting has an agenda item to celebrate success and exceptional behaviour. More can always be done and further options will be reviewed.
Pe8	Wellbeing and morale are tracked (e.g. employee satisfaction, safety, turnover, absenteeism) and actions are operative to increase moral and motivation.	A new structure has been established which consolidates Business Service Support which will ensure training is completed and general

No	Best Practice Characteristic	Method to achieve
		wellbeing and morale are tracked and issues escalated to be acted on.

Training and development:

No	Best Practice Characteristic	Method to achieve
Pe9	Roles have defined technical and personal competency requirements.	All role definition is complete and up to date.
Pe10	Procurement personnel are assessed against the role competencies and individual training plans are developed and managed to close the gaps.	Management review staff performance via My Plan and regular 1:2:1 session with management to identify gaps and resolve performance issues.
Pe11	People development strategies are regularly reviewed in light of current progress, participant feedback, changes in strategic direction, market conditions and technology.	Regular 1:2:1 meeting with management and My Plan reviews ensure that development is regularly reviewed and fed into the leadership forum.
Pe12	Succession planning is operative and linked to training and competency requirements of individuals.	The use of the apprentice scheme to create a flow of new talent and the processes of promoting from within ensures a career development process.
Pe13	Training towards MCIPS is actively promoted and facilitated.	Done –This is embedded in the HR process for County Procurement.
Pe14	Programmes are in place for procurement trainees and graduates.	CIPS and MCIPS is available through the Council and further training is available through the Apprentice Fund, which staff are able to utilise. Further courses and events are also attended with a requirement to bring back and share knowledge gained whilst at these events.
Pe15	Procurement is an attractive career within the Council and there is a clear career path within, and beyond, the function.	Once completed, the Procurement Portal will act as the central repository for career details for the organisation, showing potential candidates the available career routes though procurement.

People Projects – 2019/20

Title	Description	Delivery
PEO1. Develop a People Strategy	This will identify the current status of the County Procurement team and identify how to enhance existing resources and to ensure a continued flow of excellent candidates into the team as and when positions become available. This should also review the Council's competitiveness as an employee against the likes of the NHS who will be looking to attract talent away from the Council.	Q2 2020
PEO2. Complete the recruitment of outstanding posts	Moves and change have meant there are currently a number of vacancies and the desire to include a commercial function and possible centralisation of purchasing across the Council will mean active recruitment and general HR activity thought the second half of the transformation programme.	Q4 2019 though 2020
PEO3.Training and Development	As a subset of the people strategy: to ensure all outstanding required training is completed and future requirements are captured, and plans are in place to have people trained so they have the required tools.	Q4 2019, Q1 2020

5. Processes

The processes relating to the procurement are divided into two main sub-sections; i) the Source to Contract; and ii) Procure to Pay. Source to Contract deals with the larger procurements where direct procurement support by a procurement professional is required by the organisation; the second Procure to Pay process deals with self-service by a purchaser from the SAP system where an overarching contract or agreement has been put in place.

Source to Contract Process

This element of the block is further divided into three sub blocks that represent the stages of the procurement cycle, namely, i) Plan; ii) Engage; and iii) Manage.

Plan: This sub-block plans the entire sourcing initiative and focuses on designing the sourcing strategy for the category.

No	Best Practice Characteristic	Method to achieve and RAG
Pr1	Needs analysis and start-up identifying the need, gathering the baseline data, quantifying the opportunity, identifying stakeholders and initiating the cross functional team.	The Procurement Initiation Document and associated process manages the known procurements. Category management plans will allow for analysis of opportunities where spend improvements via aggregation and tail spend consolidation can occur.
Pr2	Category and market analysis analysing category spend patterns, supplier and market conditions, and developing specifications and cost drivers.	Data is being integrated from ProContract and SAP to allow for vendor spend to be recorded against contract spend. Further vendor spend analysis against categories will allow category leads to develop activities to increase value.
Pr3	Sourcing strategy testing and refining sourcing options to create a sourcing strategy.	This will be the responsibility of the Category Manager once in place and embedded

Engage: This sub-block selects the supplier(s) best able to meet the category objectives, reflects the outcome in a contract, and transitions the arrangement to contract management.

No	Best Practice Characteristic	Method to achieve and RAG
Pr4	Go to market creating the RFx, evaluating proposals and risks, conducting negotiations and selecting the optimal supplier(s).	The procurement processes are being standardised and run through the ProContract sourcing system.
Pr5	Transition executing the contract, communicating the outcome, developing the operational plan, transitioning to contract management, and conducting a project review.	This is addressed in ProContact and involves 'promoting' the project to a contract, which then triggers contract reviews and other contract management activities. Project reviews are not currently undertaken.

Manage: This sub-block implements the contract, and proactively manages the supplier relationship, contract and category performance.

No	Best Practice Characteristic	Method to achieve
Pr6	Contract start-up implementing the contract.	There is currently no standardised contract management approach used across the Council. This will be addressed as part of the ProContract and category management work.
Pr7	Supplier relationship management sharing opportunities and risks with suppliers to maximise results.	This is not currently routinely carried out and a system will be developed as part of the category management planning process.
Pr8	Contract and performance management managing supplier and contract performance against category objectives.	This is not currently routinely carried out and a system will be developed as part of the category management planning process.

No	Best Practice Characteristic	Method to achieve
Pr9	Value discovery, rigorous assessment of category performance and situation as input into the appropriate future category strategy.	This is not currently routinely carried out and a system will be developed as part of the category management planning process.

Procure to pay:

No	Best Practice Characteristic	Method to achieve
Pr10	Catalogue is searched and drawn upon for the creation of requisitions.	The commercial capability will undertake analysis to determine opportunities to move into catalogues that are able to be used across the Council.
Pr11	Requisition is approved with minimal delay and high accuracy.	This is completed via the OrderPoint/SAP system.
Pr12	RFQ (request for quote) is issued to suppliers and responses are evaluated.	Work is underway to confirm if this will be done in ProContract or OrderPoint; once agreed it will be implemented accordingly.
Pr13	Purchase order is created and issued to the supplier.	This is completed via the OrderPoint/SAP system.
Pr14	Purchase order status is updated through expediting sub-processes.	This is completed via the OrderPoint/SAP system.
Pr15	Physical receipt of the material, validation of hours worked or completion of a service scope or specification is acknowledged.	This is completed via the OrderPoint/SAP system.

Process Projects – 2019/20

Title	Description	Delivery
PRO1 - Complete the Standardisation of all Processes and Procedures	This is an ongoing project to ensure that there is a single standardised set of processes and procedure that are in use and that any changes that are required are done via an agreed change control process.	Q4 2019 through Q3 2020
PRO2 - Develop the Procurement Policy and Procedure Documentation	This will be related to the review of the Standing Orders Relating to Contracts and will contain all the required and applicable Procedures and Policies relating to Procurement, which will be signposted from the Standing Orders Relating to Contracts and will enable anyone in the Council to easily understand what is required for any type of spend and how to function in the Council.	Q4 2019 through Q3 2020
PRO3 - Implement the Contract Element of the Category Management process	This will sit alongside the requirement into post of the Category Management structure and will form the basis for how category management will be conducted by County Procurement	Q4 2019 through Q3 2020

6. I&T

Information and Technology projects include both projects where County Procurement have direct control such as with ProContract and with wider Council IT project where County Procurement is dependent on an external party to deliver. This area also deals with the approach to managing all information assets both in terms of accurate record keeping and utilising data to inform decision making.

No	Best Practice Characteristic	Method to achieve and RAG
I&T1	All procurement activity is managed electrically and linked to the finance system where possible.	Pre-Procurement is captured via the TID process, which will be automated via the Procurement Portal. Once live the procurement is run via the ProContract system as is the contract management. Monitoring of spend against

		advertised value is monitored by a data model that combines data from the SAP and ProContract system.
I&T2	Manual intervention and rekeying in minimised.	Work is underway to automate as much of the end to end procurement cycle as is possible.
I&T3	Contract management activities are automated where possible.	The move of all contract data to ProContract is underway and this will become the default location for all contract management.
I&T4	Inventory is optimised by the system and automatically replenished.	The use of catalogues and online ordering will go as far towards this as is possible. Much of the operational decision making resides outside procurement. Once category management is in place and it is possible to demonstrate the financial and operational benefit of such systems, it will be then reported back to the relevant business area.
I&T5	RFID or barcoding technology is used for efficient warehousing.	This element is addressed outside of procurement.
I&T6	Invoices received from suppliers are electronic (i.e. E-invoices) or recipient created tax Recipient Created Tax Invoices (RCTI) are used in lieu of supplier invoices.	This element is addressed outside of procurement.
I&T7	Invoices are electronically matched with the purchase order and receipt.	This element is addressed outside of procurement.
I&T8	ETF (Electronic Funds Transfer) is used for payment and remittance advices are electronically transmitted to the supplier.	This element is addressed outside of procurement.
I&T9	Suppliers view the status of their invoices via the internet or a self-service portal.	This element is addressed outside of procurement.
I&T10	Purchasing cards and travel cards (e.g. Visa, American Express) are used and reconciled electronically.	This element is addressed outside of procurement.
I&T11	System reporting on procure to pay activities is operative.	Reporting capability is being developed and once complete there will be detailed reporting for each stage of the procurement lifecycle and other relevant aspects of performance including value creation.

I&T Projects – 2019/20

Title	Description	Delivery
Tec1 – Pro-Contract Enhancements	Implement the current activity to reconfigure ProContract. This will increase the availability of contract data and standardise the ways of working in the system and automate the reporting of transparency data.	Q4 2019, Q1 2020
Tec2 - Procurement Portal	The creation of the Procurement Portal will be the central location for all procurement-based documentation and will hold the master live copies of all process documents. It will provide answers to FAQs, links to relevant materials outside the organisation and performance data. The future development will also allow for process automation so that a person can raise requests for service via the Procurement Portal.	Pilot due Q4 2019, further development through Q1,2,3 of 2020

Tech 3-Technology Strategy	Create a technology blueprint and rolling five year roadmap.	Q1 to Q2 2020

Medium-Long Term View 2021-24

This section identifies items that will be considered over the coming year, though are further into the future than require detailed planning and delivery in this planning period. It is expected that each year some of these items will move into the Annual Strategy Delivery Plan for a given year, and some items will be removed as they become irrelevant. Having a weather eye on distant future events allows for a degree of preparation thus preventing issues arising though lack of foresight and preparation.

Block	Description of Medium-Long Term Item
Strategy	
Post Brix – Procurement	Possible post Brexit changes to procurement Regulations. There are a number of potential aspects that could change the way in which procurement is governed. This following link gives some insight to the direction travel of the Government: https://www.gov.uk/guidance/public-sector-procurement-after-a-no-deal-brexit Whilst not imminent and whilst there is still uncertainty about how the UK will leave the EU, it is fair to assume that post Brexit, there will be changes to how Government addresses procurement. This situation should be monitored and brought forward if required.
Governance	
Future purchasing organisation	There is an intention to centralise the responsibly for purchasing of all goods and services. The specific details are not yet defined, and this will involve changes to the Constitution, for example, with contract management, finance, resource allocation, and systems and processes to support the new way of working. This is something that should be picked up in the 2020/21 Annual Strategic Delivery Plan.
Organisational Interface	
County/Regional Business engagement	As category management matures, commercial capability is implemented and data becomes more usefully available, this information should be made available to the market. A project will need to be established in respect of this.
People	
Commercial Capability	The drive towards an Enterprising Council means that the Council will be involved with a greater number of hybrid commercial models from Latco, Almo, Alpo and a host of other iterations. This, coupled with a desire for the Council to act in a more commercial manner, requires that capability and capacity be put in place to ensure that the Council can capitalise on opportunities that arise. There is an intention to implement a commercial capability with the procurement function, however the actual means to do this are not yet defined.
Process	
Process Automation	Further to the work to standardise the processes and procedures used by County Procurement, the next stage will be to automate the end to end

	procurement system. The initial pilot of the E365 environment should be sufficiently mature in the next year or two to allow for process automation to take place such that a request for service from a business user can be made on an online system and worked on by a number of relevant stakeholders though the entire process journey. This automated system will also provide general management information regarding work in the system as well as any exceptions or issues.
I&T	
	Replacement for ProContract: the current ProContract contract expires in 2023 so this will not need to be picked up until 2021. Work is underway to upgrade SAP, so it would be wise to investigate the extent to which SAP could provide a single system end-to-end procurement solution.

Appendix 1, 2018-2021 Procurement Strategy deliverables carried over.

Below is a table showing the activities that were started in the 2018-19 period and have either not been started or have been started and not yet been delivered. The table shows which of the new building blocks the previous deliverable will be moved to. This transition is a one off and subsequent annual strategy documents will not need this step.

Figure 2, Procurement Strategy 2018-2021 - Items not started and carried over

No	2018-2022 - Objective Title	Current Status	2019-24 Project
Objective 2: Value for Money (VfM)			
2.2	Support and promote an understanding of what VfM means in practice across the Council.	Not yet started	Governance - Value Project
2.3	Maintain VfM as a key principle underlying all procurement processes and ensure it remains a clear and central focus through the life cycle and management of all contractual arrangements.	Not yet started	Governance - Value Project
2.4	Develop whole life costing models to assess and evaluate costs and benefits (including Social Value) over the lifetime of goods, works and services.	Not yet started	Governance - Value Project
2.5	Encourage and promote the use of joint working, collaboration and partnership arrangements, to deliver cost savings through economies of scale.	Not yet started	Governance - Value Project
2.6	Deliver year on year efficiencies and savings through the contractual arrangements we establish and manage.	Not yet started	Governance - Value Project
2.7	Challenging procurement approaches which do not optimise VfM.	Not yet started	Governance - Value Project
Objective 3: Social Value			
3.1	Ensure contractual terms require primary contractors to act fairly in their dealings with sub-contractors and supply chains, including mandating timely payments.	Not yet started	Governance - Value Project
3.2	Consider, for each procurement project, how what is procured might improve the economic, social, and environmental well-being of Derbyshire residents and how that improvement might be secured, where relevant and proportionate, in line with the Public Services (Social Value) Act 2012.	Not yet started	Governance - Value Project
3.3	Ensure technical specifications address the requirement for services to be equally accessible to everyone and appropriate to the diverse needs of all sections of the Derbyshire community.	Not yet started	Governance - Value Project
3.4	Consider whether it is appropriate, on the basis of the user requirement and specification, to reserve contracts for organisations providing supported employment opportunities for people with disabilities.	Not yet started	Governance - Value Project
3.5	Produce clear guidance on additional value principles into procurement decision making such as the use of sustainability, equalities and Social Value impact assessments.	Not yet started	Governance - Value Project
3.6	Review our implementation of the Public Services (Social Value) Act 2012 to ensure it remains proportionate and fit for purpose.	Not yet started	Governance - Value Project

	Objective 5: Strategic Sourcing		
5.1	Utilise benchmarking where possible to understand how the Council's contracts perform in comparison to similar contractual arrangements put in place by comparable organisations and the NPS for Local Government in England (current version 2014).	Not yet started	People – Category Management
5.4	Work with partner organisations including the Derbyshire Economic Partnership, The East Midlands Chamber of Commerce and The Federation of Small Businesses to support SMEs and VCSEs to improve access to information about the Council's procurement processes and the tender opportunities advertised by the Council.	Not yet started	Organisational Interface – Communication Strategy
	Objective 7: Supplier Relationship Management (SRM)		
7.1	Adopt a robust approach to contract and supplier management.	Not yet started	Process – Category Management
7.8	Seek innovation from suppliers to help improve efficiency and reduce procurement and operational costs.	Not yet started	Process – Category Management

Figure 3, Procurement Strategy 2018-2021 - Items started and carried over

N0	Objective Title	Current Status	2019-24 Project
Objective 1: Governance and Guidance			
1.1	Raise awareness and share understanding within the Council of the complex regulatory framework in which procurement operates, and improve understanding of high risks in respect of financial, legal, environmental, health & safety and reputational impacts.	Progressing	Governance – Procurement Portal
1.4	Secure commitment to effective, consistent and coordinated procurement from members and officers in order to achieve the delivery of high quality, innovative and cost-effective services.	Progressing	Organisational Interface – Communications Plan
1.8	Develop and update as required, standard template procurement documentation to be used across the Council.	Progressing	IT – Standardisation
1.9	Publish and monitor the use of standard procurement documentation templates and associated guidance on the Council's Procurement Connection website.	Progressing	IT - Procurement Portal
1.10	Develop an eLearning module to provide all current and new Council staff with an understanding of procurement.	Progressing	IT – Procurement Portal
1.11	Publish datasets in line with and where possible exceeding the requirements of the Local Government Transparency Code 2014 (The Code).	Progressing	IT – Pro-Contract
Objective 4: Skills and Development			
4.1	Ensure that procurement practitioners have the necessary commercial skills to engage and develop relationships with providers, as well as engage and negotiate effectively with suppliers to influence and respond to a change in demand or supplier approach.	Progressing	People – Category Management
4.7	Gather evidence and case studies of good and effective commissioning and procurement to share and enable best practice.	Progressing	IT – Procurement Portal
Objective 5: Strategic Sourcing			
5.2	Use the information available through the Council's Core Finance and Procurement System (SAP) to identify high volume - low value and repeat off contract -contract purchases.	Progressing	IT – Category Management
5.3	Consider, where appropriate, the options to break-down and package requirements into Lots, to open more opportunities to a larger more diverse number of suppliers, including those in the local area.	Progressing	People – Category Management
5.5	Continue to promote the Source Derbyshire website (www.sourcederbyshire.co.uk), which is part of the wider Source East Midlands initiative, as the primary location where information about all of the Council's tenders can be found, including information on the option to set up tender alerts for future opportunities.	Progressing	IT – Information Strategy/ Roadmap
5.6	Promote opportunities for collaboration between departments and other public sector bodies, to make better use of available procurement resources.	Progressing	Organisational Interface - SRM
5.8	Extend the use of available procurement IT across the Council, including the Council's retendering portal and capitalising on the benefits of the additional functionality being developed through SAP.	Progressing	IT – Information Strategy/ Roadmap
5.10	Work with partner organisations to promote effective collaboration to achieve economies of scale, greater buying power and VfM.	Progressing	Organisational Interface – Supplier

				Relationship Management (SRM)
5.12	Establishment of appropriate governance arrangements responsible to the Enterprising Council Board, to oversee the development of the Strategic Sourcing approach and to identify opportunities for improving outcomes and/or increasing VfM through a strategic review of planned procurements.	Progressing	Governance – Value Project
Objective 6: Category Leads				
6.1	Identify the main spend categories across the Council, through an assessment of current and future requirements, historical spend and existing arrangements.	Progressing	People – Category Management
6.2	Develop innovative and bespoke strategies and goals for each category that address the specific challenges, risks and opportunities of that service area.	Progressing	People – Category Management
6.3	Utilise in depth knowledge of the service area need, market, supplier base, and delivery options to develop the requirements and procurement processes that are most appropriate to the specific areas of the market.	Progressing	People – Category Management
6.4	Continuously monitor and develop the category areas, to address both changes in the markets and additional areas of spend that County Procurement is involved with.	Progressing	People – Category Management
6.5	Review market information to identify areas where there is significant risk to service viability and sustainability.	Progressing	People – Category Management
Objective 7: Supplier Relationship Management (SRM)				
7.1	Using the relevant mechanisms such as the Enterprising Council Board and VfM Board to monitor compliance with contractual terms, ensuring procurement activity commences in a timely way to avoid unnecessary contract extensions and/or price increases. To ensure a whole Council view of contract end dates to enable strategic review of the appropriate consolidation of individual contracts, to fit with the Council's strategic priorities.	Progressing	Process – Category Management
7.2	Ensure SRM, including contract management, is recognised as an integral part of the procurement cycle, which is integrated into the procurement process and can be evidenced.	Progressing	People – Category Management
7.3	Scrutinise contractual arrangements following award, including consistent measuring and monitoring throughout the life cycle to ensure the stated benefits and service levels are achieved.	Progressing	Organisational Interface – Category Management
7.4	Apply a pro-active and effective approach to the management of established contractual arrangements, ensuring suppliers are supported to enable them to meet their obligations; determine and manage risks; and identify and introduce opportunities to generate further savings and efficiencies.	Progressing	Organisational Interface – Category Management
7.5	Identify and develop bespoke performance measures and indicators that are relevant to specific requirements and contractual arrangements.	Progressing	Process – Category Management
7.6	Ensure we have the most appropriate and proportionate commercial mechanisms in place for SRM, including contract management. Identifying strengths and weaknesses and applying this knowledge and understanding to new contracts.	Progressing	Process – Category Management
7.7	Develop processes to identify contractual spend, benefits, efficiencies and feedback from stakeholders regarding the quality of goods, works or services provided.	Progressing	IT – Category Management
7.9	Develop a corporate approach to recording and monitoring contractual arrangements.	Progressing	IT – Pro-Contract

Figure 4, Table of legacy strategy elements referenced against 2019-20 planned projects

Project Title/Building Block	Strategy	Governance	Organisational Interface	People	Processes	I&T
Value Project		2.2,2.3,2.4,2.5, 2.6,2.7,3.1,3.2, 3.3,3.4,3.6,5.1 2,				
Create Procurement Portal		1.1				1.9,1.10,4.7
Implement Category Management			7.3,7.4	4.1,5.1,5.3,6 .1,6.2,6.3,6. 4,6.5,	7.1,7.5,7.6, 7.7,7.8	5.2,

Pro-Contract					1.11,7.9
IT Strategy/ Roadmap			5.8		5.5
Supplier Relation Management (SRM)			5.6,5.10		
Standardisation					1.8
Communications Plan			1.4,5.4		

This page is intentionally left blank

DERBYSHIRE COUNTY COUNCIL

CABINET

13 February 2020

Report of the Assistant Director of Finance (Audit)

AUDIT CHARTER, ROLE OF THE HEAD OF INTERNAL AUDIT IN PUBLIC SERVICE ORGANISATIONS AND RESULT OF EXTERNAL ASSESSMENT OF AUDIT SERVICES

(Corporate Services)

1   Purpose of Report

To inform Cabinet of the review and update of the Audit Charter, which is a specific requirement of the Public Sector Internal Audit Standards (PSIAS), and recommend that Cabinet endorses the Audit Charter as Council policy.

To inform Cabinet of the update to the Chartered Institute of Public Finance and Accountancy's (Cipfa) Statement on the Role of the Head of Internal Audit in Public Service Organisations.

To inform Cabinet of the result of the external assessment of Audit Services which is a requirement of the Public Sector Internal Audit Standards.

2   Information & Analysis

Audit Charter

The Audit Charter draws together existing practice and formalizes procedures which are already embedded in the Council's governance framework (eg the provisions of Financial Regulations and Standing Orders relating to Contracts, the Anti Fraud and Anti Corruption Strategy, Fraud Response Plan, the requirements of Whistleblowing – The Confidential Reporting Code etc.) into a single reference document which embodies those requirements specified in the PSIAS.

The Charter is reviewed by the Assistant Director of Finance (Audit) in consultation with the Head of Paid Service, other appropriate officers and the Audit Committee to ensure it continues to reflect the requirements of the regulatory framework and key legislation on which it is based. The revised Charter is attached at Appendix 1.

The Audit Committee, acting in its role as "those charged with governance", has endorsed the revised Charter and the PSIAS requires that the Audit Charter is approved by Cabinet.

Role of the Head of Internal Audit in Public Service Organisations

Cipfa have recently revised its Statement on the Role of the Head of Internal Audit in Public Service Organisations which is attached to this report as Appendix 2. This document together with the PSIAS provides comprehensive guidance regarding the requirements for an effective internal audit service.

The Statement confirms that the Head of Internal Audit (HIA) occupies a critical position in any organisation, helping it to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and playing a key role in promoting good corporate governance. The aim of the Statement is to set out the role of the HIA and to help ensure organisations engage with and support the role effectively.

The Statement is principle-based and should be relevant to all public service organisations and their HIA. It is intended to be helpful to a wide audience including leadership teams, chief executives, audit committees and other stakeholders as well as HIAs themselves.

The Statement sets out the five principles that define the core activities and behaviours that belong to the role of the HIA in public service organisations and the organisational arrangements needed to support them.

For each principle the Statement sets out the organisation's responsibilities to ensure the HIA is able to operate effectively and perform their core duties.

The five principles relating to the role of the HIA are:-

- objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and control;
- championing best practice in governance and commenting on responses to emerging risks and proposed developments;
- being a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee;
- lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively;
- being professionally qualified and suitably experienced.

Summaries of personal skills and professional standards detail the leadership competencies and technical expertise organisations can expect from their HIA. These include the requirements of Cipfa and the other professional bodies' codes of ethics and the PSIAS Code of Ethics to which the HIA is bound.

For each of the Statement's principles reference is made to the relevant core principles contained in the PSIAS.

<u>External Assessment of Audit Services</u>

The PSIAS recognise that a professional, independent and objective internal audit service is one of the key elements of good governance.

The objectives of the PSIAS are to:-
- define the nature of internal auditing within the UK public sector;
- set basic principles for carrying our internal audit in the UK public sector;
- establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations;
- establish the basis for the evaluation of internal audit performance and to drive improvement planning.

The PSIAS require that external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The last review was undertaken by PricewaterhouseCoopers and the result reported to Audit Committee on 25 March 2014.

Following a procurement process the Chartered Institute of Public Finance and Accountancy's (Cipfa) consultancy service (C.Co) was selected to undertake the external assessment which took place during October and November 2019. This assessment was carried out on the basis of a self-assessment with independent external validation.

As a result of this assessment Audit Services are judged as compliant with the PSIAS overall and in each of the four areas of focus assessed. The final report is attached at Appendix 3 and has been presented to both Audit Committee and Corporate Management Team by Mr Ian Kirby of C.Co.

3   Legal Considerations

The Audit Services Unit discharges the Council's statutory responsibilities under Regulation 5 of the Accounts and Audit Regulations 2015 and significant aspects of the Director of Finance & ICT's statutory duties under Section 151, Local Government Act 1972.

4   Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, social value, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

5   Background Papers

A file held by the Assistant Director of Finance (Audit).

6   Key Decision?

No.

7   Is it necessary to waive the call-in period?

No.

8   Officer's Recommendation

That Cabinet:-

8.1   Note the review of the Audit Charter and approve it as Council policy;

8.2   Note the update to the Chartered Institute of Public Finance and Accountancy's (Cipfa) Statement on the Role of the Head of Internal Audit in Public Service Organisations;

8.3   Note the result of the external assessment of Audit Services confirming that the Unit complies with the PSIAS overall and in each of the four areas of focus assessed.

Carl Hardman
Assistant Director of Finance (Audit)

DERBYSHIRE COUNTY COUNCIL

AUDIT SERVICES

AUDIT CHARTER
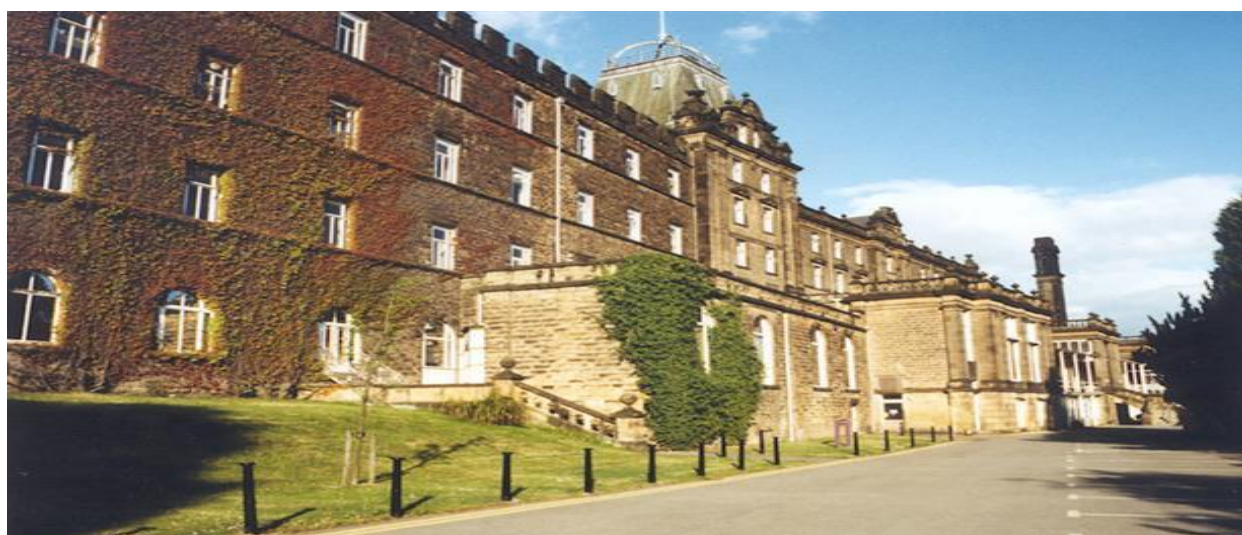
CARL HARDMAN
Assistant Director of Finance (Audit)

Introduction

The Relevant Internal Audit Standard Setters, which includes the Chartered Institute of Public Finance and Accountancy (Cipfa) in respect of local government across the United Kingdom, adopted a common set of Public Sector Internal Audit Standards (PSIAS) supplemented by a Local Government Application Note (LGAN) with effect from the 1st April 2013; the PSIAS were subsequently updated in March 2017. The PSIAS requires the Council to adopt an Internal Audit Charter as part of the requirements of the Standards, this is fundamental to the effective delivery of internal audit within the Council.

Definitions

For the purposes of this Charter the following definitions of PSIAS terms apply at the Council:-

'Board'   The Council's Audit Committee
'Senior Management'   Executive Directors and Directors
'Chief Audit Executive'   Assistant Director of Finance (Audit)

Legislative/Regulatory Basis of Operation

The Council's statutory responsibilities under Regulation 5 of the Accounts and Audit Regulations 2015, as amplified by the PSIAS, are discharged by the Audit Services Unit. It also discharges significant aspects of the Director of Finance & ICT's statutory duties under Section 151 of the Local Government Act 1972 on his behalf. The Unit works closely with the Director of Legal and Democratic Services particularly in relation to promoting and maintaining good governance arrangements.

The Unit works in partnership with the Council's appointed auditors, Mazars, in accordance with the agreed External and Internal Audit Protocol which clarifies the working relationship between Mazars and Audit Services and seeks to formalize areas of co-operation and assistance. The role and responsibilities under the PSIAS of the Unit are further clarified and reinforced in the Council's Constitution, Financial Regulations and Standing Orders relating to Contracts, Anti Fraud and Anti Corruption Strategy, Fraud Response Plan, the requirements of the Confidential Reporting Code (Whistleblowing Policy) and the Unit's Audit Manual.

Mission of Internal Audit

The Council recognises the mission of Audit Services as set out in the PSIAS:-

To aspire to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Definition of Internal Audit

The Council recognises the definition of internal audit formally set out in the PSIAS:-

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Position of Audit Services within the County Council

The Council has a responsibility for ensuring that an effective system of internal control is maintained and operated in respect of the resources under its control.

The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or should be detected within a timely period.

The system of internal control is based upon a framework which embraces regular management information, Financial Regulations and Standing Orders relating to Contracts, administrative procedures (including segregation of duties), Management supervision and a structure of delegation and accountability. Managers within the Council undertake development and maintenance of the system. In particular, the system includes:

- comprehensive budgeting systems;
- the preparation and regular review of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital expenditure guidelines;
- as appropriate, formal project management disciplines;
- clearly defined and adequately documented, approved procedural and operational guidance.

The internal control framework of the Council is subject to regular review by both Management and the Council's Audit Services Unit.

The Council's Audit Services is an assurance function which provides an independent and objective opinion to the Council on its framework of governance, risk management and control. This framework is subject to regular review by the Unit who, through a structured plan of operational and financial reviews, provide Management with assistance, advice and insight on systems, processes and risks and through this work form a view on the strength of individual aspects of control and the overall control framework.

Audit Services operates in compliance with the requirements of the Accounts and Audit Regulations and the PSIAS. This requires that 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.'* These Regulations also require full assistance from officers and Members in the provision of access to documents and records and the supply of information and explanations to enable the proper fulfilment of those Audit responsibilities. The Unit's work conforms with the requirements of the PSIAS, professional best practice and locally by the policies, procedures, rules and regulations established by the Council.

Audit Services' Methodology

In assisting the Council to maintain and develop its control environment Audit Services' staff appraise and review the:

- completeness, reliability and integrity of information, both financial and operational;
- effectiveness of systems established to ensure compliance with policies, plans, procedures, laws and regulations, e.g. control/regulatory frameworks specified by the Members and Management of the Council, and externally by statute or regulatory bodies;
- means employed by the Council to safeguard its assets and recognize risks;
- effectiveness, efficiency and economy with which resources are employed;
- management and security of the Council's information assets including contractual arrangements with third parties;
- operations being carried out to determine whether planned objectives and goals are achieved.

The Audit Services' Manual contains procedures and Professional Standards, the requirements of Professional Best Practice, the Quality Assurance and Improvement Programme and guidance relevant to the work of the Unit. The Manual is held electronically and is available to all members of the Unit's staff.

Scope of Audit Services

Audit Services' remit covers all functions and services for which the Council is responsible. It has unrestricted access to all records, personnel (both Members and officers) and physical properties necessary for the purposes of its work, however and wherever these are held, in accordance with the requirements of the PSIAS. This includes Council information which is held or managed by third parties on the Authority's behalf.

Due to its detailed knowledge of the Council's systems and processes, Audit Services may undertake consultancy work in addition to its primary assurance role. Examples of this may include advice, facilitation and training. The scope of any consultancy work will be agreed with Management and will only be undertaken where resources permit without impacting on the annual assurance process. In

accordance with the PSIAS, approval will be sought from the Audit Committee before any significant, unplanned consultancy work is accepted.

The Director of Finance & ICT is the designated Section 151 Officer and also has line management responsibility for the Assistant Director of Finance (Audit). The Assistant Director of Finance (Audit) has direct access, as appropriate, to:

- all levels of management, including the Head of Paid Service, Director of Finance & ICT (Section 151 Officer), Director of Legal and Democratic Services (Monitoring Officer), Executive Directors/Directors;
- the Audit Committee, all Elected Members, including the Leader and the Chair of the Council;
- all employees of the Council;
- all agents, partners, suppliers and contractors of the Council and their staff.

The Assistant Director of Finance (Audit) reports directly to the Head of Paid Service and the Audit Committee.

Planning and Performing Audit Work

The Audit Services Unit has an Internal Audit Strategy supported by an annual plan of areas to be examined. This is based upon an assessment of risks and a determination of critical areas for opinion and assurance purposes. The Plan, which is approved by the Audit Committee, is reported to Cabinet and Council and is managed by the Assistant Director of Finance (Audit) throughout the year to ensure delivery of all key aspects of work and the requirement to produce an annual internal opinion on the Council's framework of governance, risk management and control. The performance of Audit Services and the outputs from its work are reviewed on an on-going basis by the Audit Committee which receives regular reports throughout the year on progress against the Audit Plan, assurance levels and recommendations made, accepted and implemented; the format of these reports is reviewed by the Audit Committee to ensure their continued relevance.

Further reviews of Audit Services' performance are undertaken by the Head of Paid Service as part of normal management arrangements and the Director of Finance & ICT as part of the review of the effectiveness of the system of internal control. External assessments of internal audit must be carried out at least once every five years by a qualified, independent assessor or assessment team.

Audit work encompasses both operational systems and those in development and through this work Audit Services:

- assist in formulating, promoting and maintaining sound governance arrangements;
- facilitate good practice in managing risks;
- contribute to ensuring sound resource management;
- recommend improvements in control, performance and productivity;
- provide reassurance and challenge to Managers;

- encourage development of consistent policies and high standards;
- ensure the impartial investigation of irregularities and policy breaches;
- support the achievement of statutory and best practice requirements.

The Constitution gives the Audit Committee overall responsibility for internal and external audit and Audit Services produce Annual Reports to that Committee outlining future planned work and reporting on delivery of the Audit product. The latter report includes the Assistant Director of Finance (Audit)'s opinion on the level of assurance which can be drawn from the work undertaken on the Council's framework of governance, risk management and control.

The assessment of the adequacy of the control environment rests upon the work of managers within the Council. It is informed by the work of Audit Services as described above and also by the work of External Audit as communicated in their annual audit letter and other reports.

Principle 2 of the published Statement on the Role of the Head of Internal Audit (HIA) in Public Service Organisations issued by Cipfa as a best practice requirement states *'The annual HIA opinion …. is the most important output from the HIA and is one of the main sources of objective assurance that Chief Executives and the leadership team have for their annual governance statement'*. Audit Services' Memoranda and Reports are issued throughout the year and addressed to appropriate Senior Management including Executive Directors/Directors in accordance with the PSIAS. Audit Services routinely monitor and follow up actions taken to implement agreed recommendations.

Staff of the Audit Services Unit

The Assistant Director of Finance (Audit) must be professionally qualified and have wide experience of internal audit and management.

Audit Services must be appropriately staffed in terms of number, grade, qualification levels and experience to enable the Council's Audit Plan to be delivered effectively. Internal auditors must possess the knowledge (especially of Council activities), skills and other competencies needed to perform their individual responsibilities. Knowledge, skills and other competencies is a collective term which refers to the professional proficiency required of internal auditors to effectively discharge their professional responsibilities. Where the Assistant Director of Finance (Audit) believes that insufficient resources will impact on the provision of the annual audit opinion this will be reported to the Audit Committee.

Audit Services' staff are encouraged to demonstrate their proficiency by obtaining appropriate, relevant professional certifications and qualifications.

Code of Ethics

A Code of Ethics is a mandatory element of the PSIAS which applies to both individual auditors and to the Unit. This Code includes principles of integrity,

objectivity, confidentiality and competence, and rules of conduct attached to each of these principles.

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.

Accordingly, internal auditors are required to perform their work with honesty, diligence and responsibility, to exhibit the highest levels of professional objectivity, to make balanced judgements and not to be unduly influenced by their own interests, and that of others, in forming judgements.

All internal auditors in the public sector must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life – the Nolan principles.

Audit Services' staff are required by the PSIAS Code of Ethics to be sufficiently independent of the activities they audit so as to ensure that they are able to make impartial and effective professional judgements and recommendations. All staff are required, on an annual basis, to complete and submit to the Assistant Director of Finance (Audit) a return identifying any potential conflicts of interests or confirming that no such conflicts of interests exist.

Independence in the Council is achieved through the organizational status of Audit Services, the objectivity of Audit staff and the Assistant Director of Finance (Audit)'s freedom to report unedited, in their own name, directly to the Head of Paid Service and the Audit Committee.

Core Principles

Audit Services, individual auditors and the internal audit activity, comply with the following principles in delivering and achieving its mission:
- demonstrates integrity;
- demonstrates competence and due professional care;
- is objective and free from undue influence (independent);
- aligns with the strategies, objectives, and risks of the Council;
- is appropriately positioned and adequately resourced;
- demonstrates quality and continuous improvement;
- communicates effectively;
- provides risk-based assurance;
- is insightful, proactive, and future-focused;
- promotes organisational improvement.

Fraud and Irregularities

The Council takes a firm and positive approach to combatting fraud and corruption whether it is attempted on or from within the Authority, and is committed to an effective Anti Fraud and Anti Corruption Strategy which is supported by a Fraud Response Plan. These interrelated procedures are designed to frustrate any attempted fraudulent or corrupt act and cover:

- culture;
- deter and prevent;
- detection and investigation;
- training.

The investigation of alleged fraud and/or corruption centres on the Audit Services Unit and the Council's Financial Regulations and Standing Orders relating to Contracts require that all cases of suspected fraud, misappropriation or misuse of money, materials or equipment, or any mismanagement of money or other assets, or any other irregularities, must be reported immediately to the Assistant Director of Finance (Audit) who will investigate all such cases. The Unit will involve the relevant Executive Director/Director as appropriate and will undertake joint investigations if necessary.

The Council also has a Confidential Reporting Code (Whistleblowing Policy) which is intended to enable individuals or organisations to disclose information about malpractice internally and to provide them with protection from subsequent victimisation, discrimination or disadvantage. This Code requires that where a concern is regarding financial irregularities or fraud then the Assistant Director of Finance (Audit) should be contacted.

Responsibilities of Management to Facilitate the Audit

All levels of Management have a role to identify key risks to their service and to ensure these risks are effectively mitigated to an adequate degree. Management is also responsible for ensuring that staff are aware of the processes and procedures required to operate the internal control systems.

Managers should assist Audit Services to discharge their duties by:

- the prompt provision of information and explanations that are sought by Audit Services' staff in the course of their work;
- providing input to the Audit Plan to ensure attention is focused on areas of greatest risk;
- providing early notification to Audit Services of plans for change, including new operational systems and processes;
- implementing agreed actions arising from Audit recommendations in a timely and effective manner;
- ensuring that all members of their staff are aware of the requirement to notify any suspicions of fraud, theft, or other irregularity, promptly to the Assistant Director of Finance (Audit) in accordance with the requirements of the Council's Financial Regulations and Standing Orders relating to Contracts. In such instances the relevant Executive Director/Director should, in consultation with the Assistant Director of Finance (Audit), take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration;
- ensuring that, in consultation with the Assistant Director of Finance (Audit), where Council services are provided under contract by an external

organisation, contractual documentation identifies the internal audit arrangements for those key systems including explicit rights of access.

Responsibilities of Audit

Under the Code of Ethics internal auditors are required to respect and contribute to the legitimate and ethical objectives of the organisation.

Internal auditors are required to continually improve their proficiency and effectiveness and the quality of their services.

In seeking to undertake their duties Audit Services will have regard to the resource requirements on Departments, respect information provided and protect its security.

Any concerns about how Audit Services are undertaking their duties should be addressed to the Director of Finance & ICT and the Head of Paid Service.

Arrangements to ensure the continuing relevance of the Audit Charter

The contents of this Charter will be reviewed by the Assistant Director of Finance (Audit) in consultation with the Head of Paid Service, other appropriate officers and the Audit Committee to ensure that it continues to reflect the requirements of the regulatory frameworks and key legislation on which it is based and will, in any event, be subject to a three yearly review on an on-going basis.

CIPFA Statement on

the role of the head of internal audit

in Public Service Organisations

(2019 edition)

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation for a career in public finance. We also champion high performance in public services, translating our experience and insight into clear advice and practical services.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance.

Head of internal audit

The executive responsible for the organisation's internal audit service, including drawing up the internal audit strategy and annual plan and giving the annual audit opinion. This could be someone from another organisation where internal audit is contracted out or shared with others. In PSIAS this role is referred to as the chief audit executive.

Contents

\ introduction

The head of internal audit (HIA) occupies a critical position in any organisation, helping it to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and playing a key role in promoting good corporate governance. The aim of this Statement is to set out the role of the HIA in public service organisations and to help ensure organisations engage with and support the role effectively.

The UK Public Sector Internal Audit Standards (PSIAS) provide clear standards for internal audit but heads of internal audit in the public services face challenges ensuring professional standards are maintained and their internal audit teams remain effective. One key reason for this is that the organisation in which they operate has a direct impact on the resources, scope and authority given to internal audit. While HIAs must step up and deliver a professional service to the best of their ability, it is important to recognise this responsibility does not lie solely with the HIA. As one of the setters of the PSIAS, CIPFA considers it essential that public service organisations properly support their internal auditors to enable them to meet the standards.

For this reason it is critical that the CIPFA statement sets out not only the responsibilities of the HIA but also those of the organisation. CIPFA champions good governance and strong public financial management in public services and believes internal audit has an essential role to play in supporting those objectives. CIPFA considers that HIAs need recognition for their contributions, together with support and encouragement. For these reasons we believe the time is right for an updated CIPFA Statement.

Many heads of internal audit have already risen to the challenges and so alongside the updated CIPFA Statement we are publishing examples of how they are putting principles into practice, providing excellent support and assurance to their organisations and clients. We hope the Statement and this resource will both inspire and support internal audit going forward.

This edition ensures there is alignment to the PSIAS 2017. It explicitly links to the Core Principles for the Professional Practice of Internal Auditing, helping to demonstrate how the HIA role supports internal audit effectiveness.

The intended audience for this statement is not just HIAs in the public services. It should be read by all those with a leadership role in public bodies and by members of audit committees. CIPFA recommends those bodies evaluate their organisational arrangements for internal audit and consider the extent to which they align to the principles. We hope it will be the basis of conversations between the HIA, the leadership team and the audit committee and that the vital role of the HIA is given its due recognition and support.

Let's create the conditions in which heads of internal audit and their teams can thrive.

Rob Whiteman
Chief Executive, CIPFA

status of the CIPFA Statement

The Statement is principle-based and should be relevant to all public service organisations and their HIAs. It is intended to be helpful to a wide audience including leadership teams, chief executives, audit committees and other stakeholders as well as HIAs themselves.

We believe organisations should see the Statement as best practice and use it to support their HIA arrangements and drive up audit quality and governance arrangements.

We also commend the Statement to individual internal audit professionals. It articulates the core responsibilities of the HIA, as well as the personal and professional skills that they need.

The CIPFA Statement and the Public Sector Internal Audit Standards

The Relevant Internal Audit Standard Setters (RIASS)[1] mandate the PSIAS for their respective areas of responsibility in the public services. They work together to agree standards taking advice from the Internal Audit Standards Advisory Board.

In PSIAS, as in the International Professional Practices Framework, the term chief audit executive is used to describe the role of the person responsible for managing internal audit. CIPFA has decided to use the more familiar term head of internal audit for the benefit of the wider readership of this Statement.

Statement approach and structure

The Statement sets out the five principles that define the core activities and behaviours that belong to the role of the HIA in public service organisations and the organisational arrangements needed to support them. Successful implementation of each of the principles requires the right ingredients in terms of:

- the organisation
- the role
- the individual.

For each principle the Statement sets out the organisation's responsibilities to ensure HIAs are able to operate effectively and perform their core duties. The Statement also sets out the core responsibilities of the HIA, consistent with PSIAS. Where responsibilities are delegated the nominated HIA retains overall accountability.

Summaries of personal skills and professional standards then detail the leadership competencies and technical expertise organisations can expect from their HIA. These include the requirements of CIPFA and the other professional bodies' codes of ethics and the PSIAS Code of Ethics to which the HIA is bound. The personal skills support all five principles and are shown together, providing a handy reference for the person specification of the HIA.

---

[1] The Relevant Internal Audit Standard Setters are: HM Treasury in respect of central government; the Scottish Government, the Department of Finance and Personnel Northern Ireland and the Welsh Government in respect of central government and the health sector in their administrations; the Department of Health in respect of the health sector in England (excluding Foundation Trusts); and the Chartered Institute of Public Finance and Accountancy in respect of local government across the UK.
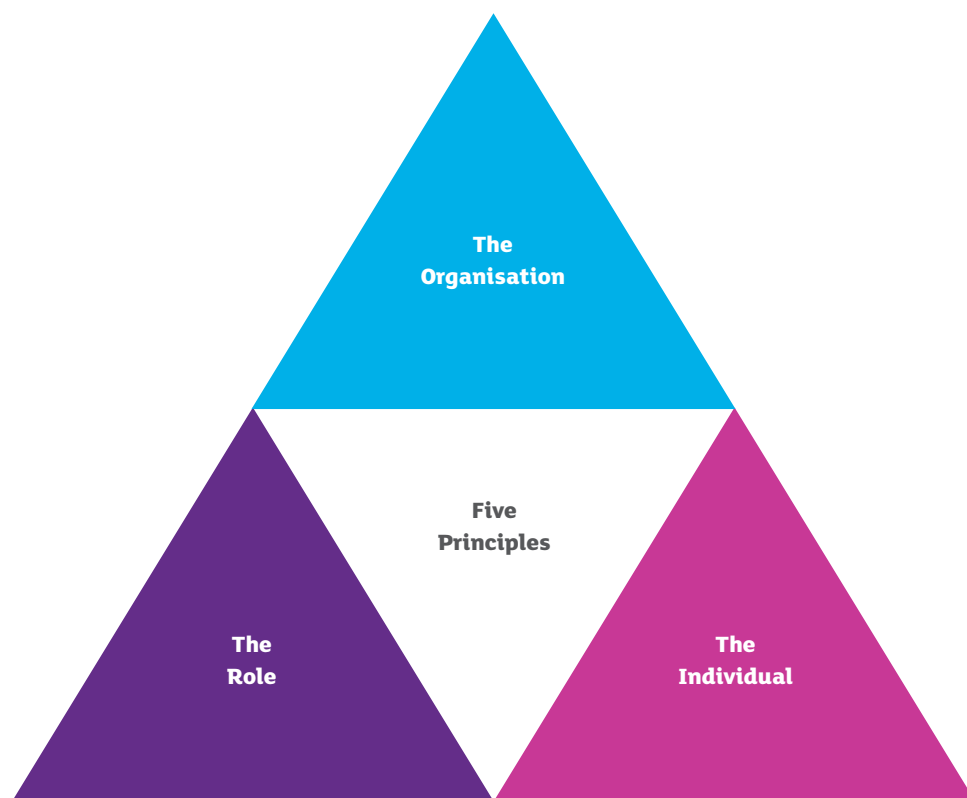
The Principles

The head of internal audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

1 objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control

2 championing best practice in governance and commenting on responses to emerging risks and proposed developments.

To perform this role the head of internal audit must:

3 be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee

4 lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively

5 be professionally qualified and suitably experienced.

\ principle 1

The head of internal audit (HIA) plays a critical role in delivering the organisation's strategic objectives by objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control.

The UK Public Sector Internal Audit Standards (PSIAS) set out the mission of internal audit which is to 'enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'. They also set out Core Principles for the Professional Practice of Internal Auditing which taken as a whole articulate internal audit effectiveness.

The following core principles are of particular relevance for Principle 1 of the CIPFA Statement:

- Provides risk based assurance.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organisation.

Organisational responsibilities

To enable the HIA to fulfil their role the leadership team should ensure they:

- set out the responsibilities of the leadership team for internal audit

- establish an internal accountability and assurance framework including how internal audit works with other providers of assurance

- set out how the framework of assurance supports the annual governance statement and identify internal audit's role within it. The HIA should not be responsible for the statement

- set out the responsibilities of the HIA and ensure the independence of the role is preserved. If additional responsibilities are taken on then appropriate safeguards should be put in place

- ensure internal audit is independent of external audit

- establish clear lines of reporting of the HIA to the leadership team and to the audit committee

- ensure the HIA reports in their own right and that the annual internal audit opinion and report are issued in the name of the HIA

- ensure the internal audit charter and plan are approved by the audit committee in accordance with the PSIAS.

Core HIA responsibilities

To fulfil Principle 1 the HIA should:

■ ensure that internal audit's work is risk-based and aligned to the organisation's strategic objectives and will support the annual internal audit opinion

■ identify where internal audit assurance will add the most value or do most to facilitate improvement

■ produce an evidence-based annual internal audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Commentary

Independence and objectivity

The leadership team is responsible for the organisation achieving its objectives and for the underlying governance arrangements and effective frameworks of risk management and internal control. The HIA's unique role is to evaluate these arrangements and provide independent assurance on their effectiveness. So it is important that the HIA is independent of operational management and is seen to provide objective views and opinions. Where the HIA has responsibilities beyond internal audit the risks to independence must be recognised and adequate safeguards need to be approved by the audit committee and put in place to protect independence and objectivity.

Broad scope of assurance

The leadership team needs regular assurance that the organisation has good governance arrangements and is effectively managing its risks. The assurance framework that provides this will have a number of sources including a clearly defined management accountability framework, performance management and risk management, together with internal compliance functions such as legal, HR and health and safety. Assurance is also available from external inspectors and agencies and external auditors. Some organisations use the 'three lines of defence' model to explain these relationships. Setting out this framework of assurance should also help in explaining to others how internal audit fits into the wider governance picture.

The annual HIA opinion is on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control in accordance with PSIAS. It is the most important output from the HIA and is one of the main sources of objective assurance that chief executives and the leadership team have for their annual governance statement. The HIA opinion is unique within the wider assurance framework in that is independent and objective and in accordance with professional standards. This opinion must reflect the work done during the year and it must summarise the main findings and conclusions together with any specific concerns the HIA has. To build a robust opinion on the adequacy of the governance, risk and control framework the HIA will need to review and if appropriate place reliance on the work of others.

Evidence-based assurance

The HIA's opinion must be well founded if it is to give proper assurance to the organisation and improve governance and control arrangements. This means internal audit planning must be well focused and in accordance with professional standards.

The HIA may look to the work of other functions, partner organisations and other agencies as evidence for their assurance. Here the HIA must understand the basis for their assurances and its adequacy and whether the HIA needs to carry out any additional review work. A summary of assurances given and relied upon should be included in the HIA's annual report.

One of the HIA's key relationships must be with the external auditor. The role of the external auditor is to provide an opinion on the financial statements of the organisation together with wider reporting on value for money or best value. The external auditor will share internal audit's interest in the governance risk and control environment and both auditors should share their plans and findings on a regular basis.

Develop and implement a risk-based audit approach

Risk management is key to the effective delivery of public services. Organisations are becoming more mature in how they identify, evaluate and manage risks and opportunities. The HIA should encourage the organisation to improve its approach to risk management and the HIA opinion on the adequacy and effectiveness of risk management will provide assurance on an annual basis.

The audit plan must identify the priorities for internal audit based on an assessment of the key risks to organisational objectives and the extent of alternative sources of assurance, as well as the resources and skills needed to deliver it. Responsibility for effective governance, risk management and control arrangements remains with the organisation; the HIA cannot be expected to prevent or detect all weaknesses or failures in internal control nor can the internal audit plan cover all areas of risk across the organisation.

\ principle 2
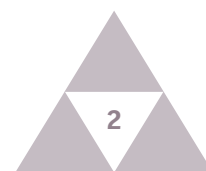
The head of internal audit (HIA) in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance and commenting on responses to emerging risks and proposed developments.

The UK Public Sector Internal Audit Standards set out Core Principles for the Professional Practice of Internal Auditing which taken as a whole articulate internal audit effectiveness. The following core principles are of particular relevance for Principle 2 of the CIPFA Statement:

- Aligns with the strategies, objectives, and risks of the organisation.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

Organisational responsibilities

To enable the HIA to fulfil their role the leadership team should ensure that they:

- establish top level commitment to the principles of good governance, recognising its importance for achieving strategic objectives

- set out the HIA's role in good governance and how this fits with the role of others

- recognise and support the role internal audit can play in providing advice and consultancy internally

- ensure that the HIA has the opportunity to advise on or provide assurance on all major projects, programmes and policy initiatives

- take account of the HIA's advice in new and developing systems.

Page 162

To fulfil Principle 2 the HIA should:

- work with others in the organisation to promote and support good governance

- help the organisation understand the risks to good governance

- give advice to the leadership team and others on the control arrangements and risks relating to proposed policies, programmes and projects

- promote the highest standards of ethics and standards across the organisation based on the principles of integrity, objectivity, competence and confidentiality

- demonstrate the benefits of good governance for effective public service delivery and how the HIA can help

- offer advisory or consulting services where appropriate

- give advice on risk and internal control arrangements for new and developing systems, including major projects, programmes and policy initiatives whilst maintaining safeguards over independence.

Commentary

Promoting good governance

Good governance is fundamental to establishing confidence in public services. All managers have a responsibility for exercising good governance but the HIA can promote the principles of good governance across the organisation through their assurance and advisory work, encouraging good practice. This is consistent with the Core Principles for the Professional Practice of Internal Auditing. The internal audit charter sets out the scope of internal audit activities and provides the opportunity to outline how the HIA will fulfil this role.

Good governance is core to achieving strategic aims and demonstrating that public money is used well. The HIA can support the leadership team in establishing, maintaining and improving governance by promoting the benefits of good governance, interpreting and advising on the application of governance principles as well as reporting on governance risks. There are also benefits for the HIA in taking such an approach as this helps staff and the audit committee see the wider purpose of internal audit's work and the support they can provide. While the HIA is not responsible for the organisation's public report on governance, the HIA can

provide support to ensure the assessment is robust and the statement itself is effective.

The HIA should understand the range of risks to good governance the organisation faces, such as entering into new collaborative arrangements, managing resource pressures or taking on new statutory responsibilities. The HIA should then assess how best to support good governance and organisational improvement.

Advising on proposed developments

The HIA will seek to ensure the work of internal audit is aligned to the organisation's strategic goals and governance responsibilities. To facilitate this HIAs must be asked to consider the impact of proposed policy initiatives, programmes and projects as well as responses to emerging risks. HIAs should be made aware of major new systems and proposed initiatives such as new collaborative or commercial arrangements to help ensure risks are properly identified and evaluated and appropriate controls built in. Managers and the HIA must therefore be clear on the scope of any internal audit work here and of the kind of advice that is given to ensure the independence of other audit work and the HIA annual opinion is not compromised.

Page 163

\ principle 3

The HIA must be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee.

The UK Public Sector Internal Audit Standards set out core principles for the Professional Practice of Internal Auditing which taken as a whole articulate internal audit effectiveness. The following core principles are of particular relevance for Principle 3 of the CIPFA Statement:

- Is objective and free from undue influence (independent).
- Is appropriately positioned and adequately resourced.

Organisational responsibilities

To enable the HIA to fulfil their role the leadership team should:

- designate a named individual as HIA in line with the principles in this Statement. The individual could be someone from another organisation where internal audit is contracted out or shared. Where this is the case then the roles of the HIA and the client manager must be clearly set out in the contract or agreement

- ensure that where the HIA is an employee they report functionally to a member of the leadership team. The HIA should be sufficiently senior and independent within the organisation's structure to allow them to carry out their role effectively and be able to provide credibly constructive challenge to management

- engage constructively with the HIA and facilitate their role throughout the organisation

- ensure the audit committee terms of reference[2] includes oversight of internal audit including the monitoring of adherence to professional standards

- ensure the HIA's reporting relationship with the audit committee and its chair as set out in the internal audit charter is applied

- ensure the organisation's governance arrangements give the HIA:
  - direct access to the chief executive, other leadership team members, the audit committee and external audit; and
  - attendance at meetings of the leadership team and management team when the HIA considers this to be appropriate

- set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in arms-length bodies

- set out the HIA's responsibilities relating to organisational partners including collaborations and outsourced and shared services.

---

2   In Local Government and Police CIPFA's Position Statement and supporting guidance include examples of audit committee terms of reference, including the committee's responsibilities for internal audit. *Audit Committee Practical Guidance for Local Government and Police*, CIPFA, 2018

Core HIA responsibilities

To fulfil Principle 3 the HIA should:

- ensure the internal audit charter clearly establishes appropriate reporting lines that facilitate engagement with the leadership team and audit committee

- escalate any concerns about maintaining independence through the line manager, chief executive, audit committee and leadership team or external auditor as appropriate

- contribute to the review of audit committee effectiveness, advising the chair and relevant managers of any suggested improvements

- consult stakeholders, including senior managers and non-executive directors/elected representatives on internal audit plans.

Commentary

Senior manager

Heads of internal audit face increasing challenges and higher expectations from stakeholders, especially in helping organisations look forward. Regardless of how the internal audit is provided the HIA must be able to operate at the heart of the organisation, challenging and supporting the leadership team with authority and credibility. They should also be seen as a leader, promoting improvement and good governance. To do this effectively, make an impact and add value, the HIA position must be at a senior management level.

The HIA must also have unfettered access to key people across the organisation, especially to the chief executive, leadership team and audit committee chair.

The HIA role must be filled by a named individual so that all are clear about lines of responsibility. Where the service is provided in-house this should be straightforward. Where the service is contracted out or shared with others then the organisation must decide whether the HIA should come from within the organisation or from the supplier of the audit service. In the latter case the relationship between the HIA and the organisation, including the audit committee, must be clearly set out and arrangements made to ensure there is adequate access and visibility of the HIA to the leadership team. In practice it is likely that the HIA will be the person who is responsible for drawing up the internal audit charter

and plan, issuing the HIA annual internal audit opinion and engaging with the audit committee.

Engagement with the leadership team

The leadership team in public service organisations takes many forms, with different mixes of executive and non–executive members, as well as elected representatives. Collectively the leadership team is responsible for setting the strategic direction for the organisation, its implementation and the delivery of public services. The HIA must also have a right of access to individual members of the leadership team and should expect the support of the team consistent with reporting relationships set out in PSIAS.

Wherever the HIA is in the organisational structure the HIA will need to ensure and demonstrate adequate independence and objectivity. A senior position supports this, alongside appropriate safeguards if they have other management responsibilities.

Engagement with the audit committee

The HIA's relationship with the audit committee, and especially the chair, is crucial. They should be mutually supportive in their aim to be objective and to provide challenge and support across the organisation and improve governance, risk management and internal control. The HIA must work closely with the audit committee chair so that they are clear about their respective roles and make best use of internal audit.

\ principle 4

The HIA must lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively.

The UK Public Sector Internal Audit Standards set out Core Principles for the Professional Practice of Internal Auditing which taken as whole articulate internal audit effectiveness. The following core principles are of particular relevance for Principle 4 of the CIPFA Statement:

- Demonstrates integrity.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.

Organisational responsibilities

To enable the HIA to fulfil their role the leadership team should:

- provide the HIA with the status, resources, expertise and systems necessary to perform their role effectively

- ensure the audit committee contributes to a performance framework for the HIA and the internal audit service and takes action as appropriate

- ensure an external review of internal audit quality is carried out at least once every five years in accordance with PSIAS

- ensure the audit committee provides support for and participates in the quality assurance and improvement programme as set out in PSIAS.

Core HIA responsibilities

To fulfil Principle 4 the HIA should:

- lead and direct the internal audit service so that it meets the needs of the organisation and external stakeholders and fulfils professional standards

- demonstrate how internal audit adds value to the organisation

- determine the resources, expertise, qualifications and systems for the internal audit service that are required to meet internal audit's objectives

- inform the leadership team and audit committee as soon as they become aware of insufficient resources to carry out a satisfactory level of internal audit, and the consequence for the level of assurance that may be given

- ensure the professional and personal training needs for staff are assessed and that these needs are met

- establish a quality assurance and improvement programme that includes:

  - ensuring professional internal audit standards are complied with

  - reviewing the performance of internal audit and ensuring the service provided is in line with the expectations and needs of its stakeholders

  - providing an efficient and effective internal audit service – demonstrating this by agreeing key performance indicators and targets with the line manager and audit committee; annually reporting achievements against targets

  - putting in place adequate ongoing monitoring and periodic review of internal audit work and supervision and review of files, to ensure that audit plans, work and reports are evidence-based and of good quality

  - seeking continuous improvement in the internal audit service

- keep up to date with developments in governance, risk management, control and internal auditing, including networking with other HIAs and learning from them, implementing improvements where appropriate.

Commentary

Meeting the needs of the business

Effective governance is critical in public service organisations and internal audit needs to play its part. The HIA must have a firm grasp and understanding of the organisation's business as well as its control environment. This will allow HIAs to give an opinion to the leadership team on how well these arrangements are working.

Whether internal audit is provided in-house, through a shared service or outsourced, the internal audit resources available must be proportionate to the size, complexity and risk profile of the organisation and must be enough for the HIA to give a reliable annual internal audit opinion on the organisation's framework of governance, risk management and control. Responsibility for ensuring that an effective and appropriately resourced internal audit service is in place rests with the organisation.

The HIA must set out the audit coverage and audit resources needed to give a sound, evidence-based annual audit opinion and must advise the audit committee and the leadership team where the available resources are inadequate and the consequences for the level of assurance that the HIA is able to give. Where concerns are raised by the HIA it is vital that they are listened to and the consequences understood.

Appropriately developed internal audit skills

A great deal of reliance is placed on the work of internal audit and the HIA must ensure all the work, including planning and individual assignments, is consistently of a high quality and in line with professional standards. The HIA must also ensure that all staff demonstrate the highest ethical standards. The HIA therefore has a responsibility to ensure that internal audit staff have appropriate qualifications, knowledge, skills and competencies and have access to development opportunities.

The HIA must provide clear guidance for internal audit staff with appropriate quality assurance for internal audit as a whole and for each audit assignment. The HIA has a duty to ensure their staff comply with the PSIAS and must have systems to verify this. More widely the HIA should ensure they and the team are up to date on current issues affecting their organisation and on internal audit techniques and developments.

\ principle 5

The HIA must be professionally qualified and suitably experienced.

The UK Public Sector Internal Audit Standards set out Core Principles for the Professional Practice of Internal Auditing which taken as a whole articulate internal audit effectiveness. The following core principles are of particular relevance for Principle 5 of the CIPFA Statement:

- Demonstrates competence and due professional care.
- Communicates effectively.

Organisational responsibilities

To enable the HIA to fulfil their role the leadership team should:

- appoint a professionally qualified HIA[3] whose core responsibilities include those set out in the PSIAS as well as under the other principles in this statement and ensure that these are properly understood throughout the organisation

- ensure the HIA has the skills, knowledge and internal audit experience, together with sufficient resources to perform effectively in the role

- support continuing professional development of the HIA.

Core HIA responsibilities

To fulfil Principle 5 the HIA should:

- be a full member of an appropriate professional body and have an active programme for personal professional development

- adhere to professional internal audit and ethical standards (and where appropriate accounting and auditing standards).

---

3   PSIAS requires that the HIA must hold a professional qualification (CCAB, CMIIA or equivalent).

Page 169

Commentary

Demonstrating professional and interpersonal skills

The HIA must be able to demonstrate their own professional credibility to exercise influence throughout the organisation. The HIA must be professionally qualified.

The HIA must adhere to the professional values of accuracy, honesty, integrity, objectivity, impartiality, transparency, confidentiality, competence and reliability and promote these throughout the internal audit service.

The HIA must be able to operate effectively in different modes including directing, influencing, evaluating and informing. The HIA must be able to give objective opinions and advice even if this may be unwelcome and to intervene with authority where necessary. The HIA must be able to challenge the status quo and be a catalyst for change, achieving results through influence, without direct authority.

The HIA must be sensitive to the complexities and pressures facing organisations.

Applying business and professional experience

The HIA must have an understanding and commitment to the organisation's wider business and its delivery objectives, to inspire respect, confidence and trust amongst colleagues, with the leadership team, audit committee and other stakeholders.

The HIA must have a good understanding of business processes and governance including strategic planning and performance, financial and risk management.

The HIA should be seen as a catalyst to improving governance and internal control and also supporting the organisation in its wider business objectives. The HIA's leadership must set the tone that good governance, risk management, and internal control matter to everyone in the organisation.

\ personal skills and professional standards

This section sets out the personal skills and professional standards of the HIA that are necessary to support the five principles in practice.

Principle 1

- Give clear, professional and objective advice.

- Report on what is found, without fear or favour.

- Demonstrate integrity to staff and others in the organisation.

- Exercise sound judgement in identifying weaknesses in the organisation's control environment and a balanced view on how significant these are.

- Work well with others with specific responsibilities for internal control, risk management and governance including (as appropriate to the sector) the chief executive, chief legal officer, chief financial officer, audit committee, non-executive directors and elected representatives.

- Work positively and constructively, influencing the leadership team, audit committee and others to ensure the HIA's recommendations are implemented.

- Be a role model – dynamic, determined, positive and robust. They should demonstrate resilient leadership and the ability to inspire confidence and exemplify high standards of conduct.

Principle 2

- Provide leadership by giving practical examples of good governance that will inspire others.

- Deploy effective facilitating and negotiating skills.

- Build and demonstrate commitment to supporting continuous improvement of the organisation.

Principle 3

- Network effectively to raise the profile and status of internal audit.

- Adopt a flexible style, being able to collaborate, advise and challenge as appropriate.

- Build productive professional relationships both internally and externally.

- Work effectively with the leadership team and audit committee, showing political awareness and sensitivity.

- Be seen to be objective and independent but also pragmatic where appropriate.

Principle 4

- Demonstrate leadership and be an ambassador for internal audit.

- Create, communicate and implement a vision for the internal audit service.

- Create a customer-focused internal audit service.

- Establish an open culture, built on effective coaching and a constructive approach.

- Promote effective communication within internal audit, across the broader organisation and with external stakeholders.

- Manage and coach staff effectively.

- Comply with professional standards and ethics.

- Require the highest standards of ethics and standards within internal audit based on the principles of integrity, objectivity, competence and confidentiality.

Principle 5

- Demonstrate a range of skills including communicating, managing and influencing, as well as an understanding of IT and consulting services.

- Understand and have experience of strategic objective setting and management.

- Understand the internal audit and regulatory environment applicable to public service organisations.

- Demonstrate a comprehensive understanding of governance, risk management and internal control.

- Undertake appropriate development or obtain relevant experience in order to demonstrate an understanding of the full range of the organisation's activities and processes.

\definitions used throughout the document

The public services have a wide variety of organisational structures and governance arrangements. The definitions used in this document are primarily based on those used in CIPFA's Role of the Chief Financial Officer Statement and in the Public Sector Internal Audit Standards (PSIAS).

Annual governance report

The mechanism by which an organisation publicly reports on its governance arrangements each year.

Assurance

An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation.

Assurance can come from a variety of sources and internal audit can be seen as the 'third line of defence' with the first line being the organisation's policies, processes and controls and the second being managers' own checks of this first line.

Assurance framework

This is the primary tool used by a board to ensure that it is properly informed on the risks of not meeting its objectives or delivering appropriate outcomes and that it has adequate assurances on the design and operation of the systems in place to mitigate those risks.

Audit committee

The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

Board

The group of people charged with setting the strategic direction for the organisation and responsible for its achievement.

Chief financial officer

The organisation's most senior executive role charged with leading and directing financial strategy and operations.

Control environment

The attitude and actions of the board and management regarding the importance of control within the organisation. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values.
- Management's philosophy and operating style.
- Organisational structure.
- Assignment of authority and responsibility.
- Human resource policies and practices.
- Competence of personnel.

Governance[4]

The arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

Head of internal audit opinion

The opinion issued each year by the HIA on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The opinion is used by the chief executive in some public service organisations as a key source in drafting the annual governance report.

---

4   The International Framework: Good Governance in the Public Services (CIPFA/IFAC, 2014)

Internal audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Leadership team

Comprises the board and management team.

Managers

The staff responsible for the achievement of the organisation's purpose through services/ businesses and delivery to its clients/customers.

Management team

The group of executive staff comprising the senior management charged with the execution of strategy.

Public service organisation

One or more legal bodies managed as a coherent operational entity with the primary objective of providing goods or services that deliver social benefits for civic society, are not privately owned and receive public and/or charitable funding.

Risk management

A process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.

INVESTORS IN PEOPLE

CIPFA \ The Chartered Institute of Public Finance & Accountancy

INVESTORS IN PEOPLE

This page is intentionally left blank

Author: Jill Beacham (x36549)   **Agenda Item No.6 (d)**

DERBYSHIRE COUNTY COUNCIL

CABINET

13 February 2020

Report of the Executive Director for Children's Services

CHILDREN'S SERVICES CAPITAL PROGRAMME 2019-20 FURTHER ALLOCATIONS (YOUNG PEOPLE)

1.   **Purpose of Report**

To note allocations approved under delegated powers by the Executive Director for Children's Services and the Head of Development and approve further allocations from the 2019-20 Capital Programme. To approve the allocation of Section 106 contributions to a project and to inform Cabinet of Section 106 contributions approved to projects by the Executive Director under delegated powers to repay the Capital Programme. Also to note Devolved Formula Capital (DFC) contributions transferred to the Capital budget and the cancellation of a previously approved project.

2.   **Information and Analysis**

Approvals by Head of Development

On 11 July 2019 (minute number 132/19), Cabinet approved and noted further allocations to the Children's Services Capital Programme which left an unallocated balance of **£5,196,357**. Approvals made under delegated powers by the Executive Director for Children's Services and the Head of Development to top up previously approved allocations are set out in Appendix A. The allocations total £589,884 leaving an unallocated balance of **£4,606,473.**

On 12 September 2019 (minute number 155/19) Cabinet approved a further allocation of £190,562 for Dunston Primary School and an urgent

decision by the Executive Director of Children's Services to approve £689,419 for the new primary school at Highfields Farm was reported to Cabinet on 21 November 2019 leaving an unallocated balance of **£3,726,492**

School Devolved Formula Capital (DFC) Contributions

DFC contributions totalling £129,257 from the 2018/19 programme of works were reported to Cabinet on 18 April 2019 (minute 93/19) as being paid into the Capital budget. This figure has now been revised down to £124,952 leaving the unallocated balance **at £3,722,187.**

Capital Refunds from Section 106 Developer Contributions

Appendix B details Section 106 Developer contributions totalling £319,167 that have been received. The Executive Director Children's Services approved under delegated powers for the monies to be repaid to the Children's Services Capital Programme basic need which funded the expansion schemes at the schools. The repayment of these contributions will increase the unallocated balance to **£4,041,354.**

Rosliston CE Primary School

On 26 July 2018 (minute number 190/18) Cabinet approved £130,000 condition funding for a small extension to create new toilets and to refurbish the existing toilets. Following the approval the School indicated they did not support the project and it was removed from the programme. The £130,000 funding can therefore be returned to the 2018/19 Capital Programme, bringing the unallocated balance to **£4,171,354.**

Chinley Primary School

A project has been developed at Chinley Primary School to replace a terrapin building which has reached the end of its economic life. The total value of the project is £606,231. The project will be partially funded from S106 funding amounting to £288,413 from developments in the school's normal area and topped up with £317,818 from basic need, part of which will be repaid from further S106 contributions when received. On 11 July 2019 (minute number 132/19), Cabinet approved the basic need allocation however due to an oversight, the £288,413 S106 funding was not formally allocated to the project. This allocation will not have any effect on the overall balance of the budget.

Further Allocations

Chapel-en-le Frith Primary School

On 7 October 2019 the Executive Director of Children's Services approved £50,000 basic need funding under delegated powers to begin design work on a 2 classroom extension to increase the School's capacity from 420 to 490. (see Appendix A). The expansion of the School has been identified as a high priority basic need case with the accommodation being required for September 2020. A budget cost of £750,000 has been received for the scheme and £700,000 school condition funding (insufficient basic need) is required in addition to the already approved £50,000 in order to progress the scheme. If approved this would leave an unallocated balance of **£3,471,354.**

Queen Elizabeth's Grammar School

Queen Elizabeth's Grammar School has developed an expansion scheme with a value of £2,462,015 to meet the demands of local housing growth. This scheme is the subject of a separate Cabinet report also due to be considered at the meeting on 13 February 2020 but kept separate due to the detail of the project and its funding. The funding breakdown of the scheme is provided in that report and is formed of a combination of received S106 funding, a grant from the Rugby Union Football Club and a top up of school condition funding (insufficient basic need) that will be repaid when the remaining S106 funding is received. The basic need element is £629,506 and is included in this report to ensure that the balance of the Children's Services budget is correctly reported. If approved this would leave an unallocated balance of **£2,841,848.**

3. **Financial Considerations**

The financial considerations are as explained above.

The balance as reported in the Cabinet paper of 11 July 2019 (minute number 132/19) is made up of basic need, school condition funding and the healthy pupil capital funding (HPCF). HPCF monies must be used to address schemes relating to the improvement of health in accordance with DfE funding guidelines. To avoid confusion it has been agreed the remaining HPCF funding of £453,190 to be removed from the balance and this was reported to Cabinet on 10 October 2019 (minute number 174/19). The total unallocated balance therefore stands at **£2,388,658.**

The balance represents the unallocated funds from the 2019-2020 budget but also includes elements of unallocated funds from the 2018-

2019 budget. Work is in hand to provide a full breakdown of funds by years and this will be reported to Cabinet at a future date.

Where appropriate, it may be necessary to undertake a procurement exercise to commission services in order to undertake works associated with these schemes / budgets, and this report also seeks approval to commence this process. It should be noted that these procurement exercises would normally take the form of a competitive tender process, but should it be decided that using a Framework is the best option, a separate report will be submitted seeking approval for this.

4.   Social Value Considerations

This funding is to ensure that there is sufficient capacity at all the schools involved. The schools will have the option to deliver the projects themselves under their own financial regulations. Where the projects are delivered by County Property, this will be done under its usual procedures.

5.   Other Considerations

In preparing this report the relevance of the following factors has been considered:- prevention of crime & disorder, equality of opportunity, environmental, health, legal & human rights, human resources, property and transport considerations.

6.   Key Decision   Yes

7.   Call-in

Is it necessary for the call-in period to be waived in respect of the decisions being proposed in the report? No

8.   Background Papers

These are held on file in the Children's Services Development Section.

9.   Officer Recommendation

It is recommended that Cabinet:

1. Notes the allocations approved under delegated powers by the Executive Director for Children's Services totalling £463,684.

2. Notes the allocations approved under delegated powers by the Children's Services Head of Development totalling £126,200.

3. Notes the change to the amount of DFC contributions received from schools as reported to Cabinet on 18 April 2019.

4. Notes the cancellation of the project at Rosliston CE Primary School.

5. Approves the allocation of the £288,413 Section 106 funding towards the classroom project at Chinley Primary School.

6. Notes the approval by the Executive Director for Children's Services for the repayment of £319,167 Section 106 Developer contributions to the Children's Services Capital Programme.

7. Approves the allocation of £700,000 school condition funding from the 2019-20 Capital Programme to expand Chapel-en-le Frith Primary School.

8. Approves the allocation of £629,506 school condition funding from the 2019-20 Capital Programme to expand Queen Elizabeth's Grammar School in advance of the receipt of Section 106 contributions.

Jane Parfrement
Executive Director for Children's Services

Appendix A:

Approvals by the Executive Director for Children's Services

School	Scheme	Approved	Amount £
Children's Homes Improvements	Further allocation to the £100,000 approved by Cabinet 11/7/19 (minute number 132/19) for improvement works required to meet the quality standards applied by Ofsted.	07/10/19	£100,000
New Primary School at the Avenue, Wingerworth	To begin design work for the potential new primary school.	07/10/19	£50,000
Chapel-en-le-Frith CE Primary School	To begin design work on a 2 classroom extension.	07/10/19	£50,000
Glossopdale Community School	To begin design work ahead of future decisions on the expansion of the School.	07/10/19	£65,000
Hady Primary School	2 classroom extension – £425,000 approved by Cabinet 26/7/18 (minute190/18) plus £21,540 approved under delegated powers 9/4/19 and reported to Cabinet 11/7/19 (minute number 132/19). Revised budget £488,080.	05/11/19	£20,000
Heath Primary School	2 additional classrooms (part of the EFSA PSBP project) – On 20 July 2017 (minute number 10/18) and 11 January 2018 (minute number 212/17) Cabinet approved a commitment of £348,000 to the project. The costs of the project have risen to requiring a further contribution of £55,684 from the Authority.	05/11/19	£55,684
Holmesdale Infant School	Curtain wall and window replacement - £200,000 approved by Cabinet 24/5/16	13/11/19	38,000

School	Scheme	Approved	Amount £
	(minute 161/16) plus £6,553 SAI approved by the Strategic Director on 29/11/18 and a further £12,000 SAI approved by the Executive Director on 25/6/19 plus £19,447 approved by the Head of Service on 9/7/19. Revised budget £276,000.		
Shirland Primary School	1 classroom extension – £225,000 approved by Cabinet 26/7/18 (minute190/18) plus £11,620 approved under delegated powers 21/5/19 as detailed below. There have been further additional costs not identified now the project in on site. Revised budget £316,620	23/11/19	£85,000
Total			**463,684**

Approvals by the Head of Development

School	Scheme	Approved	Amount £
Shirland Primary School	1 classroom extension – £225,000 approved by Cabinet 26/7/18 (minute190/18). Revised budget £236,620.	21/5/19	£11,620
Holmesdale Infant School	Curtain wall and window replacement - £200,000 approved by Cabinet 24/5/16 (minute 161/16) plus £6,553 SAI approved by the Strategic Director on 29/11/18 and a further £12,000 SAI approved by the Executive Director on 25/6/19. Revised budget £238,000	09/7/19	£19,447
Clowne Infants School	Window & door replacement - £200,000 approved by Cabinet	02/09/19	£23,000

	26/7/18 (minute190/18). Revised budget £223,000.		
Ashgate Croft	2 classroom block - £600,000 approved by Cabinet 20/7/17 (minute number 10/18). Revised budget £625,000.	28/08/19	£25,000
South Normanton Nursery	Creation of new staff room £230,000 approved by Cabinet 26/7/18 (minute number 190/18). Revised budget £250,000.	18/09/18	£20,000
Eureka Primary School	Cladding, windows & doors replacement - £200,000 approved by Cabinet 24/5/16 (minute number 161/16). Revised budget £228,000.	19/09/19	£8,000
The Mease Spencer Academy (Hilton)	Contribution for furniture, equipment and sprinklers at the new primary School. £100,000 approved by Cabinet on 20/7/17 (minute number 214/17) and £71,000 approved by the Strategic Director for Children's Services on 2/10/18 and reported to Cabinet on 8/11/18. Revised budget £190,133.	04/10/19	£19,133
Total			**£126,200**

Combined Total	**£589,884**

Appendix B:

Capital Refunds from Section 106 Developer Contributions

School	Development	Amount £	Programme Year
Kirk Langley CE Primary School	Radbourne Lane (AVA/2009/0359)	87,372	2018-19
Kirk Langley CE Primary School	Radbourne Lane (AVA/2012/0617	87,372	
Linton Primary School	Swadlincote Lane, Castle Gresley (9/2012/0743	144,423	2017-18
Total		**319,167**	

This page is intentionally left blank

Author: Sue Pegg (x36040)

Agenda Item No.6 (e)

DERBYSHIRE COUNTY COUNCIL

CABINET

13 February 2020

Report of the Executive Director for Children's Services

QUEEN ELIZABETH'S GRAMMAR SCHOOL – SECTION 106 FUNDING

(YOUNG PEOPLE)

1.   Purpose of Report

To approve the allocation of Section 106 funding from 3 housing developments in the Ashbourne area to Queen Elizabeth's Grammar School for an expansion project on the Boothby site.

2.   Information and Analysis

 The Academy has drawn up a feasibility study which will convert an existing building on the Boothby Site adjacent to the playing fields. At present it is a single storey building accommodating changing rooms and 3 classrooms. The new building will be 2 storey and accommodate new changing rooms and a total of 9 classrooms as well as ancillary spaces. This will increase the net capacity of the school by 180 places. The total cost of the scheme is £2,462,015.

On 5 October 2017 (minute number 287/17), Cabinet approved a total of £516,158.56 S106 funding towards phase 1 of the Boothby project from the developments detailed below:

Planning Reference	Site Details	Funds	Deadline for expenditure
12/00606/FUL	Former St Oswalds Hospital Site	£56,681.36	01/04/2021
12/00774/OUT	Willow Park Farm	£171,761.70	01/10/2021
13/00256/OUT	Lodge Farm Close	£103,056.00	01/07/2026
14/00722/FUL	Hillside Farm	£184,659.50	01/10/2026

On 14 June 2018 (minute number 171/18), Cabinet approved £184,659 from the following development:

Planning Reference	Site Details	Funds	Deadline for expenditure
14/00722/FUL	Hillside Farm, Wyaston Road	£184,659	01/10/2027

The total sum of £700,818 was transferred to Queen Elizabeth's Grammar.

The following S106 contributions are now available to be allocated to the project:

Planning Reference	Site Details	Funds	Deadline for expenditure
13/00911/OUT	Old Derby Road	£489,143	01/11/2028
16/00437/FUL	Land North of Broomy Drive	£137,328	01/12/2026
14/0722/FUL	Hillside Farm	£5,220	01/10/2027
TOTAL		**£631,691**	

The Ashbourne Rugby Union Football Club (RUFC) is providing £500K funding towards the re-provision of the changing room as part of the project and the Children's Services Capital budget is looking to fund the balance of £629,506 from Basic Need funding which is, in part, an advance of future S106 payments from the Old Derby Road development and will be repaid on receipt of that funding. The Basic Need funding is contained in a separate report being presented to Cabinet on 13 February 2020. It has been reported separately to avoid confusion over the detail of S106 funding.

3.   **Financial Considerations**

The Academy has a costed programme of building works for the development of their site amounting to £2,462,015. The proposed breakdown of funding is as follows:

S106 funding already received	£700,817
S106 received and available	£631,691
S106 funding anticipated	£395,900
Ashbourne RUFC funding	£500,000
DCC basic need funding	£233,606
Total	**£2,462,015**

The outstanding S106 funding will be subject to indexation and the sum received is likely to exceed the figure quoted above. The Academy will be

responsible for the procurement and management of the building project as well as funding the furniture and equipment in the new block.

4. **Social Value Considerations**

This funding is to increase the capacity of the school and ensure that there are sufficient school places to meet the need generated by the new housing.

5. **Legal Considerations**

Local Authorities have a duty under Section 13(1) of the Education Act 1996 to ensure there are sufficient primary and secondary school places in their areas, and to work with Academies to ensure that these places are delivered. The S106 agreements name Queen Elizabeth's Grammar School as the recipient of the education contributions for secondary and post 16 places. A legal agreement will be put in place to ensure that the Academy complies with the terms of the various S106 agreements and indemnifies the Authority in respect of any claim from a developer.

6. **Other Considerations**

In preparing this report the relevance of the following factors has been considered:- prevention of crime & disorder, equality of opportunity, environmental, health, human rights, human resources, property and transport considerations.

7. **Key Decision**   Yes

8. **Call-in**

Is it necessary for the call-in period to be waived in respect of the decisions being proposed in the report? No

9. **Background Papers**

These are held on file in the Children's Services Development Section.

10. **Officer Recommendation**

It is recommended that Cabinet:

Approves the allocation of £631,691 S106 funding to the project.

Jane Parfrement
Executive Director for Children's Services

This page is intentionally left blank

Agenda Item No.6 (f)

DERBYSHIRE COUNTY COUNCIL

CABINET

13 February 2020

Report of the Executive Director for Adult Social Care & Health

Prevention Group change of Elected Member Portfolio

Adult Social Care and Health

1. Purpose of the Report

To seek Cabinet approval to change lead member responsibility for the Adult Care Prevention Group and associated budget, from the Elected Member Portfolio Holder for Adult Care to the Elected Member Portfolio Holder for Health and Communities with effect from 1 April 2020.

2. Information and Analysis

On 1 July 2019, the Prevention Group of services was structurally moved from the Derbyshire County Council Adult Social Care Department into the Public Health Department, both Departments sit within the Adult Social Care and Health Directorate.

The Prevention Group of services comprises:

- Welfare Rights Service, including the Derbyshire Discretionary Fund
- Adult Care Information Service, including First Contact Scheme
- Disability Employment Service
- Prevention Service, including Time Swap, Local Area Coordination, Safe Places and 50+ Forums.

Organisationally, this change involved over 100 staff and associated budget of £4.525m. It was initiated to enable improved cross-system preventative activity and support a life course approach. An integrated approach to prevention activity fits with the Council's aspiration to embed a culture of prevention across the organisation. Further, it provides opportunities to join-up work under the Health and Wellbeing Board and as part of Joined Up Care Derbyshire (the Derbyshire NHS Sustainability and Transformation Plan).

The initial move of the Prevention Group into the Public Health Department has been successfully completed. Work to fully integrate its activities within Public Health systems, processes and culture is on-going.

Until this point, the political leadership has remained with the Portfolio Holder for Adult Care and consequently decisions about the Prevention Group have been taken via Adult Care SMT. It is now proposed that, from 1 April 2020, political responsibility for the Group and its associated budget is changed from the Portfolio Holder for Adult Care and aligned to the Portfolio Holder for Health and Communities, who has responsibility for Public Health.

3. Financial Considerations

Responsibility for the following budgets will transfer from the Portfolio Holder for Adult Care to the Portfolio Holder for Health and Communities:

- Welfare Rights Service £1.414m
- Derbyshire Discretionary Fund £1.832m
- Prevention £0.814m
- Information and Employment £0.465m
  Total = £4.525m

4. Human Resources Considerations

None

5. Other Considerations

In preparing this report the relevance of the following factors has been considered: Legal and Human Rights, equality of opportunity, health, environmental, transport, property, social value, and crime and disorder considerations.

6. Background Papers

Adult Social Care and Health Senior Management Team, Report of the Director of Public Health – Prevention Team Transfer (21 May 2019).

7. Key Decision

No

8. Is it required that the Call-in period be waived in respect of the decisions being proposed within this report?

No

9. Officer's Recommendation

That Cabinet approves the change of responsibility for the Prevention Group of services and associated budget as outlined in this report, from the Elected Member Portfolio Holder for Adult Social Care to the Elected Member Portfolio Holder for Health and Communities with effect from 1 April 2020.

Helen Jones
Executive Director – Adult Social Care & Health
County Hall
Matlock

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank