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PUBLIC

To: Members of Council

Tuesday, 8 September 2020

Dear Councillor,

Please attend a meeting of the **Council** to be held at **2.00 pm** on **Wednesday, 16 September 2020** to be held virtually; the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light grey grid background.

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Apologies for absence
To receive apologies for absence (if any)
2. Declarations of interest
To receive declarations of interest (if any)
3. Chairman's announcements

4. Minutes (Pages 1 - 18)
To confirm the minutes of the meeting of the Council held on 15 July 2020
5. Report of the Leader of the Council and Members' questions
To consider the report of the Council Leader and Members' questions on the report
6. Public questions
To consider public questions (if any)
7. Petitions
To receive petitions (if any)
8. Elected Members Questions
To receive questions from Elected Members (if any)
9. To consider reports on the following:
 - 9 (a) Devolution, Vision Derbyshire and Local Government Reform from the Executive Director of Commissioning, Communities and Policy (Pages 19 - 30)
 - 9 (b) Revised Financial Regulations from the Director of Finance and ICT (Pages 31 - 136)
 - 9 (c) Budget Monitoring 2020-21 (as at 31-5-20) from the Director of Finance and ICT (Pages 137 - 156)
 - 9 (d) Member Development Strategy Adoption from the Executive Director of Commissioning, Communities and Policy (Pages 157 - 174)

PART II - EXEMPT ITEMS

10. Declarations for Interest
To receive declarations for interest (if any)
11. Minutes (Pages 175 - 176)
To confirm the exempt minutes of the meeting of the Council held on 15 July 2020

PUBLIC

MINUTES of the meeting of the **DERBYSHIRE COUNTY COUNCIL** held on 15 July 2020 at County Hall, Matlock

PRESENT

Councillor T Ainsworth (In the Chair)

Councillors D Allen, R Ashton, K S Athwal, J Atkin, N Atkin, Mrs E Atkins, S A Bambrick, N Barker, B Bingham, Ms S L Blank, J Boulton, S Brittain, S Bull, Mrs S Burfoot, K Buttery, Mrs D W E Charles, Mrs L M Chilton, J A Coyle, A Dale, Mrs C Dale, J E Dixon, R Flatley, M Ford, Mrs A Foster, J A Frudd, R George, K Gillott, Mrs L Grooby, Mrs C A Hart, G Hickton, R Iliffe, Mrs J M Innes, T A Kemp, T King, B Lewis, W Major, P Makin, S Marshall-Clarke, D Mc Gregor, R Mihaly, C R Moesby, P Murray, G Musson, R A Parkinson, Mrs J E Patten, J Perkins, Mrs I Ratcliffe, B Ridgway, C Short, P J Smith, S A Spencer, S Swann, D H Taylor, Mrs J A Twigg, M Wall, Ms A Western, G Wharmby, Mrs J Wharmby, B Woods and B Wright.

45/20 **APOLOGIES FOR ABSENCE** Apologies for absence were received on behalf of Councillors H Elliott, A Griffiths and A Stevenson.

46/20 **DECLARATIONS OF INTEREST** There were no declarations of interest.

47/20 **MINUTES OF THE COUNCIL MEETING** On the motion of Councillor B Lewis, duly seconded,

RESOLVED that the minutes of the meeting of the Council held on 17 June 2020 be confirmed as a correct record.

48/20 **CHAIRMAN'S ANNOUNCEMENTS** The following announcements were made:

49/20 **REPORT OF THE LEADER** Councillor Lewis thanked all the staff for their on-going hard work in these still challenging times as the Council looked to reopen more services whilst adapting to this new "normal". All the residents of Derbyshire had appreciated the huge efforts that had been made on their behalf and on behalf of their family members where our staff particularly provided care and assistance to those family members. A huge amount of work was going on, not just out in our communities, but in virtually all walks of life, from Children's Services to our libraries, (which were beginning to reopen and are the subject of a question later on) along with all our registration officers.

A lot of work had been going on adapting our streets, our towns, our villages to coping with the new social distancing that we needed to do. He thanked all Elected members for the work they had done in their communities in working proactively with our staff and officers. They had been working round the clock to deliver all these measures throughout all our communities in Derbyshire as we adapted to the circumstances and adapt to local experience.

As each week passed, the Council seemed to see more and more changes and, of course, one of those was that our schools were returning to something like “normal”. More and more children of key workers and vulnerable pupils had been returning on-going over the last few weeks, particularly in those key years. The Council had identified Reception, Year 6 and so on and more pupils in Derbyshire were going back to schools than in many local authorities in the UK. It was a great achievement and it was testament as well to Jane, Ian and their teams working closely with those schools to achieve that.

The Council was adapting day-to-day to circumstances and changing guidance in all sorts of areas, not only as a local authority, but businesses and residents out in our communities. Of course, the latest was the wearing of face masks from the 24 July in shops and certain various other settings.

Councillor Lewis thought that it was important to note that the Local Resilience Forum Recovery Group, chaired by Jane Parfremment, was undertaking a lot of work around these dimensions to get Derbyshire back on its feet and to help with the economic recovery. He had spoken at the last meeting about the Derbyshire Economic Recovery Board. It meets for its second meeting next week. Councillor Lewis didn't have to tell any Member how dire the situation was for businesses out there at the moment and for employment, particularly for young people, and as a local authority, we were going to be doing all we could to ensure we can drive economic growth to provide jobs and opportunities for all people, but particularly young people as well, because otherwise we risk a generation of young people being out of work and not getting opportunities, so there were going to be some key announcements coming out over the course of the next few weeks and he looked forward to engaging with all Members of the Authority to hear their thoughts and seek all their views as well.

Last Friday saw the first meeting of a Local Outbreak Board, another important step and an important component in managing future localised outbreaks of Covid-19 in Derbyshire. This comprised a key partnership between ourselves, the County Council chair it, and our Public Health colleagues. Councillor Lewis was Chairman and

Councillor Carol Hart was the Vice-Chairman of that Board. The Board worked closely with the CCG and NHS colleagues of course as well as Districts and Boroughs. That was going to be incredibly important as we move forward.

Critically the Council now had the level of data needed to be able to effectively monitor the number of cases, ie that sort of postcode level data that we have been talking about quite frequently for Pillar 2 testing. The Council would continue to push for better frequency of that data so that our colleagues in Public Health and the LRF have a better view and better granularity. Test, trace and isolating were key planks of that work and we sincerely hoped that we never have to implement restrictions, but being prepared, communicating and being able to respond in affected communities was absolutely critical. Experience from elsewhere in the UK, not too far down the M1 in Leicester, for example, and in the rest of the world, indicated local outbreaks could occur anywhere and we have to be vigilant and responsive.

Councillor Lewis referred to the terrible news of the fire in Buxton recently, the Fairfield Community Centre in Councillor Grooby's Division a couple of days ago, that completely destroyed that building. The damage was very extensive and investigations as to its cause were still on-going. Councillor Lewis wanted to reassure that community that the Council would do all we could to support Councillor Grooby in her efforts to ensure some interim provision, if the Council could, and to help find longer-term solutions for that community.

It was the second fire in recent months to impact on Derbyshire communities following the devastating fire in Long Eaton at Harrington Junior School in Councillor Hickton's Division where the Council are supporting the school and community through a tough time.

Councillor P Smith asked the following question of the Leader:

Could I ask a question regarding care home and care workers' testing? My impression is they are currently being tested weekly. Could you confirm that is the case? You have made reference to it going forward and that is still happening.

In terms of reference to wearing a face mask, does Councillor Lewis think it is acceptable to rely on shop workers in effect who have a lot of pressure on them at this moment in time and have been doing a sterling job in delivering and opening and allowing people to go into their shops safely, that the onus is put on them in terms of enforcement of wearing face masks and are we taking the lead in this in terms of getting information and publicity out and starting that process?

In applauding what has been done in terms of care workers, health workers and everybody else, do you think the Prime Minister was misguided in his comments regarding residential care homes and the way that that was managed in terms of restricting Covid in those establishments? It seems to be pretty unfair of him. Do you think he ought to apologise to all those people who have put themselves on the front line to protect elderly residents? I would like to hear your views on that. Thank you.

Councillor Lewis responded that in terms of care home testing, Councillor Smith would be familiar with the residents' testing which was taking place on a regular basis plus regular testing of staff through cycles on a 28 day basis. Councillor Smith would also be aware, because he sits in the same briefings as he did around these particular issues, that if cases were found then that cycle was repeated until the cases had been dealt with, identified and so on, so yes, there was regular testing going on in care homes, on a monthly basis at least.

In terms of face masks Councillor Lewis thought the advice was quite clear nationally, that from the 24 July, people would be required to wear face masks in settings such as stores and so on. The media campaign around communications had been quite robust. Certainly on social media, it was very widely talked about there so everybody has the general gist that they had to wear face masks in particular settings. The reasoning for that was quite clear as well and certainly here in Derbyshire we would be reinforcing that. The Communications Team at Derbyshire County Council would be responding alongside the LRF to ensure that.

As for the Prime Minister's handling of care homes, the nation had been through some very difficult circumstances in dealing with Covid-19 and no nation in the world has a perfect solution to these issues. The Council knew locally that care homes were going to be a pressure point. Councillor Smith and Councillor Lewis have had many conversations about that particular topic and our concerns locally about how we deal with that, particularly the issue of asymptomatic transmission and we were pushed back by the LRF to get all those sorts of key responses that we needed so we were quite clear locally about how we dealt with it.

When it comes to the national response, Councillor Lewis was sure in the fullness of time, once we are through the other end of this, there would be a lot of looking at the details of what happened during the Covid-19 pandemic, who said what and how and what policies were implemented, when, and should they have been sooner or should they have been later, all these sorts of things. He was sure that would be picked up in that but at this moment in time, we are doing our very best

here in Derbyshire and we have been doing it in partnership, that is the key thing.

Councillor G Hickton asked the following question of the Leader:

As you are aware teachers, pupils and staff were devastated by the Harrington School fire which lies in my Division. I would like to ask the Leader what provision is being put in place while plans for a new school are being worked on?

Councillor Lewis responded that, yes, it was a devastating fire and it was devastating for the community. The School was closed for a week at that time and it was pleasing to say that all the children of key workers and vulnerable children were able to get back into school using the Children's Centre in Long Eaton. The demolition of the junior school was subsequently completed and pupils had moved back on to the school site and were occupying some accommodation actually on the site of the neighbouring Wilsthorpe School. Following that move they had also been joined by Year 6 pupils as part of the preparation for transition into secondary school.

The Council had received tenders for the temporary accommodation that would be located on the Harrington Junior playground and then an order was going to be placed for that. It probably already had been by now. That accommodation would be available for the whole school from September and would remain in place until a new school could be built. The design for that school had now commenced but it was too early to give you as yet a firm date for its completion, so you can see a huge amount of work has gone into providing a localised response there for Harrington School and a real commitment Councillor Dale, to ensure that a new provision was put in place and a new school is built there for those pupils.

Councillor S Burfoot asked the following question of the Leader:

I appreciate that our Highways' officers have been working really hard to deliver the social distancing measures etc in our towns. As a result of this work they have had to do there have been lots of schemes and work that seem to have been put on hold to some extent. If I am being very parochial, I would mention there are Traffic Regulation Orders that we have been waiting on for months and months now in Matlock to be put out to consultation. We have a petition from residents on Smedley Street. We have a motion that has come from Matlock Town Council to Derbyshire County Council about Starkholmes and I am just wondering at what point can we expect our officers to take these things up, in particular the Traffic Regulation Orders? Residents have been told that these regulation orders would be put out to

consultation but this was months and months and months ago. When can we expect these sort of things to become a priority? Thank you.

Councillor Lewis thanked Councillor Burfoot for her questions, some of which he couldn't obviously answer at this moment but he would ensure she got a proper answer.

Just on the point of Traffic Regulation Orders and the consultations, part of the measures that we have had to put in place more recently to help our communities respond to Covid and get back to business, had meant that much of that work had been redirected into TROs in that sphere. There was a huge amount of work going on there and that naturally that means our resources at this moment in time were going to be taken up mostly by that but the Council would endeavour to get you an answer to your questions soon.

50/20 **PUBLIC QUESTIONS** No public questions had been received.

51/20 **PETITIONS** There were none received.

52/20 **COUNCILLOR QUESTIONS**

(a) Question from Councillor Stuart Brittain to Councillor S A Spencer – Cabinet Member for Highways, Transport and Infrastructure

Residents of Brimington, Tapton and Calow are appalled that the County Council/you closed Crow Lane without any consultation with them, their elected representatives and Chesterfield Borough Council. I am told by officers there wasn't time to consult given the urgency of getting the high street open again Post Covid lock down and that it is only temporary. However, temporary could be as long as 18 months. This is far too long. Re-booting the economy following Covid 19 is crucial but long-term solutions must be right for anyone that means proper consultation must take place. Will the Cabinet member commit to a full consultation in the autumn?

Councillor Spencer thanked Councillor Brittain for the question and felt it would be useful to provide a bit of background to how we reach the position that Councillor Brittain had highlighted in his question.

There was a sub-group of the LRF which dealt with our reaction to the Covid-19 situation and the measures we are putting in place around town centres and further afield on protected walkways and cycle way areas, of which Crow Lane was one of those particular areas. On

that sub-group, there were representatives from every District Council across the County and the County, the Police, Fire and they had a full understanding of what proposals were being put forward and what was likely to be put in place. It was unreasonable to suggest that the District Council, in this case Chesterfield Borough Council, were not aware of the proposals as they were involved in the drawing up of the proposals.

With regard to Crow Lane, Councillor Brittain would also know that there were people who had been objecting to the closure that had taken place but there were also a significant number of people who had actually written into the Council and also started a petition to support the delivery of the proposals that had been put in place in Crow Lane. Councillor Spencer estimated from his inbox and from the available information that it was very much a 50/50 split at this moment in time without being scientifically exact.

This proposal has had written support from Chesterfield Hospital, of which he had a letter, and it had also received support from the local MP on the Monday and on the Tuesday he had changed his mind, so perhaps Councillor Brittain could elaborate on that for me because he did arrive at the photo call to bring about this proposal and he was photographed at the site holding the placard at the time.

With regard to the measures, the measures were put in place under Section 14 of the Road Traffic Act which basically gives the Council the power to implement these proposals on the basis of safety under Covid-19 legislation immediately without going through a full public consultation process which would normally be the case. The Council were also bound by this legislation to continually monitor how these schemes were working; to evaluate their success or otherwise; to take on board expressions and views of local residents and continue to take those into account as and when we reach a final decision, if we choose to take that particular course of action.

Councillor Spencer was prepared to give Councillor Brittain an assurance that we would, at some point, if these schemes were deemed to be something that might be considered as a permanent measure, carry out a full public consultation process in the traditional mechanism, but what he was not prepared to do at this moment in time was give Councillor Brittain an assurance that it would be on the timeframe he suggests. Circumstances that prevail would determine when and how this consultation takes place. The Council would continue to take on board the details, the representations and would monitor and assess the success or otherwise of the proposal.

With regard to all the other stuff that was going on, the Council did have to remove 17 illegal posters that were fastened to lamp posts

around the adjacent site on Monday. Whilst Councillor Spencer did not know where they appeared from, he did have a copy if Councillor Brittain would like to see one, it was unfair to suggest that all the residents of his constituency or his Division were opposed to the proposal because that was misleading, not correct and factually not the case.

Councillor Brittain asked the following supplementary question:

First of all as Councillor Spencer well knows, my friend the MP came along and gave support to a temporary closure. That line was deleted from the press release that was issued and he made it clear that he was not in support of a permanent closure.

Secondly, my days of climbing up lamp posts and putting up posters are gone. I am not aware of the poster - well I am aware that they had been put up, but I have not done so myself.

What I would also like to ask is, why this was the only place on the over 20 that you put through under this Emergency Power Order where you have not consulted? This and Ashbourne, which you know well and presumably you know all about, were the only two places where you did not consult and I find that rather surprising.

Finally, you talk about this was in full agreement with Chesterfield Borough Council. That is not the information I have and I would be grateful if you could provide evidence to me that Chesterfield Borough Council were in support of this. I can absolutely assure you that I was not told about this and I am assured by the Borough Council that they were also not told about this so I look forward to that.

I have to say I am disappointed. The vast bulk of my constituents who we have surveyed, unlike you, are in opposition to this proposal. Nearly all, I would say, of the people I have had writing to me are not in my Division where this is based. Finally, the amount of cyclists that go there to the hospital has been very slight and looking at Crow Lane, which is extremely steep, I am not at all surprised, but we have done checks on this and frankly the number of people who were attempting this journey is very small, so I will look forward to your information on why you think Chesterfield Borough Council agreed to this and can I tell you I am very disappointed that you cannot give a quicker timetable.

Councillor Spencer responded that he had already explained to Councillor Brittain, and to everyone else, this was a sub-group of the LRF and he could not speak for how that information was disseminated from the representatives that sit on that particular group on behalf of Chesterfield Borough Council. He was disappointed that they had not

shared it with everybody far and wide. He did not know the discussions that took place as he was not there in person as it was an officer led group.

There are various views on this proposal. And he spoken to one of Councillor Brittain's constituents only on Friday. He had a long conversation with her about it because she had just received one of your surveys you had popped through the letter box. She took a photograph and explained what it said etc etc. She said she was most distressed that anybody was considering taking this closure off. Those were her words, not his.

Councillor Spencer recognised that throughout this process the Council had not consulted as such, and when he said "consulted" there was a laid down prescribed process for consultation. The Council had not consulted on any of the proposals that had been introduced under the Covid-19 legislation so you were not unique, you were not being treated any differently to Ashbourne or Ilkeston. Councillor Spencer apologised if you did not receive the information in a timely fashion and he had said the Council that we were working on that and I think it has been improved quite dramatically. However, unusually for the first time ever, the Council would be able to do an analysis of the outcome of a possible change before it becomes a permanent change and at no time had the Council said this was a permanent arrangement. It was a temporary measure under Section 14 of the Highways Traffic Act that was allowed to stay in place for up to 18 months. Councillor Spencer did not believe it would be in place on a temporary basis for up to 18 months and he was not prepared to commit to a timeframe, but he would commit to this Authority, if this ever becomes a permanent arrangement, to do a full, proper consultation at which point everybody would have their chance to have a say about the future delivery of how Crow Lane should function as a highway or something else it may choose to be in the future. That is his commitment and circumstances would determine when that takes place. Councillor Spencer was sorry Councillor Brittain you are disappointed, but that was the position. He didn't know the discussions that took place and it was not about whether they agreed to it, the Borough Council were involved in the decision-making process. They were at the meeting and there were specific officers who were delegated to be at that meeting, so he was sure Councillor Brittain would be able to find that out from Chesterfield Borough Council. He was sure Trish Gilby would be more than happy to share that with him.

(b) Question from Councillor R George to Councillor A Dale Cabinet Member for Young People

Many people have found the period of lockdown difficult, but especially families with children with special needs, and I am sure all councillors will wish to join me in paying tribute to those families and to the schools and services who have supported them in very difficult times.

Staff at Special Schools such as Peak School in Chinley have worked throughout lockdown with children who through no fault of their own have no concept of hygiene let alone social distance, providing necessary personal care and close interaction with children, with little support in guidance or practical measures such as PPE.

What is this Council doing to ensure that families with children with special needs receive the help they need, and that schools which deal with children with serious health needs are fully supported to do so as safely and well as possible?

Councillor A Dale responded by firstly associating himself with the comments Councillor George made at the beginning of your question in paying tribute to those families as well as the schools and services who had been supporting them. Most parents, Councillor Dale included, would agree that lockdown had been a challenge, but we would all agree that this pales in comparison to the challenges faced by parents of children with special educational needs and disabilities who had not been able to access school provision and particularly those who were very significantly disabled.

School staff and governors had also been working tirelessly over the past few months and Jane Parfremont and he had recently written to all of them to offer our deep gratitude for their immense efforts over the course of this year. Our schools had continued to be at the very heart of our communities and they have provided great leadership to support families, but Councillor Dale would also like to pay tribute to all those working within Children's Services within Derbyshire. Our staff had been going above and beyond to support children and their families in what had been an immensely difficult time for all involved and they were a real credit to this organisation and he was immensely proud of his Department.

Councillor Dale took issue with Councillor George's comment that special schools had had little support in guidance or practical measures. At the very beginning of lockdown, all schools were quickly sent information around PPE and basic hygiene which was intended to be passed through to parents and families as well. The Council very

quickly commissioned Esteem, Multi-Academy Trusts to offer comprehensive support and work with all the special alternative provision schools in the County during Covid-19. Through this work they had convened weekly meetings with special or alternative provision head teachers and supported them on issues such as risk assessing young people to determine whether they were best educated in school or whether their provision could be met at home. This arrangement had also been commended and highlighted as good practice by the Government in a letter to the Trust from the Minister, Baroness Berridge.

Officers working on PPE supplies and home school transport had regularly met with special and alternative provision head teachers. The Council enabled all special schools to order PPE from our own suppliers to ease the burden of accessing it for them and indeed he understood Peak School had taken this opportunity up.

The Council had supported schools with their risk assessments, including the guidance being updated last week. In addition, Council officers had met regularly with primary, secondary, special school and alternative provision head teachers and also formed a school led group called Future Shape Education to help plan the education sector's recovery from Covid-19. The Future Shape Group had been looking at issues such as Early Years' guidance, emotional health and wellbeing for pupils and held two County-wide webinars looking at cross phase transition.

The County Council regularly updated and published Frequently Asked Questions for school leaders around issues such as HR, summer opening and September arrangements, in order to try to digest some of the key information within a rapidly changing situation to ease some of the burden on our school leaders.

The Council had been working with schools and health services within weekly special head teacher meetings in order to share information across the school community and support the return of children back to school through this difficult period.

In terms of the support offered to children and their families, since going into lockdown, the Council had increased the frequency of all contacts and visits to all vulnerable children and young people who were open to our early help and safeguarding department, including specialist teams like care leavers, fostering and youth offending. These had been taking place at least every ten working days and assessments of risk and need on all these cases had updated more frequently to enable us to understand how lockdown was impacting on children and their families and to respond quickly to any changes.

The frequency of visits and risk assessment reviews had enabled a speedy response when families had been in acute distress or in need to prevent family or placement breakdown. For some, this assessment had enabled us to quickly identify if and when short breaks, packages of care or any other specialist support had been needed in response to family crisis. Children's Occupational Therapists had continued to work with families to provide equipment, advice, replace and organise repairs and respond to crises.

A more joined-up process within our SEND services had been developed to ensure all involved with professional agencies were working with these vulnerable children so that they were communicating well, considering all relevant and accessible information in their assessments and coordinating contact and outreach for children and families. It had also meant they had been able to respond more quickly and effectively to any change of circumstances to these very vulnerable children. All SEND children had been allocated an education key worker to support the SEND process.

Parenting courses, parenting assessments and family time had been converted to a virtual platform to support our interventions and outreach to families and a Strategic Partnership Group was developed around predicting the demand as we moved forward. This Group would give consideration to spikes in demand and hidden harm from both a single and multi-agency perspective and response.

A local directory of community-based services had been developed and this had been circulated to partners to enable them to access community resources. This was particularly to support families during the summer period when schools were closed but not exclusively so, and together with schools the Council were also collating a list of early help provision from schools to pass to families to support them during the summer holidays.

A variety of partners, including Children's Services, had also developed a number of virtual resources which had been shared across the partnership of agencies including videos to support future language development and videos to support traumatised children. Practitioner forums and training were also now being delivered virtually supporting partners with their early help offer and their own development.

While this was not an exhaustive list, it showed that the Council had been working tirelessly with partner agencies to support our schools, children and families through the worst of this pandemic. Staff had gone absolutely above and beyond and what makes their achievement so much more impressive is that they have done all of this

while also having to radically redefine the way we operated almost overnight and adjust to everything that the pandemic might have thrown at them personally.

There would always be some families who feel they had needed more support than we had been able to offer but Councillor Dale hoped Councillor George would still join him in paying tribute also to the tireless efforts of staff from across Children's Services in Derbyshire. Thank you.

Councillor George asked the following supplementary question:

Thank you for the response, Councillor Dale, and yes, she did pay tribute to all the support staff as well who had been supporting both families and schools but particularly with children with special needs. It was very difficult using virtual resources at a time like this and so a lot had fallen on both staff and schools and with families who had needed to make sure they had that one-to-one provision in place to support the children with serious difficulties. Councillor George was asking whether the funding for catch-up, which would very much apply to children with special needs, even though they had been in school quite often during the lockdown period, whether that would be applied to special schools and what the County Council would be doing to ensure that those children could get the catch-up that they needed and that families could get the respite that they had so often been lacking because of the circumstances recently?

Councillor Dale responded that he absolutely agreed in terms when we first came into the lockdown situation, the public health advice was very strong that many services needed to stop happening and the burden therefore did fall particularly on families and schools and he recognised that that had been a real challenge for a lot of those parents in that situation.

The question was in relation to the sort of tuition support over the summer holidays, the catch-up learning and the exact guidance on how that could be delivered was still awaited. Special schools were able to access it and the Council were looking very closely at how we supported them in that regard in terms of ensuring that they could access catch-up tuition. Councillor Dale would be very happy to provide further information in writing once that guidance had been clarified.

Councillor George asked for a response to my question on respite breaks because that was the second part of my supplementary which was so important to parents.

Councillor Dale responded that he had referred to that in the answer to the question at the beginning. The Council had clearly to be very careful in terms of the public health guidance around respite. All cases were being risk assessed and where it was deemed appropriate, the Council were trying to provide respite care to parents, but obviously the Council had to balance that against the public health implications of Covid in ensuring we were doing that in a compliant way, so respite had been taking place. It could be argued that there should be more opportunity for it now given that some of the restrictions were easing. Councillor Dale would be very happy to go away and look at that and see what more we could do on that point, but as far as he knew respite had still been happening but it had to be a bit more selective in terms of who we were able to offer that to on a risk assessed basis.

(c) Question from Councillor E Atkins to Councillor B Lewis, Leader of the Council and Cabinet Member for Strategic Leadership, Culture and Tourism

So far, over last week and the present week, 14 Derbyshire libraries have either re-opened or are about to be reopened. Why have no further provisional re-opening arrangements been even mentioned and why have no libraries whatsoever in the Central Area of the High Peak been listed in the early opening category?

Councillor Lewis wished to reassure Councillor Atkins there was no intention of course to disadvantage anyone. The Council had just come through an unusual set of circumstances so Councillor Lewis welcome the opportunity to provide an update about the Library Service here in Derbyshire and how the Council were responding positively with our reopening plans as we emerged from this pandemic.

In line with Government advice, the Council had been looking at a range of options and exploring opportunities for reopening our libraries and had been helped in our planning by the national tool kit provided by Libraries Connected which was designed to help local authorities reintroduce their services gradually in line with the latest public health advice. Clearly the most important factor in planning a phased return to library buildings, was protecting the health, safety and wellbeing of staff and library customers by making sure all our libraries were safe.

At the moment, the Council were focused on opening the first two tranches of libraries, 14 of our largest libraries out of a total of 45, during July and see how this progressed. There were no specific dates for when all the other libraries would be open as we had very much concentrated on opening those larger busier libraries which give opportunities for just those people Councillor Atkins was talking about, if they could get to them first, and all future reopening would be done on a

phased basis reflecting on any lessons learnt from the earlier openings. The Council's overall aim was naturally to reopen all 45 libraries as quickly as possible, but only when it could be done safely. With our reopening plans, the Council needed to address at all times the practical needs and concerns of the service and cover issues such as risk management; who should return to work; social distancing; behaviour management; cleaning and hygiene and communications to staff and users. The Council had looked at all those issues in all those libraries and we need to consider now and in the future how to operate safely and to further develop those services as community needs shift due to the current crisis.

Councillor Lewis emphasised that there could be significantly more challenges to overcome when we were opening smaller or shared library buildings such as those located in High Peak in terms of space available for example to enable social distancing for customers and staff, as well as very practical issues such as finding enough space to quarantine books safely for the required 72 hours. All of these were particular challenges in some of those smaller shared spaces, so that was why the Council was taking those tentative steps at the beginning of the reopening process and depending on our success, it was hoped to be able to open all libraries, including those in High Peak, as soon as is practically possible.

Councillor Lewis emphasised that the excellent online offer, which provided access to a comprehensive range of electronic resources, goes from strength to strength and was freely available to all Derbyshire residents via the County Council website and had grown exponentially during the Covid crisis. Finally, he had asked for all updates about library reopening plans to be included in future editions of the Members' Newsletter so all Members were kept aware. The current information was also available on the Council website.

53/20 **COUNCIL PLAN REFRESH 2020-21** The Executive Director – Commissioning, Communities and Policy presented the Authority's revised Council Plan Refresh 2020-21.

The Council Plan sets out the future direction of the Council, the outcomes that the Authority was seeking to achieve and priorities to focus effort and resource. In May 2019, Council approved a substantially revised Council Plan for 2019-21, which sets out a smaller number of focused priorities, supported by key deliverables. A review and refresh of the Plan takes place each year to ensure the Plan remained up to date and was fit for purpose. Cabinet recommended the Authority's Council Plan refresh 2020-21, on 16 March 2020 for approval by Full Council.

However, the outbreak of coronavirus and the ensuing pandemic has had a significant impact on the work of the Council and as a result, a further review and refresh of the Council Plan had now taken place. Key changes to the Plan reflected the vital community leadership role the Council had played and would continue to play over the next twelve months, in ensuring work with partners and local communities addressed both the challenges and opportunities presented by Covid-19 and climate change.

In particular, the Plan looked to harness the positive changes resulting from the recent disruption and would ensure the Council continued to:

- Work alongside local communities, partners and businesses, providing strong leadership, support and the reassurance needed to direct people through the crisis. Build on our Derbyshire Spirit and harnesses the increased number of local volunteers who have mobilised during the current pandemic, supporting local communities and the voluntary and community sector to thrive.
- Maximise the opportunities presented by the increase in remote home working and the reduction in travel to accelerate our asset management proposals and reduce our carbon footprint.
- The revised Council Plan refresh 2020-21 was attached at Appendix A to the report. The Plan was supported by a more detailed delivery plan, which had been updated and is attached at Appendix B to the report. The delivery plan sets out clear timescales and lead responsibility. The refreshed Plan and delivery plan were recommended for approval by Full Council. The Council would continue to assess progress through regular monitoring of the delivery.

RESOLVED to approve the Authority's refreshed Council Plan 2020-21.

54/20 **DEPARTMENTAL SERVICES PLANS** The Executive Director – Commissioning, Communities and Policy presented the 2020-21 updates to the Departmental Service Plans 2017-21.

Service Plans set out how each department would contribute to the outcomes and priorities set out in the Council Plan Refresh 2019-21. The Council Plan outcomes, which outlined what the Council was working towards with partners and local people were detailed along with the five priorities outlined in the Council Plan, which provided a focus for effort and resource.

The Service Plans described how departments would work towards achieving the outcomes and priorities set out above and on 16 March 2020, Cabinet recommended the refreshed departmental Service Plans 2020-21 for approval by Full Council. The outbreak of coronavirus and the ensuing pandemic has had a significant impact on the work of the Council and as a result, a further review and refresh of departmental Service Plans had taken place. The revised departmental Service Plans 2020-21, attached to this report, had now been amended to ensure there was a continued focus on the Council's work with partners and communities to tackle both coronavirus and climate change.

RESOLVED to approve the revised 2020-21 update to Departmental Service Plans 2017-21.

55/20 **UPDATES TO THE CONSTITUTION** The Director of legal Services and Monitoring Officer reported on proposed amendments to the Constitution to ensure that it remained up to date and fit for purpose.

The revised Constitution was implemented in May 2019. However, as part of the regular review of the Constitution, proposed changes have been agreed by the Governance, Ethics and Standards Committee, details of which were presented. Council was recommended to approve the amendments.

RESOLVED to approve the amendments to the Council's Constitution as detailed in the report.

56/20 **LOCAL GOVERNMENT ASSOCIATION – CONSULTATION ON A MODEL CODE OF CONDUCT FOR ELECTED MEMBERS** The Director of legal Services and Monitoring Officer informed the Council of the consultation launched by the Local Government Association (LGA) on the draft Member Code of Conduct which would run for ten weeks from Monday 8 June until Monday 17 August 2020.

The Committee on Standards in Public Life in January 2019, undertook a review of the current standards framework to assure themselves that it was conducive to promoting and maintaining the high standards expected by the public. The review identified some specific areas of concern and identified a number of risks in respect of the current rules around conflicts and declaring of interests, gifts and hospitality and the increased complexity of local government decision making.

The Committee made twenty-six recommendations and identified fifteen recommendations of best practice to improve ethical standards in local government. The recommendations included the suggestion for the

LGA to create an updated Model Code of Conduct to enhance consistency and the quality of local authority codes.

The LGA had now developed a Model Code of Conduct and had indicated that it intended to create additional guidance, working examples and explanatory text. The LGA had also launched consultation on the draft Member Code of Conduct, further details of which were presented. A copy of the Model Code of Conduct was also attached at Appendix 1.

RESOLVED to note the consultation and draft model code of conduct for elected members launched and prepared by the LGA.

57/20 REPORT OF THE CHAIRMAN OF THE GOVERNANCE, ETHICS AND STANDARDS COMMITTEE FOR THE YEARS 2018-19 AND 2019-20 Council received the Report of the Chairman of the Governance, Ethics and Standards Committee.

Article 11 of the Constitution required the Chairman of the Governance, Ethics and Standards Committee to provide an Annual Report. The refreshed Constitution was implemented in May 2019 and therefore, this was the first annual report provided under those requirements. The report outlined the work done by the Committee over the last year and provided an indication of the work programme for the next municipal year. As this was the first report provided under the requirements of the refreshed Constitution, it covered the municipal years of both 2018-2019 and 2019-2020 in order outline the involvement of the Committee in the preparation of the refreshed Constitution.

The report of the Chairman of the Governance, Ethics and Standards Committee was attached at Appendix 1 to the report.

RESOLVED to receive the report of the Chairman of the Governance, Ethics and Standards Committee attached at Appendix 1 to the report.

58/20 EXCLUSION OF THE PUBLIC **RESOLVED** to exclude the public from the meeting during the consideration of the remaining item on the agenda to avoid the disclosure of exempt or confidential information.

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

To confirm the exempt minutes of the Council meeting held on 17 June 2020.

PUBLIC

DERBYSHIRE COUNTY COUNCIL

COUNCIL

16 September 2020

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

Devolution, Vision Derbyshire and Local Government Reform

Strategic Leadership, Culture and Tourism

1. Purpose of the Report

- To approve plans to secure a devolution deal for the East Midlands
- To approve Vision Derbyshire (non-structural reform) as the preferred option for local government reform in Derbyshire, to approve structural reform as a viable alternative option for local government reform in the event that Vision Derbyshire is not able to satisfy the Government's requirements for reform
- To seek approval for the Leader of the Council to write to the Secretary of State for Housing, Communities and Local Government requesting an invitation to submit a proposal for a single tier of local government for the county.

Such an invitation is non-binding as it would be subject to approval by the Council.

2. Information and Analysis

The Government has announced its intention to publish a White Paper on Devolution and Local Recovery, as a means to 'level up' all parts of the country and reduce regional inequalities, with a clear ambition to remove the barriers to Covid19 recovery and complexity to devolution. Whilst the exact details of the White Paper are not yet known, it is widely expected that the Government will set out its proposals for local government structural reform in England along with setting out the role which greater devolution will play in national recovery. Exact timeframes are also not yet known but the White Paper is expected by early October.

Reduced public sector funding and increasing demand for services driven by demographics and long standing social, health and economic pressures mean

that the Council, like many other authorities across the country, continues to face significant challenges in providing the services that local people need and want with available resources.

The impact of Covid19 has placed further pressure on the Council's revenue and capital budgets, the long-term implications of which are not yet fully known. The resulting impact of the pandemic on the national economy is likely to be significant and the anticipated financial shock on public finances will place local government under increasing pressures to deliver more efficient or even fewer services in the future.

2.1 Devolution and proposals for local government reorganisation

Given the impact of the Covid19 pandemic and the anticipated publication of the forthcoming Devolution and Recovery White Paper, many councils are actively considering their routes to securing devolution deals and their stance on local government reorganisation in this context. It is the Council's understanding that local government restructuring is likely to be viewed as a prerequisite to future devolution deals. For example, recent devolution discussions in North Yorkshire will potentially result in £2.4 billion of investment in the region, on the condition that the current two-tier local government system is replaced.

Based on existing deals, a devolution deal for the East Midlands could incorporate investment in infrastructure, skills, transport and housing. In the light of the current and continuing impact of Covid19, such investment would be of vital importance in enabling the local and regional economy to recover from the pandemic for the benefit of local people.

It is also anticipated that the Government will invite a small number of councils to take part in the 'first tranche' of local government reform. Whilst this is an emergent process, the Council understands that those authorities who are able to submit their case for local government reform by the Government's agreed date will be considered for inclusion in the first or early tranche of areas pursuing devolution deals.

Under current legislation, it is open to the Secretary of State, subject to consultation and Parliamentary approval, to implement if he thinks fit, any unitary proposal submitted by a council in response to an invitation which any council may request. The process for being considered in the first tranche and receiving an invitation from Government, would first involve writing to the Secretary of State for Housing, Communities and Local Government, outlining the Council's intentions.

Significant consideration therefore now needs to be given to the routes that are available for Derbyshire, to enable the Council to move at pace and to secure a devolution deal for the East Midlands in collaboration with regional

partners. It is vital that Derbyshire and the wider East Midlands region does not miss the opportunity to address historic funding inequalities and is at the front of the queue for much need investment in the region. It is therefore proposed that Council agrees the pursuit of a devolution deal and the establishment of a mayoral combined authority for the East Midlands. This will be of vital importance in supporting future recovery, resilience and prosperity in the region.

2.2 Regional and local developments

The Government has approved a number of devolution deals across the country since 2014. However, no county, two-tier area has successfully facilitated or achieved a devolution deal for their area, despite the development of numerous proposals across the country and significant liaison and negotiation.

In the absence of a viable route to devolution in Derbyshire, the Council has embarked on the development of alternative arrangements at a both a local and regional level. This has seen significant exploration and progression of new models of working across local government to increase collaboration and to ensure all councils are more aligned on a local and regional scale, with a focus on achieving the greatest public value for local people and communities across the East Midlands as follows:

- **Strategic Alliance** - Unitary and upper tier local authorities in the East Midlands have created a Strategic Alliance. This formal partnership has enabled strategic co-ordination and alignment of local government resources to support connectivity, trade, investment and growth. This has resulted in a fundamental change to the way upper-tier authorities in the region work together in a more focused and co-ordinated way to overcome the significant lack of investment in infrastructure and services across the East Midlands, ensuring the region has a clear and powerful voice.
- **Vision Derbyshire** – Over the last eighteen months councils across Derbyshire have been working on the development of a new model of local government and shared leadership. Phase 1, saw all ten Councils in Derbyshire – the County Council, City Council and eight District and Borough Councils – working together to identify shared priorities and outcomes and agree to strategically collaborate on the improvement of outcomes for people and places, to speak with one voice as a county and to coordinate resources better and more sustainably.

The programme has been driven forward and involved a significant investment of time, hard work and goodwill from participating councils and their leaders and executive officers. Derby City Council who participated in Phase 1 of the approach declined to participate in Phase 2, although the

opportunity to work collaboratively on the further development of the approach has remained open.

Phase 2 has subsequently resulted in the development of an approach to non-structural reform – Vision Derbyshire - and the development of a case for change and proposition to central government focused around four key ambitions as follows:

- **Seize innovation** - pioneering skills and technologies for a sustainable future economy
- **Establish relentless ambition** - creating opportunities for everyone in Derbyshire and making these visible:
- **Build proactive communities** - harnessing the energy in Derbyshire's communities and empowering people to make change:
- **Live and work sustainably** - committing to a zero-carbon footprint in our tourism, wider economy and ways of working:

The approach has identified a number of enablers to support and embed collaboration, such as leadership, culture, technology, workforce, customers, assets and estimated possible organisational and wider system benefits that could be achieved if the new approach were to be taken forward. A new formal governance model to support effective decision making has also been identified as being crucial in taking the approach forward as are a number of asks and offers to Government to support the realisation of ambitions. Further detail on Vision Derbyshire and the proposed approach can be found in Appendix A to this report.

A letter to Government, signed by all Derbyshire Councils, requesting a meeting to discuss the approach was sent to the Secretary of State on 4 September 2020, with a meeting yet to be arranged.

2.3 Options for local government reform in Derbyshire

A key principle which has emerged through the work across the Strategic Alliance and Vision Derbyshire is the recognition that the current two-tier structure of local government cannot be maintained as it is. It is the Council's belief that the status quo is no longer an option if local government is to continue to meet the needs of residents, communities and businesses in the future. There is a pressing need to develop a new model of local government for Derbyshire, whether this is achieved through structural or non-structural reform.

Due to the time, effort and considerable engagement that Derbyshire Councils have taken over the last 18 months to develop Vision Derbyshire, the Council remains committed to this approach as the preferred route to progressing a deal. However as stated, whilst this can be set out as the preferred option, the Council is very aware that Vision Derbyshire has to be finalised, agreed,

moved forward at pace and offer a credible new model of local government in Derbyshire. The Council cannot proceed along this route without the full backing of all two-tier Councils in Derbyshire and the Government, given what is currently at stake.

It is not yet known whether any alternatives to local government reorganisation and structural reform, including collaborative models for non-structural reform such as Vision Derbyshire will be palatable to Government or if there will be any scope for these to be accommodated in the White Paper once published. The Council also has to reasonably assume that, despite the success of working collaboratively across the County through Vision Derbyshire, a number of Derbyshire councils are also actively considering their own position on local government reorganisation.

It is vital that the Council is in a strong position to counter any proposals which it believes are not in the best interest of Derbyshire residents. A County Councils Network (CCN) Report, '*Evaluating the importance of scale in proposals for local government reorganisation*' published on the 28 August 2020 has warned of the significant financial consequences and impact of fragmenting and disaggregating countywide services. It is therefore recommended that Council opposes any proposals for a new model of local government which disaggregates the county footprint due to service fragmentation and the breaking up of historical boundaries.

It is critical any new model of local government for Derbyshire is considered within the context of both the Council's ambition to level up the Derbyshire economy and protect the historic county which is an integral part of local identity and belonging. It is therefore recommended that the Council does not, given the current circumstances, take a single, predetermined route to a devolution deal.

Cabinet at its meeting on 15 September 2020 is due to consider, in accordance with the above approach, a report that recommends to Council available routes, outlined below, that are to be pursued concurrently in order for the Council to retain the ability to be included in an early tranche of local government reform and unlock the potential to progress a devolution deal across the region.

It is therefore recommended that Council agrees that Vision Derbyshire is the preferred option, conditional on the following criteria being met:

1. The collaborative model proposed by Vision Derbyshire satisfies the Government's will for local government reform and allows for the progression of a devolution deal for the region; and
2. All Derbyshire councils (excluding Derby City) agree to implement Vision Derbyshire in its entirety through a similar formal decision in a timescale

which satisfies the Government's timetable for progression of a devolution deal for the region.

Whilst the approach to Vision Derbyshire is finalised and the Council seeks assurances that the above criteria can be met, it is necessary for the Council to have in place a viable alternative option for local government reform in the event that Vision Derbyshire is not able to satisfy the Government's requirements for reform and a subsequent devolution deal. It is therefore recommended that Council mandates officers to prepare an alternative route for devolution, in the form of developing a case for a single unitary model of local government in Derbyshire, on a county footprint. Council is also asked to approve the submission of a letter from the Leader to the Secretary of State for Housing, Communities and Local Government to request an invitation to submit a proposal for a single tier of local government for the county, in line with this approach and following the current legislative provisions.

This approach will ensure the Council remains agile and is prepared and able to move quickly if necessary, to keep pace with other areas and retain the opportunity be considered in the first tranche of devolution deals, following the publication of the criteria set out in the Local Recovery and Devolution White Paper.

Once the process for securing a devolution deal is established through the White Paper, it is recommended that the most viable option and preferred route be brought back for consideration to a subsequent meeting. These would be preliminary steps only and the most viable proposal, which maximises the opportunities of securing a devolution deal and preserving the county footprint, would be subject to ratification by Council, as well as appropriate prior consultation with the public and partners.

Should Council not support the approach outlined above, then Derbyshire would likely miss the opportunity for a devolution deal and remain subject to the imposition of local government reform measures, whatever their shape, in the future.

3. Financial, Human Resources and Property considerations

There are no direct financial implications arising from this report. The financial implications of potential devolution arrangements and local government reform would be set out in a future report.

4. Transport considerations

Any transport considerations under a devolution deal and a new governance model would be set out in detail in the relevant case for change.

5. Environmental and Prevention of Crime and Disorder considerations

Any environmental and prevention of crime and disorder considerations under a devolution deal and new governance model would be set out in more detail in the relevant case for change.

6. Health and Equality of Opportunity considerations

The Council's commitment to enhancing the wellbeing of communities and individuals and to promoting equality and diversity under a devolution deal and new governance model would be set out in more detail in the relevant case for change.

7. Other Considerations

In preparing this report the relevance of the following factors has been considered: legal and human rights.

8. Background papers

Files and supporting papers held in the Organisational Development and Policy Division, in the Commissioning, Communities and Policy department.

9. Officer's Recommendations

It is recommended that Council:

- a) Notes the Government's intention to publish a Devolution and Recovery White Paper in Autumn 2020.
- b) Approves the consideration of the White Paper (once published) to assess the most appropriate response, in light of the details contained therein.
- c) Approves in principle, the Council's involvement in the development of a devolution deal for the East Midlands to support recovery, resilience and prosperity across the region.

- d) Approves Vision Derbyshire as the preferred route for local government reform, provided the conditions for this route as set out in the report are fully met.
- e) Approves proposals for the Leader of the Council to write to the Secretary of State to request an invitation to submit a proposal for a single tier of local government for the county in the event that Vision Derbyshire is not able to satisfy the Government's requirements for reform and a subsequent devolution deal.
- f) Mandates officers within the Council to prepare an alternative route for devolution and the development of a case for a single unitary for Derbyshire, should the conditions for the preferred route for local government reform outlined in recommendation d) not be fully met.
- g) Opposes any proposals for a new model of local government which disaggregates the county footprint due to service fragmentation and the breaking up of historical boundaries.

Emma Alexander
Executive Director Commissioning, Communities and Policy

VISION DERBYSHIRE

1. Introduction

In spring 2019, all Derbyshire Councils began discussions regarding a programme of work to explore the appetite for a new collective and ambitious vision and model of collaboration, integration and shared leadership focused on achieving the greatest public value for local people and communities, without the need for formal reorganisation.

2. Developing a collaborative approach to non-structural reform

PricewaterhouseCoopers (PwC) were commissioned by all Derbyshire Councils in June 2019, as independent consultants to support in the development of a collaborative approach to non-structural reform. The programme developed into two sequential phases of activity as follows:

- **Phase 1 - June 2019 – December 2019**

Phase 1 was a short piece of discovery work to test the appetite for, and alignment on, collaboration. This phase aimed to identify and explore the existing level of ambition and appetite of stakeholders to progress non-structural reform in Derbyshire.

In November 2019, Councils received the final PwC report summarising the programme of work which had taken place. The final report included:

- **Principles for collaboration** to guide future working such as improve outcomes, speak with one voice, better coordination, provide a visible alternative to unitarisation and deliver to be sustainable
- **Areas for future collaboration** to provide a potential focus for future working such as climate change, tourism, skills and employment, social mobility, economic prosperity etc
- **Critical success factors** to drive a step change in approach/ways of working to accelerate a truly different model of local government in Derbyshire, including working at pace and building on momentum, working as a collective in a different physical and mental space from business as usual and strengthening and role modelling collaborative and collective leadership behaviours.

The work undertaken as part of the study marked a statement to develop a fundamentally new way of working together, to deliver differently for the people of Derbyshire.

- **Phase 2 - January 2020 – Present**

Phase 2 of the approach - Vision Derbyshire – commenced in February 2020 and sought to build on the momentum gained in phase one. Through a series of workshops and engagement Leader sand Chief Executives of

all Derbyshire Councils (excluding Derby City) explored the opportunities for enhancing collaborative working across the county. Phase 2 comprised:

- Comprehensive research and analysis to build a rich as-is picture of outcomes in Derbyshire, in line with the priorities identified in phase one
- A series of workshops focussing on:
 - 'Why' - setting a clear ambition for Vision Derbyshire
 - 'What' - areas where collaboration would be beneficial
 - 'How' - the enablers to support collaboration
- The development of a case for change setting out ambitions and proposition to central Government
- Three pilots to accelerate the implementation of the approach and demonstrate the new ways of working.

3. Vision Derbyshire: A case for change

The research, analysis, workshop engagement and collaborative working through the pilots has cumulated in a case for change for Vision Derbyshire. This is not a detailed business case and delivery plan, but instead a compelling, shared argument that a collective commitment to strategic collaboration across Councils will realise enormous benefits and is the most effective way to improve outcomes for Derbyshire people and places.

Vision Derbyshire is focused on four ambitions and key priorities:

a. Seize innovation - pioneering skills and technologies for a sustainable future economy:

- Work with businesses and education institutions to identify priority industries and align our agenda for adult skills to these industries
- Make strategic investments in new technology and industries
- Work closer with partners, including the LEP, on our mutually beneficially priorities
- Build a consortium to provide a source of all knowledge for potential inward investment

b. Establish relentless ambition - creating opportunities for everyone in Derbyshire and making these visible:

- Form a new social mobility commission with partners across the county
- Reimagine a county-wide apprenticeship scheme
- Build partnerships with business which align to Derbyshire's future industries
- Target support to people who have less access and visibility of opportunities, including those impacted by Covid
- Align the priority industries identified through 'seize innovation'

c. Build proactive communities - harnessing the energy in Derbyshire's communities and empowering people to make change:

- Map community assets countywide
- Create a framework through which decision making and budgets can be devolved
- Build on the foundations of Thriving Communities to tell the 'story' of communities
- Get support from a wider group of partners in the place, recognising shared benefit across multiple organisations.

d. Live and work sustainably - committing to a zero-carbon footprint in our tourism, wider economy and ways of working:

- Develop a sustainable spatial vision for Derbyshire which incorporates housing and transport and minimises the carbon impact
- Investigate a single public transport system in Derbyshire which maximises sustainable travel means
- Align the spatial plan to the priority industries, offer to young people and community assets/needs, encouraging people to stay in Derbyshire to live and work
- Align council planning functions.

Alongside the ambitions and priorities for Vision Derbyshire the case for change also outlines:

- A number of enablers to support and embed collaboration, such as leadership, culture, technology, workforce, customers, assets etc
- A new formal governance model to support effective decision making
- A series of asks and offers to Government to realise those ambitions
- An estimation of the possible organisational (£20m to £66m) and wider system benefits (£1.08bn) that could be achieved.

With a shared commitment and strong governance across all Derbyshire Councils, the case for change argues that collectively Councils can rapidly transform the way they work together and what they offer to local people.

4. Proposition to Government

At the heart of the case for change is the belief and proposition to Government that strong commitment to strategic collaboration can improve outcomes and realise financial efficiencies, delivering the benefits of reorganisation without the administrative burden, financial cost, time delays and political upheaval.

A high-level proposition to Government has been developed as a statement of intent from Councils for Ministers and senior officers at the Ministry of Housing Communities and Local Government (MHCLG). This statement of intent,

alongside a letter signed by all Derbyshire Councils, will be the first step in engaging with Government about how Derbyshire Councils wish to take Vision Derbyshire forward.

DERBYSHIRE COUNTY COUNCIL**COUNCIL****16 September 2020****Report of the Director of Finance & ICT****REVISED FINANCIAL REGULATIONS****1 Purpose of the Report**

To seek approval to the proposed amendments to the Council's Financial Regulations.

2 Information and Analysis

A detailed revision of the Council's Financial Regulations took place in 2014 and 2017 with a further review during the latter part of 2018.

It is good financial management practice to review the Regulations and Standing Orders on a regular basis to ensure that they are fit for purpose and accord with the Council's Constitution.

Many of the titles and references to policies referred to in the current regulations have changed and these have been updated where appropriate.

These changes will be underpinned by revised schemes of Departmental financial delegations which will set out the requirements required to ensure compliance with the revised Financial Regulations and Standing Orders relating to Contracts.

The revised Financial Regulations are appended to this report.

The key areas that are being recommended for change are:

- Requirement for all Council staff to furnish information to the Chief Financial Officer with information required for the financial administration of the Council's affairs.
- Addition of the role and responsibilities of the Deputy s.151 Officer in the Statutory Officers section.
- Recognition that financial management standards should be in accordance with the principles of The CIPFA Financial Management Code.
- Clarity on where and whom to submit a Declaration of Interest
- Running costs of surplus assets to remain the responsibility of the transferee for a period of 18 months or until the asset is either sold or

Public

brought into new usage. After such time the running costs become the responsibility of Property Services.

- Authorisation of write offs reflect the latest OJEU thresholds.
- Clarification that requests for payment in advance should be made to the Chief Financial Officer.
- A requirement to review the Council's Tax Strategy at least annually.

The above changes were agreed by Audit Committee and Cabinet on 27 May 2020 and 30 July 2020 respectively.

The Standing Orders Relating to Contracts is also being reviewed and any amendments will be reported to Cabinet and Council for approval. Audit Committee will receive a subsequent report with details of the changes.

3 Considerations

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

4 Key Decision

No.

5 Call-In

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

6 Background Papers

Papers are available from the Technical and Procurement Sections, Finance & ICT Division.

7 Officer's Recommendation

That Council approves the proposed amendments to the Financial Regulations.

PETER HANDFORD
Director of Finance & ICT

Derbyshire County Council

FINANCIAL REGULATIONS

To: All Members and Employees

The Chief Financial Officer has legal responsibilities for the financial administration of the Council's affairs and for determining the procedures and systems (whether electronic or not) to achieve this.

The Director of Legal Services as Monitoring Officer has responsibilities for legal compliance/probity.

Financial Regulations and Procedures apply to all Members and employees and to all transactions.

There are separate regulations under the Derbyshire Scheme for Financing Schools.

Where supplementary rules are made subsequent to these Regulations, these will be published. It has not been possible to foresee every eventuality so, should any doubt arise, you should consult the Chief Financial Officer. The Council Tax payers and citizens will expect everyone involved with the Council's affairs to treat the Council's resources with care and seek to obtain value for money - economy, efficiency and effectiveness - at all times.

The Regulations deal with the control of resources by Executive Directors in their Departments. The responsibilities of other officers are separately listed throughout the document and supplemented by Scheme of Delegations.

It is important that all employees are familiar with the detail that applies to their daily role. The regulations relating to procurement matters have been amended including changes in thresholds, evaluating for risk, increased requirement for transparency and the use of frameworks. These changes will allow increased flexibility for officers whilst maintaining the focus on delivery of value for money and accountability.

Barry Lewis
Leader of the Council

Simon Spencer
Deputy Leader of the Council

Peter Handford
Director of Finance & ICT
(Chief Financial Officer)

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A INTRODUCTION

FINANCIAL REGULATIONS

- 1 To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations, which set out the financial policies of the Council.
- 2 The County Council has produced this updated set of financial regulations, which reflects best practice and provides a practical source of advice to assist the Council to deliver its services.
- 3 The financial regulations provide clarity about the accountabilities of individuals - Cabinet Members and officers including the Monitoring Officer, the Chief Financial Officer and Executive Directors. Each of the financial regulations sets out the overarching financial responsibilities.
- 4 Departments should link the financial regulations with other internal regulatory frameworks which form part of the Council's constitution - for example - contract standing orders, schemes of delegation, the role of both Audit and Improvement and Scrutiny Committees and Employee Codes of Conduct, which include specific issues such as hospitality and gifts. Departments may also wish to supplement this handbook with their own more detailed financial procedures, guidance and instructions. Each of these additional publications must be approved by the Chief Financial Officer.

There is a separate version of financial regulations for Schools which is approved by Audit Committee.

- 5 Derbyshire County Council is one of the largest local authorities in England. It serves a population of 764,000 and an area of 255,071 hectares. It provides a diverse range of services to its residents. It works in partnership with 8 district councils, parish and town councils and a number of other organisations.

The Council provides the following services:

- learning and development
- social care
- strategic planning
- economic development
- roads and highways
- cultural and community including libraries, museums & archives
- public transport facilities
- public health
- public protection
- countryside services
- environmental management
- registration of births, deaths and marriages
- coroners
- emergency planning
- asset management

- 6 The Council's governance structure is laid down in its Constitution. This document contains the:

- Articles of the Constitution

- Responsibility for Functions
- Rules of Procedure
- Codes and Protocols
- Members' Allowances Scheme
- Management Structure

FINANCIAL PROCEDURES

7 Each section of the financial procedures follows the format set out below;

- why is this important?
 - this sets the context for the financial procedures.
- key controls
 - this explains the key internal controls which set the framework for ensuring financial regulations are operating effectively.
- responsibilities of the Chief Financial Officer and Monitoring Officer.
- responsibilities of Executive Directors.
 - these last two sections clarify the responsibilities of operational managers in relation to financial management. This is distinct from the role of finance employees. Executive Directors are, of course, free to delegate functions within their Departments as set out in their Scheme of Delegation, in which case the responsibilities as stated apply to their managers.

B STATUS OF FINANCIAL REGULATIONS

- 1 Financial regulations provide the framework for managing the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on behalf of the Council. As Financial Regulations are part of the constitution any change must be agreed by Council after being reported to Audit Committee.
- 2 The regulations identify the financial responsibilities of the Council, Cabinet, Audit Committee, Improvement and Scrutiny Committees, the Monitoring Officer, the Chief Financial Officer and Executive Directors. Cabinet Members and Executive Directors should maintain a written record where these responsibilities have been delegated to their employees including devolved employees. Where responsibilities have been delegated or devolved to other responsible officers, such as governors, references to the Strategic Director in the regulations should be read as referring to them.
- 3 All Members and Officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of all Council resources is legal, properly authorised and provides Value for Money (VfM).
- 4 The Council's Audit Committee is responsible for ensuring a continuous review of the financial regulations and for advising the Cabinet and Council of any additions or changes necessary. The Chief Financial Officer is responsible for reporting, where appropriate, any breaches of the financial regulations to the Council and/or to the Cabinet Members.
- 5 The Council's detailed financial procedures setting out how the regulations will be implemented are contained in the Annexes to the Financial Regulations.
- 6 Executive Directors are responsible for ensuring that all employees in their Departments are aware of their responsibilities according to the financial regulations and other internal regulatory documents and comply with them.
- 7 The Chief Financial Officer is responsible for issuing advice and guidance to underpin the financial regulations which Members, Officers and others acting on behalf of the Council are required to follow.
- 8 Throughout this document all references to authorisation/signatories apply to both hardcopy and electronic records. A digital signature/authorisation carries no less weight and imposes no less responsibility on the authorising officer than a handwritten signature. Designated authorising officers must ensure that they maintain the security of their personal user identity and password details as these identifiers will be taken as the equivalent of a personal, handwritten signature for the purposes of authorisation.
- 9 Employees are reminded that, under the Code of Conduct for Employees, orders and contracts must be awarded on merit and in accordance with Financial Regulations and Standing Orders in relation to contracts. Breaches of these requirements must be reported to the Assistant Director of Finance

(Audit), and may result in action being taken under the Council's disciplinary procedures.

C FINANCIAL REGULATIONS FOR DERBYSHIRE COUNTY COUNCIL

C(1) FINANCIAL REGULATION 1 - FINANCIAL MANAGEMENT & CONTROL

Overview of financial accountabilities in relation to:

The Council

- 1 The Council is responsible for adopting the Council's Constitution and Code of Conduct for Employees and for determining the budget and policy framework within which the Cabinet operates. It is also responsible for setting and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in a written Constitution. Together with the Cabinet, the Council is responsible for monitoring compliance with policies and Cabinet decisions.

The Cabinet

- 2 The Cabinet is responsible for proposing to the Council the policy framework and budget, for delivering services and discharging functions in accordance with the policy framework and budget.
- 3 The extent to which decisions of the Cabinet can be delegated is set out within the body of these regulations. Joint Committees or responsible Cabinet Members have authority to decide certain matters.
- 4 Together with the Council, the Cabinet is responsible for monitoring compliance with policies, Cabinet decisions and the framework of accountability and control.

Committees

Improvement and Scrutiny Committees

- 5 The Council has Improvement and Scrutiny Committees whose role is to scrutinise Cabinet or individual decisions before or after they have been implemented. These Committees are also responsible for making recommendations on future policy options and reviewing the general policy and service delivery of the Council.
- 6 The Improvement and Scrutiny Committees have a right to be involved in the budgetary process of the Council.

Audit Committee

- 7 The Council has an Audit Committee, part of whose role is to independently contribute to the Council's overall process for ensuring that effective internal control systems are adequately maintained.

Audit Matters

- 8 The Council's Auditors, both Internal and External act in an independent advisory capacity and report to the Audit Committee, Cabinet and Council. The Audit Committee have rights of access to obtain all the information they consider necessary and to consult directly with internal and external auditors. The Audit Committee is responsible for reviewing the external auditor's statutory report and the Assistant Director of Finance (Audit)'s annual report.

Standards Committee

- 9 The Standards Committee is responsible for promoting and maintaining high standards of conduct amongst Councillors. In particular, it has responsibility for advising on the adoption of the Code of Conduct for Employees, for its operation and its updating.

Other Committees

- 10 Regulatory functions such as planning and licensing together with the administration of the County Council's Pensions Fund are not the responsibility of the Cabinet and are exercised through committees which report to the Council.

Officers

- 11 It is the duty of all Officers of the Council to serve all Members of the Council equally.

The Statutory Officers

Head of Paid Service

- 12 The Head of Paid Service is responsible for:-
- (a) The manner in which the discharge by the authority of their different functions is co-ordinated;
 - (b) The number and grades of staff required by the authority for the discharge of their functions;
 - (c) The organisation of the authority's staff; and
 - (d) The appointment and proper management of the authority's staff

Monitoring Officer

- 13 The Director of Legal Services, in the capacity of Monitoring Officer, is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any breaches of the law to the Council and the Cabinet.

Scrutiny Officer

14 The Scrutiny Officer is responsible for administering the Council's Improvement and Scrutiny Committees and providing support to these Committees and the Members of them. In addition, the Scrutiny Officer provides support and guidance to:

- (a) Members of the Council,
- (b) Members of the Executive of the Council, and
- (c) Officers of the Council,

in relation to the functions of the Council's Improvement and Scrutiny Committees.

The Director of Finance & ICT

15 The Director of Finance & ICT is the Chief Financial Officer of the Council, and has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from the:

- **Local Government Act 1972 - Section 115 Accountability of Officers**

Every officer employed by a local authority, whether under this Act or any other enactment, shall at such times during the continuance of his office or within three months after ceasing to hold it, and in such a manner as the local authority direct, make out and deliver to the Council, or in accordance with their directions, a true account in writing of all money and property committed to his charge, and of his receipts and payments, with vouchers and other documents and records supporting the entries therein, and a list of persons from whom or to whom money is due in connection with this office, showing the amount due from or to each.

Every such officer shall pay all money due from him to the proper officer of the local authority or in accordance with their directions.

- **Local Government Finance Act 1988 - Section 114 - Functions of Responsible Officers as regards reports**

The Chief Financial Officer is also the responsible officer under Section 114 of the Local Government Finance Act 1988 for reporting to Council if the Council:
-

- (a) has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful;
- (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Council, or
- (c) is about to enter an item of account the entry of which is unlawful.

In addition, the Chief Financial Officer is under a duty to report to Council if it appears to him that the expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

- **Local Government Act 1972 - Section 117 Disclosure by Officers of Interest in Contracts**

Employees should be aware of the provisions of Section 117(1) of the Local Government Act 1972, which provides that “if it comes to the knowledge of an officer employed whether under this Act or any other enactment by a local authority that a contract in which he/she has any pecuniary interest whether direct or indirect (not being a contract to which he is himself is a party), has been or is proposed to be entered into by the authority or any committee thereof, he/she shall as soon as practicable give notice in writing to the authority of the fact that is interested therein.”

An indirect pecuniary interest for these purposes is as follows: -

- (a) if the officer or any nominee of the officer is a member of a Company or other body with which the contract was or is proposed to be made,
- (b) if the officer is a partner or is in the employment of a person with whom the contract is or is proposed to be made,
- (c) in the case of married persons living together the interest of one spouse, if known to the other, is deemed to be the interest of the other spouse.

Section 117(2) states that “an officer of a local authority shall not, under colour of his office or employment, accept any fee or reward whatsoever other than his proper remuneration”.

Any officer who has direct or indirect interest in any contract, or who is offered any fee or reward shall write to the Monitoring Officer immediately. Any person who fails to comply with Section 117(1) and/or (2) may render themselves liable to a fine of £1,000.

- **Local Government Act 1972 - Section 151**

Under Section 151 “Every local authority shall make arrangements for the proper administration of their financial affairs, and shall secure that one of their officers has responsibility for the administration of those affairs”.

The County Council have appointed the Chief Financial Officer as the responsible officer.

No item having financial consequences shall be placed on a Council meeting agenda without obtaining the Chief Financial Officer's financial assessment. Any report containing new proposals shall include an independent financial assessment by the Chief Financial Officer.

- **Local Government Act 2003**

The Local Government Act 2003 requires that the Chief Financial Officer has:

- (a) a statutory duty to advise the Council on Cabinet proposals in accordance with their responsibilities under Section 151 of the Local Government Act 1972 and the Local Government Act 2003;
- (b) responsibilities in relation to the level of the Council's reserves and protocols for their use;
- (c) responsibilities to take into account matters as specified in CIPFA's Prudential Code for Capital Finance in Local Authorities (2003);
- (d) robustness of estimates included in the budget and the adequacy of the reserves for which the budget provides.

The annual investment strategy is an annual statement prepared in accordance with the Local Government Act 2003. Section 15(1), states that all Authorities must "have regard to guidance on investments issued by the Secretary of State", when investing surplus cash.

- 16 The Chief Financial Officer will support these financial regulations by the issue of more detailed instructions to Executive Directors from time to time.

All Council staff shall furnish the Chief Finance Officer with such information as he/she may from time to time require for financial administration of the Council's affairs. In the case of any dispute or difference of opinion on whether provision of information is necessary, the decision of the Chief Finance Officer will be final.

Deputy s.151 Officer

This role is currently held by the Assistant Director of Finance (Financial Management) and deputises for the Chief Financial Officer in relation to the statutory requirements of Section 151 of the Local Government Act 1972 (as set out above).

Responsibilities of Executive Directors

- 17 All Executive Directors shall be responsible for ensuring that all employees of their Departments comply with financial regulations and any other financial instructions the Chief Financial Officer may issue from time to time. They also have delegated powers to take such actions deemed necessary and expedient in matters requiring urgent consideration and because of the timescale involved, or the need to safeguard the interests of the Council, cannot be dealt with by submission to the next Council or Cabinet Member Meeting.

- 18 They shall also ensure that:
- (a) existing and new employees are informed of their responsibilities under financial regulations and are familiar with these documents,
 - (b) all financial regulations or contracts and award procedures are followed by officers in their Department,
 - (c) relevant records are maintained and retained,
 - (d) particular care is necessary to ensure that Officers whose responsibilities extend to routine aspects of budgeting, record keeping, ordering, income and payments are fully aware of the detailed requirements of the relevant Appendices to these regulations.
- 19 To consult the Chief Financial Officer on any matter which is liable to materially affect the finances of the Council before any provisional or other commitment is incurred.
- 20 To be responsible for securing VfM in relation to their activities and for achieving financial performance targets.

The Decision Making Process

- 21 The Cabinet is responsible for establishing protocols to ensure that individual Cabinet Members consult with relevant Officers before taking a decision within his/her delegated authority. In doing so he/she must take account of advice as to legal and financial liabilities and risk management issues which may arise from the decision.
- 22 The Monitoring Officer must ensure that Cabinet decisions and the reasons for them are made public. He/she must also ensure that Council Members are aware of decisions made by the Cabinet and of relevant decisions made by Officers under the terms of any specifically delegated Cabinet responsibility.
- 23 The Monitoring Officer is responsible for advising the Council, Cabinet and Officers regarding who has authority within the Council to take a particular decision.

Key Decisions

These decisions are subject to the access to information requirements for open government. A key decision is defined as a decision that affects two or more electoral wards or saves/costs more than £500,000.

- 24 The Monitoring Officer and Chief Financial Officer, in consultation with the Head of Paid Service, are responsible for advising the Cabinet or Council whether a decision is likely to be considered contrary to, or not wholly in accordance with, the policy framework or budget. In this context “contrary to the budget” may be as a result of:
- (a) initiating a new policy,

(b) committing expenditure in future years to above the budget level.

- 25 It is ultimately the responsibility of Executive Directors to consult with the Chief Financial Officer on any matter which is liable to materially affect the Council's finances before any commitments are incurred. The Chief Financial Officer has a legal duty to provide financial advice to the Council. Executive Directors should not, therefore, appoint financial consultants or outside advisers without consulting the Chief Financial Officer.

Virement

- 26 The Council is responsible for agreeing procedures for virements (transfer of funds between budgets).
- 27 Executive Directors are responsible for agreeing in-year virements within delegated limits, as set out in Annex1, paragraph 2(b).

Treatment of year-end balances

- 28 Cabinet is responsible for agreeing procedures for carrying forward under or overspendings on budget headings.

C(2) FINANCIAL REGULATION 2 - FINANCIAL PLANNING

Introduction

1 The Council is responsible for approving the following, which will be proposed by the Cabinet:

- the policy framework,
- the Council Plan,
- the Revenue Budget and Five Year Financial Plan,
- the Capital Programme and Treasury Management Strategy.

The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies.

3 The Council is also responsible for determining when a decision will be deemed contrary to the budget and should therefore be referred to the Council by the Chief Financial Officer and/or Monitoring Officer.

4 The Cabinet is responsible for taking in year decisions on resources and priorities in order to deliver the budget within the financial limits set by the Council.

Preparation of the Council Plan

5 The Corporate Management Team, is responsible for proposing the Council Plan to the Cabinet for consideration before its submission to Council for approval.

BUDGETING

Budget guidelines

6 The Chief Financial Officer will issue guidelines on budget preparations to Members and Executive Directors in accordance with Council and Cabinet requirements. The guidelines will take account of:

- legal and consultation requirements,
- medium term planning prospects,
- available resources,
- spending pressures,
- relevant government guidelines,
- cross-cutting issues (where relevant).

Budget preparation

- 7 The Chief Financial Officer is responsible for ensuring that a revenue budget is prepared on an annual basis for consideration by the Cabinet before 8 February, and subsequent submission to the Council. The Council may amend the budget, or ask the Cabinet to reconsider it before approving it. The budget must, however, be approved and precepts notified to billing authorities prior to 1 March in accordance with the Local Government Act 1992.
- 8 The Chief Financial Officer is responsible for preparing a report in accordance with the Local Government Act 2003 which the Council must consider when it is making its statutory calculations required to determine its precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves for which the budget provides. The Ministry of Housing, Communities and Local Government advises that the professional advice of the Chief Finance Officer is required on these two questions, and that they are connected with matters of risk and uncertainty.
- 9 The Cabinet is responsible for issuing guidance on cash limits and the general content of the budget in consultation with the Chief Financial Officer as soon as possible following approval by the Council.
- 10 It is the responsibility of Executive Directors to ensure that annual revenue estimates reflecting agreed service plans and including all necessary resource plans and financial estimates are prepared in consultation with the Chief Financial Officer and are reported to the Cabinet.

Preparation of the Capital Programme and Treasury Management Strategy

- 11 The Chief Financial Officer, in consultation with the Corporate Management Team, is responsible for ensuring that a capital programme is prepared on an annual basis in accordance with the requirements of CIPFA's Prudential Code for Capital Finance in Local Authorities (2017) for consideration by the Cabinet, before submission to the Council.

C(3) FINANCIAL REGULATION 3 - CONTROL OF RESOURCES INCLUDING EMPLOYEES

Internal control

- 1 Internal control refers to the system of controls devised by management to help ensure the Council's objectives are achieved in a manner which promotes effective, efficient and economical use of resources and that the Council's assets and interests are safeguarded.
- 2 The Audit Committee is responsible for reporting to Cabinet and Council on matters arising from its review of internal control and governance and the Annual Governance Statement.
- 3 It is the responsibility of the Executive Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve effectiveness, efficiency and economy and for achieving their financial performance targets.

Employees

- 4 The Head of Paid Service is responsible for providing overall management of employees. He/she is also responsible for ensuring that there is proper use of the job evaluation or other agreed systems for determining the grade and remuneration of a job.
- 5 Executive Directors are responsible for controlling total employee numbers by:
 - adjusting the employee numbers to that which can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs and in line with the Council's HR Strategy.
 - the proper use of appointment procedures as defined in the Recruitment and Selection Guidelines.

Budget monitoring

- 6 The Chief Financial Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He/she must monitor the control of income and expenditure against budget allocation and report to the Cabinet on variances in line with the requirements of the budget monitoring policy.
- 7 It is the responsibility of Executive Directors to control income and expenditure within their area and to monitor performance and provide information to the Chief Financial Officer to ensure reporting is in line with the Budget Monitoring Policy. They should also take any action necessary to avoid exceeding their financial allocation.

- 8 Meetings between the Chief Financial Officer and Executive Directors are held monthly, to discuss the projected outturn, in accordance with the Budget Monitoring Policy.

Register of Members' interests

- 9 The Monitoring Officer is responsible for ensuring that the procedures agreed by Council for the registration of Members' interests comply with statutory requirements.

Risk Management - Code of Audit Practice Requirements

- 10 The Cabinet is jointly responsible for approving the Council's Risk Management Policy Statement (after receiving a report from the Audit Committee on risk management, internal control and governance and the Annual Governance Statement) and for effecting proper insurance.
- 11 The Council's Audit Committee considers, at each meeting, a report on the Council's Risk Register and is charged to consider any significant changes in risk and with monitoring the effectiveness with which key risks identified are managed.
- 12 The Chief Financial Officer is responsible for preparing the Council's Risk Management Policy Statement, promoting it throughout the Council and for advising the Cabinet on proper insurance cover.
- 13 The Chief Financial Officer shall be responsible for effecting all necessary insurance within the policy determined from time to time by the Council. Executive Directors will be responsible for notifying to him/her changes in any insurable risks and will submit claims in accordance with the approved arrangements.
- 14 Executive Directors shall consult the Chief Financial Officer and Director of Legal Services before giving any indemnity on behalf of the Council.
- 15 Executive Directors shall notify the Chief Financial Officer immediately of any loss, liability or damage, which may lead to a claim against the Council.

Security

- 16 Executive Directors should ensure that appropriate records, whether held in a manual or electronic format, are properly maintained and securely held. They are also responsible for ensuring that all business critical systems are identified, that systems so identified are adequately documented and that sound arrangements for the security and continuity of service in the event of disaster are in place and have been tested in advance where practicable.

C(4) FINANCIAL REGULATION 4 – SYSTEMS AND PROCEDURES

Decision making procedures

- 1 The Council is responsible for approving procedures for reporting its decision-making processes and the financial information associated with them. The Director of Legal Services should provide a system for the recording of the Council's decisions and for the secure storage of media used to record those decisions.

Income and expenditure

- 2 It is the responsibility of Executive Directors to ensure that a proper scheme of delegation has been established within their Departments, operating effectively and reviewed and updated annually to a standard determined by the Chief Financial Officer. It should identify employees authorised to act on behalf of the Cabinet, Cabinet Member or the Executive Director, in respect of payments, income collection, for placing orders and the award of contracts, together with the limits of their authority. The Council is responsible for approving procedures for writing off debts as part of its overall control framework of accountability and control.

Financial systems and procedures

- 3 The Chief Financial Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any proposed changes by Executive Directors to existing financial and/or control systems or the establishment of new systems must be reported to and considered by the Assistant Director of Finance (Audit) who will consider the potential impact on the Internal Control framework and report to the Chief Financial Officer, raising any concerns as appropriate. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.
- 4 Executive Directors are responsible for the proper and effective operation of financial processes and control systems within their own Departments.
- 5 Any changes to financial instructions and procedure notes by Executive Directors, to meet their own specific service needs, should be agreed by the Chief Financial Officer who will seek Cabinet approval where appropriate.
- 6 Executive Directors must ensure that they have sufficient, appropriately qualified employees and other resources to meet their responsibilities and must consult the Chief Financial Officer to ensure that such employees have received appropriate financial training.

Data protection

- 7 Executive Directors should ensure that, where appropriate, classes of information held on computer and other systems are notified to the Information Commissioner in accordance with Data Protection legislation and that employees are aware of their responsibilities under this legislation and the

Freedom of Information Act 2000 and The Environmental Information Regulations 2004.

C(5) FINANCIAL REGULATION 5 – EXTERNAL ARRANGEMENTS

- 1 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders.
- 2 The Cabinet is responsible for approving delegations, including frameworks for partnerships. The Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs. It is responsible for ensuring that the contractual arrangements for any work for third parties or external bodies comply with Corporate Strategy.
- 3 The Council/Cabinet Members will decide on Member representation and the Corporate Management Team will decide on Officer representation of the Council on partnership and external bodies, as required by statute or the Council.
- 4 The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial affairs and governance in partnerships that apply throughout the Council.
- 5 The Chief Financial Officer must specify the accounting and auditing arrangements to be adopted relating to partnerships and joint ventures and trading relationships and consider the overall corporate governance arrangements when arranging contracts with external bodies. Auditing arrangements should include, as a minimum, guaranteed rights of access for the Council's auditors at all times to all documents, records, employees and premises which relate to, or are provided by, the Council's contributions to the partnership, joint venture or trading relationship. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 6 Executive Directors are responsible for:
 - ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies and third parties,
 - maintaining a register of all contracts/partnership agreements entered into with external bodies in accordance with procedures approved by the Director of Legal Services which must include details of :
 - the aims and objectives of the contract/partnership;
 - its approved duration;
 - the Council's commitment in terms of finance and other resources;
 - the framework by which the performance of the contract/partnership is to be monitored;

- exit strategy on completion or termination of the contract/partnership ensuring that before entering into agreement with external bodies, a risk management appraisal has been prepared;
- ensuring that such agreements and arrangements do not impact adversely upon the services provided for the Council;
- ensuring that all agreements and arrangements are properly documented;
- providing appropriate information to the Chief Financial Officer to enable a note to be entered into the Council's Statement of Accounts;
- ensuring that all Council employees designated/seconded to work on the contract/partnership are aware that, throughout such work, they continue to be bound by the policies, contractual requirements and financial regulations of the Council and remain accountable to the Council for their actions.

ANNEX 1: FINANCIAL MANAGEMENT AND CONTROL

- 1 Financial management standards
- 2 Managing and controlling spending
 - (a) revenue budget
 - (b) scheme of virement
 - (c) treatment of year end balances
- 3 Accounting policies
- 4 Accounting records and returns
- 5 Format of the accounts

1 FINANCIAL MANAGEMENT STANDARDS

Objectives

- 1 All Members and Officers have a duty to abide by the highest standards of probity in dealing with financial issues. This is achieved by ensuring everyone is clear about the standards to which they are working, and the controls that are in place to ensure that these standards are met.

Responsibilities of Chief Financial Officer

- 2 To ensure the proper administration of the Council's financial affairs.
- 3 To set financial standards in accordance with The CIPFA Financial Management Code, and to monitor their compliance.
- 4 To ensure proper professional practices are adhered to, and to act as head of profession in relation to the standards, performance and development of employees engaged in financial work throughout the Council.
- 5 To advise on the key strategic controls necessary to secure sound financial management.
- 6 To ensure that financial information is available to enable accurate and timely reporting of comparisons of national and local financial performance indicators.

Responsibilities of Executive Directors

- 7 To promote and ensure adherence to the financial management standards set by the Chief Financial Officer in their Departments.
- 8 To promote and ensure adherence to proper financial practices in relation to the standards, performance and development of employees in their Departments.

2 MANAGING AND CONTROLLING INCOME AND EXPENDITURE

A Revenue Budget

Objectives

- a.1 Budget management ensures that resources allocated by Members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continuous process enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism to call to account managers responsible for defined elements of the budget.
- a.2 By identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual cash limit, approved in setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own income and expenditure within the cash limited budget allocated to it.

Key controls

- a.3 The key controls for managing and controlling the revenue budget are:
- (i) budget holders will be responsible for the income and expenditure on budget heads for which they have been assigned responsibility;
 - (ii) all budgeted income and expenditure is allocated to a named budget manager;
 - (iii) budget managers accept accountability for their budgets and the level of service to be delivered;
 - (iv) budget managers follow an approved authorisation process for all expenditure;
 - (v) income and expenditure is properly recorded and accounted for;
 - (vi) performance levels/levels of service are monitored in conjunction with the budget and necessary action taken to align service outputs and the budget.

Responsibilities of Chief Financial Officer

- a.4 To establish an appropriate framework of budgetary management and control which ensures that:
- (i) budget management is exercised within annual cash limits unless the Council agrees otherwise;

- (ii) each Executive Director has available timely information on income and expenditure on each budget heading, to enable managers to fulfil their budgetary responsibilities;
 - (iii) all officers responsible for committing expenditure and generating or collecting income must comply with corporate guidance and financial regulations and standing orders;
 - (iv) each budget head has a single named manager, determined by the Executive Director. Budget responsibility should be aligned as closely as possible to the decision-making which commits expenditure;
 - (v) significant variances from approved budgets are promptly investigated and the reasons for such variances are pursued with the responsible managers.
- a.5 To administer and ensure adherence to the Council's scheme of virement.
 - a.6 To submit reports to the Cabinet and to Council, in consultation with the Executive Director, where a Executive Director is unable to balance expenditure and resources within existing approved budgets under his or her control.
 - a.7 To prepare and submit reports on the Council's projected income and expenditure compared with the budget.

Responsibilities of Executive Directors

- a.8 To maintain budgetary control within the Department, in adherence to the principles in 2a.4 and to ensure that all income and expenditure is promptly and properly recorded and accounted for.
- a.9 To ensure that a single accountable budget officer is identified for each item of income and expenditure under the control of the Executive Director.
- a.10 To ensure that spending remains within the service overall cash limit, and is not overspent, by monitoring the budget.
- a.11 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the service plan and that any necessary action is taken.
- a.12 To prepare and submit to the Cabinet or Cabinet Member, where required, reports on the service's projected income and expenditure compared with its budget, in consultation with the Chief Financial Officer in accordance with the schedule in the Council's Budget Monitoring Policy

- a.13 To ensure prior approval by the Council for new proposals* not included in the agreed budget or service plan, which:
- (i) create material financial commitments in future years,
 - (ii) initiate new policy or cease existing policies,
 - (iii) materially extend or reduce the Council's services,
 - (iv) create or identify material new sources of income,
 - (v) where services are to be financed from government grant, sales of goods and services, or other external services, which are time limited, the proposal must contain an exit strategy that does not rely on future finance from Council Tax.
- a.14 To ensure compliance with the Council's scheme of virement.
- a.15 To consult with the relevant Executive Director where it appears that a budget proposal, including a virement proposal may impact materially on another service or Executive Director's level of activity.
- a.16 To ensure that the departmental forward procurement plan, detailing all procurement requirements above £50,000 for the forthcoming 24 months is included as part of the departmental service plan and; where such requirements cannot be identified in the service plan, to seek approval of Cabinet or Cabinet Member (as appropriate) prior to commencing the procurement process.

* A report on new proposals should explain the full financial implications, after consultation with the Chief Financial Officer. Unless the Council has agreed otherwise, Executive Directors must plan to contain the financial implications of such proposals within their cash limit. The proposal must be in line with the requirements issued by the Chief Financial Officer.

2 MANAGING AND CONTROLLING INCOME AND EXPENDITURE

B Scheme of Virement

- b.1 The Council's scheme of virement is monitored by the Chief Financial Officer to ensure compliance with guidelines set by Council. Any variation from this scheme requires the approval of Council.
- b.2 The Council approves annual budgets for each Department and Executive Directors and the budget holders are therefore authorised to incur expenditure in accordance with those estimates. The rules below cover virement, which is switching income and expenditure between Departments.
- b.3 The scheme of virement is intended to enable Executive Directors and their employees to manage budgets with a degree of flexibility within the overall policy framework determined by the Council and, therefore, to optimise the use of resources. Executive Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. In particular, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Executive Directors must plan to fund such commitments from within their own budgets.

Responsibilities of Chief Financial Officer

- b.4 To prepare a joint report, with relevant Executive Directors, to the Cabinet where any virements greater than £100,000 per annum are proposed between Departments.

Responsibilities of Executive Directors

An Executive Director may exercise virements on budgets under his/her control within their Department. Executive Directors are able to carry out virements within their own budgets as long as it does not involve the following:

- (i) a new policy or policy change;
- (ii) does not result in an increase in commitment in future years which cannot be met from within existing budgets;
- (iii) does not compromise the policy/service objectives in the approved strategic plan (and related service plans).

Any virements not meeting these criteria shall be subject to approval by Cabinet.

- b.6 Amounts greater than £100,000 per annum resulting in a virement of funds between Departments requires the approval of the Cabinet, following a joint report of the Chief Financial Officer and the Executive Director which must specify the proposed expenditure, the source of funding and must explain the implications in the current and future financial years.

- b.7 No virement relating to a specific financial year should be made after accounting period 14 of that year.
- b.8 Where an approved budget heading is designated by the Chief Financial Officer as a lump sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that the amount is used in accordance with the purposes for which it has been established.
- b.9 Executive Directors must report all interdepartmental virements to the Chief Financial Officer as part of the period end assurance framework.

2 MANAGING AND CONTROLLING INCOME AND EXPENDITURE

C Treatment of end of year balances

Objectives

- c.1 The Chief Financial Officer makes proposals to Cabinet on the treatment of balances.
- c.2 The rules below cover arrangements for the transfer of resources between accounting years, i.e. a 'carry forward'.

Key controls

- c.3 Appropriate accounting procedures are in place to ensure that carried forward totals are correct.

Responsibilities of Chief Financial Officer

- c.4 To administer the scheme of 'carry forward' within accounting policies and any other guidelines set by the Council.
- c.5 To report the extent of overspends and underspends on service estimates carried forward to the Cabinet.

Responsibilities of Executive Directors

- c.6 The Departmental outturn position will be reported to Cabinet after the end of the financial year along with the variances on the budgets that are deemed to be controllable. The Chief Financial Officer will determine which budgets are classed as controllable and non-controllable.

Over/underspends against controllable budgets can only be carried forward with the approval of Cabinet. Requests to carry forward and/or utilise previous years' underspends will normally be through the annual outturn report.

- c.7 Each school's surplus shall be carried forward to support the future expenditure of the school concerned. Any deficit will also be carried forward for the individual school to recover, if necessary, via a licensed deficit. Full details of the arrangements are contained within the Derbyshire Scheme for Financing Schools.

3 ACCOUNTING POLICIES

Objectives

- 1 The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, in the format required by the CIPFA Code of Practice on Local Authority Accounting in the UK, for the financial year ending 31 March. The Audit Committee is responsible for reporting to Cabinet and Council on matters arising from its review of the accounting policies and Annual Accounts of the Council, and will play a pro-active role in promoting discussion on both the content of the Statement of Accounts and ongoing financial statements.

Key controls

- 2 The key controls for accounting policies are:
 - (a) suitable accounting policies are selected and applied consistently;
 - (b) judgements are made and estimates prepared which are reasonable and prudent;
 - (c) statutory and other professional requirements are observed to maintain proper accounting records;
 - (d) all reasonable steps have been taken for the prevention and detection of fraud and other irregularities.

Responsibilities of Chief Financial Officer

- 3 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies will be set out in the Statement of Accounts which is prepared at 31 March each year, and will cover such items as:
 - (a) the basis on which debtors and creditors at year end are included in the accounts,
 - (b) details on substantial provisions and reserves, and contingent liabilities,
 - (c) fixed assets,
 - (d) depreciation,
 - (e) capital charges,
 - (f) debt redemption,
 - (g) work in progress,
 - (h) stocks and stores,
 - (i) deferred charges,
 - (j) government grants,
 - (k) leasing,
 - (l) pensions,
 - (m) allocation of central support services.
 - (n) capital receipts.
- 4 To identify any significant changes in accounting policies, and to ensure that they are reported to, and approved by, the Audit Committee.

Responsibilities of Executive Directors

- 5 To adhere to the accounting policies approved by the Chief Financial Officer.

4 ACCOUNTING RECORDS AND RETURNS

Objectives

- 1 Proper accounting records are one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its Statement of Accounts to present fairly its operations during the year. These are subject to external audit. This provides assurance that the accounts are properly prepared and proper accounting practices have been followed.

Key controls

- 2 The key controls for accounting records and returns are:
 - (a) all Cabinet Members, finance employees and budget managers operate within the required accounting standards of the Council;
 - (b) all the Council's transactions, material commitments, and contracts and other essential accounting information have been recorded completely, accurately and on a timely basis;
 - (c) procedures are in place to enable accounting records to be reconstituted in the event of failure;
 - (d) balances and reconciliation procedures are carried out to ensure transactions are correct;
 - (e) the duty imposed on the Council by the Accounts and Audit Regulations to maintain an adequate and effective audit of its accounting records and its system of internal control.

Responsibilities of Chief Financial Officer

- 3 To determine all accounting procedures and the form of financial records for the Council.
- 4 To compile all accounts and accounting records, or ensure that they are compiled under his/her direction.
- 5 To comply with the following principles when allocating accounting duties:
 - (a) separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them;
 - (b) employees with the duty of examining or checking the accounts of cash transactions shall not themselves be engaged in these transactions.
- 6 To prepare, certify and publish the pre-audit statement of accounts of the Council for each financial year, in accordance with the statutory timetable, to make any necessary changes as a result of the external audit and for the Audit

Committee to then approve the post-audit Statement of Accounts before the statutory deadline.

- 7 To ensure that retention periods for financial records are specified and promulgated throughout the Council. The periods for which documents are to be retained are separately specified.

Responsibilities of Executive Directors

- 8 To consult with and obtain the approval of the Chief Financial Officer before making any changes to the format of the accounting records and procedures.
- 9 To comply with the principles outlined in paragraph 5 when allocating accounting duties.
- 10 To maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.
- 11 To supply the information required to enable the Statement of Accounts to be completed, in accordance with guidelines issued by the Chief Financial Officer.

5 **FORMAT OF THE ACCOUNTS**

Objectives

- 1 The format of the budget will determine the level of detail on which financial control and management will be exercised.

Key controls

- 2 The key controls for the budget format are:
 - (a) the format complies with all legal requirements;
 - (b) the format complies with CIPFA's Service Reporting Code of Practice.

Responsibilities of Chief Financial Officer

- 3 To advise the Audit Committee on the format of the budget.

Responsibilities of Executive Directors

- 4 To comply with accounting guidance provided by the Chief Financial Officer.

ANNEX 2: FINANCIAL PLANNING

- 1 Financial Strategy
- 2 Budgeting
 - (a) resource allocation
 - (b) capital programmes
 - (c) preparing revenue budgets in accordance with the Council's financial strategy
- 3 Use of reserves

1 FINANCIAL STRATEGY

Objectives

- 1 The aim of the Financial Strategy is to set out the framework for the financial operation of the Council in support of its strategic and policy objectives as set out in the Council Plan. The Financial Strategy serves to drive (in conjunction with the Council Plan and Service Plans) the Five Year Financial Plan, Capital Strategy, Capital Programme and Annual Revenue Budget. The aim of the Financial Strategy is to maximise, within existing policies, the resources available to the Council and to assist in the continuous improvement of the provision of cost effective and affordable service delivery.

Key Controls

- 2 The key controls for the Financial Strategy are:
 - (a) to ensure it is driven by the Council Plan;
 - (b) to ensure it is reviewed annually;
 - (c) to ensure the Financial Strategy drives the Five Year Financial Plan, Capital Programme and Annual Revenue Budget.

Responsibilities of Chief Financial Officer

- (a) to produce and update annually the Financial Strategy for approval by Cabinet;
- (b) to ensure Financial Regulations, the Five Year Financial Plan, Capital Programme and Annual Revenue Budget together with any other financial policies, plans and guidance are consistent with the Financial Strategy.

Responsibilities of Executive Directors

- (a) to contribute to the development of the Financial Strategy;
- (b) to ensure all financial policies, plans and guidance within Departments are consistent with the Financial Strategy.

2 BUDGETING

A Resource allocation

Objectives

- a.1 A mismatch often exists between those resources available and those required. A common scenario is that the available resources are not adequate to fulfil needs/desires. It is, therefore, imperative that resource allocation is carefully prioritised and the resources available are fairly allocated in order to fulfil all legal responsibilities. Resources will include employees, money, equipment (including ICT facilities, vehicles and plant) goods, materials, land and accommodation.

Key controls

- a.2 The key controls for resource allocation are:
- (a) resources are acquired using an approved authorisation process;
 - (b) resources are only used for the purpose intended by the Council, to achieve the approved policies and objectives, and are properly accounted for;
 - (c) resources are secured for use when required;
 - (d) resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Responsibilities of Chief Financial Officer

- a.3 To advise on methods available for the funding of expenditure, such as grants from central government and other income and borrowing requirements.
- a.4 To assist in the allocation of income and expenditure to managers.

Responsibilities of Executive Directors

- a.5 To work within budget limits and to utilise resources allocated and further allocate resources in the most effective, efficient and economical way.
- a.6 To identify opportunities to minimise or eliminate resource requirement or consumption without a detrimental effect on service delivery, such as efficiencies, partnerships and collaborations, applying fees and charges or other commercial arrangements.

BUDGETING

B Capital programmes

Objectives

- b.1 Capital expenditure involves acquiring or enhancing assets with a long term value, such as land, buildings and major items of plant and equipment or vehicles. Capital assets shape the way services are delivered for the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- b.2 The Government places controls on the financing capacity of the Council. This means that capital expenditure should form part of a programme, should be carefully prioritised in order to comply with the Council Plan, maximise the benefit of scarce resources and comply with CIPFA's Prudential Code for Capital Finance in Local Authorities (2017).

Key controls

- b.3 The key controls for capital programmes are:
 - (a) specific approval by the Council of its Capital Strategy and Infrastructure Plan;
 - (b) the preparation of a project and estimates, including associated revenue expenditure, for appraisal and recommendation by the Capital Strategy Group and approval by the Cabinet;
 - (c) proposals for the purchase, lease of, or improvements and alterations to buildings must be approved by the Director of Property.

Responsibilities of Chief Financial Officer

- b.4 To prepare the Capital Strategy jointly with Corporate Management Team who will report the Strategy to the Cabinet for approval. The Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the Council.

The Chief Financial Officer, in conjunction with Executive Directors, will compile the annual Capital Programme. This will contain schemes* (which are designed to meet a particular need or issue) and individual projects. The programme will be approved by Council in February each year. For the purposes of these regulations an individual scheme will be classed as a single project.

- b.5 To prepare and submit reports to Cabinet/Council on the projected expenditure and resources compared with the approved estimates on a regular basis.
- b.6 To issue guidance concerning capital schemes and controls for example on project appraisal techniques e.g. the Council's project appraisal and management toolkit. The definition of 'capital' will be determined by the Chief

Financial Officer, having regard to Government regulations and accounting requirements.

Responsibilities of Executive Directors

- b.7 To comply with guidance concerning capital schemes and projects and controls issued by the Chief Financial Officer.
- b.8 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Financial Officer currently contained in the Council's project appraisal and management toolkit.

For schemes, an initial report will be taken to Cabinet to commit the scheme budget. Any balance remaining to be allocated at a later date will be dealt with under b.10.

Overspends

- b.9 Where there are overspends on a project, virement can take place utilising the capital resources under the control of the Executive Director as follows:
 - up to £250,000 by the Executive Director
 - from £250,000 to £500,000 to be approved by Cabinet Member
 - over £500,000, to be approved by Cabinet.

Where there may be the need to vire from a project that is funded by borrowing, this must be agreed with the Chief Financial Officer.

Any overspend that needs to be funded from an increase in borrowing will require the approval of Cabinet.

New Projects not already approved in the Capital Programme

- b.10 Any subsequent projects can be approved as follows:
 - up to £250,000 by the Executive Director
 - from £250,000 to £500,000 to be approved by Cabinet Member
 - over £500,000, to be approved by Cabinet.

Cabinet approval is required for any new Project to be funded from borrowing.

Corporate Contingency Funds

- b.11 The corporate contingency budget is funded by borrowing and is under the control of the Chief Financial Officer

The Chief Financial Officer will authorise the use of contingency funds up to £250,000. Over £250,000 will require Cabinet approval.

- b.12 The use of capital receipts can only be used with the approval of the Chief Financial Officer.

- b.13 To nominate an officer who will act as sponsor for the project and an officer who will be responsible for the financial management of the project.

Where a department requests a feasibility study, then the cost of this will initially be borne by the department. If this then becomes a capital project, then the costs of the feasibility can be charged to the project

- b.14 To assist in the preparation of regular reports of the estimated final cost of schemes in line with the timetable set out by the Chief Financial Officer.

- b.15 To ensure that adequate records are maintained in respect of all capital contracts.

- b.16 To ensure that they do not enter into credit arrangements, such as borrowing or leasing arrangements, without the prior approval of the Chief Financial Officer and, if applicable, approval of the scheme through the Capital Programme.

* Examples of a scheme are Basic Need, Local Transport Plan, Schools Access initiative, Disabled Adaptations.
The Chief Financial Officer will determine which funding streams can be considered to be classed as a scheme for the purposes of these regulations.

2 BUDGETING

C Preparing revenue budgets in accordance with the Council's Financial Strategy

Objectives

- c.1 The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.
- c.2 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the spending plans and priorities of the Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent.
- c.3 Medium term planning (or a 3 to 5 year planning system) involves a rolling planning cycle in which the Council develops its plans. As each year passes another future year will be added to the Five Year Financial Plan. Medium term planning involves a minimum 5 year rolling planning cycle which ensures that the Council is always preparing for events in advance.

Key controls

- c.4 The key controls for budget preparations are:
 - (a) specific budget approval for all expenditure;
 - (b) budget managers accept accountability within delegations set by the Cabinet for their budgets and the level of service to be delivered;
 - (c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and that any corrective action is taken.

Responsibilities of Chief Financial Officer

- c.5 To prepare and submit reports on budget prospects for the Cabinet, including resource constraints set by the Government. Reports should take account of medium term prospects, where appropriate.
- c.6 To determine the detailed form of revenue estimates, consistent with the general directions of the Council, and after consultation with the Cabinet and Executive Directors.
- c.7 To prepare and submit reports to the Cabinet on the aggregate spending plans of Departments and on the resources available to fund them; identifying, where appropriate, the implications for the level of Council Tax to be levied.
- c.8 To advise on the medium term implications of spending decisions.

- c.9 To encourage best use of resources and VfM by working with Executive Directors to identify opportunities to improve effectiveness, efficiency and economy, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- c.10 To advise the Council on Cabinet proposals in accordance with his responsibilities under Section 151 of the Local Government Act 1972.

Responsibilities of Executive Directors

- c.11 To prepare estimates of income and expenditure, in consultation with the Chief Financial Officer, to be submitted to the Cabinet for approval.
- c.12 To prepare budgets which are consistent with any relevant cash limits, the Council's annual budget cycle and guidelines issued by the Cabinet. The Chief Financial Officer shall prescribe the format in accordance with the Council's general directions.
- c.13 To integrate financial and budget plans into service plans, so that budget plans can be supported by financial and non-financial performance measures.
- c.14 To consult with Cabinet Members and relevant Executive Directors, where it appears that a budget proposal is likely to impact on another service or level of service activity.
- c.15 In consultation with the Chief Financial Officer and in accordance with the agreed guidance and timetable to prepare detailed draft revenue and capital budgets for consideration by the Cabinet and Council.
- c.16 To have regard to:
- spending patterns and pressures revealed through the budget monitoring process;
 - legal requirements;
 - policy requirements as defined by the Council;
 - initiatives already underway.

3 USE OF RESERVES

Objective

- 1 Reserves are maintained as a matter of prudence.

Key controls

- 2 To maintain reserves in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK, the Council's Reserve Policy and agreed accounting policies.

Responsibilities of Chief Financial Officer

- 3 To advise on prudent levels of reserves for the Council and to consider the advice of external audit in this matter.
- 4 To ensure that the nature and purpose of all reserves is clearly identified and that they conform to accepted accounting practice.
- 5 To ensure all movements to and from reserves receive the appropriate level of authorisation.
- 6 That the Council's Reserve Policy is reviewed on an annual basis.
- 7 Where Cabinet/Cabinet Member has approved the budget for a scheme to spend resources in-year and there are commitments against the scheme at year-end, an earmarked reserve should be created for use by the Department in accordance with the Council's Reserves Policy.
- 8 Other reserves will be created by the Chief Financial Officer in line with accounting policies where necessary.

ANNEX 3: CONTROL OF RESOURCES INCLUDING EMPLOYEES

- 1 Internal controls
- 2 Audit requirements
 - a) internal audit
 - b) external audit
 - c) preventing financial irregularities
 - d) hospitality and gifts
- 3 Resources: Land, buildings, fixed plant and machinery
 - a) security
 - b) inventories
 - c) stocks and stores
 - d) intellectual property
 - e) private use of County Council facilities
 - f) asset disposal
- 4 Risk management and insurance
- 5 Treasury management
 - a) treasury management and banking
 - b) investments and borrowing
 - c) trust funds and funds held for third parties
 - d) imprest accounts
 - e) Money Laundering Regulations and Proceeds of Crime Act
- 6 Employees

1 INTERNAL CONTROLS

Objectives

- 1 The Council is complex and beyond the direct control of any one individual. It therefore requires internal controls to manage and monitor progress towards strategic objectives.
- 2 The Council has statutory obligations to meet and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- 3 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to identify, evaluate and control these risks.
- 4 The system of internal controls is established in order to provide measurable assurance of:
 - efficient and effective operations;
 - reliable financial information and reporting;
 - compliance with laws and regulations.

Key controls

- 5 Effective review on a regular basis.
- 6 Managerial control systems including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objectives of these systems are to promote ownership of the control environment by defining roles and responsibilities.
- 7 Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- 8 An effective internal audit function which operates in compliance with the principles embodied in the Accounts and Audit Regulations 2015 (Regulations 3 and 5), the Public Sector Internal Audit Standards and with any other statutory obligations, regulations and professional Best Practice.

Responsibilities of the Chief Financial Officer

- 9 To assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations.
- 10 To ensure that the Council puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management

review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.

Responsibilities of Executive Directors

- 11 To manage processes so as to ensure that established controls are being adhered to, and to evaluate their effectiveness, in order to be confident in the proper use of resources.
- 12 To update existing controls and establish and implement new ones following consultation with the Assistant Director of Finance (Audit) who will consider the potential impact on the Internal Control Framework, and report to the Chief Financial Officer, raising any concerns as appropriate. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.
- 13 To ensure employees have a clear understanding of the consequences of a lack of proper internal control frameworks or the deliberate breach or circumvention of such frameworks.

2 AUDIT REQUIREMENTS

A INTERNAL AUDIT

Objective

- a.1 The Chief Financial Officer has a statutory responsibility for the overall financial administration of the Council's affairs. Under the requirements of the Accounts and Audit Regulations 2015 (Regulation 5) the Council is responsible for maintaining an adequate and effective internal audit.
- a.2 Internal Audit is an independent, objective assurance and consulting activity established by the Council designed to add value and improve the Council's operations. It assists the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Key controls

- a.3 The key controls for internal audit are:
- (i) that it remains independent in its planning and operation,
 - (ii) the Assistant Director of Finance (Audit) has direct access to the Audit Committee, Cabinet, Council and Executive Directors.
 - (iii) Internal Audit officers comply with the requirements of the Accounts and Audit Regulations 2015 (Regulations 3 and 5), the Public Sector Internal Audit Standards and professional Best Practice.

Responsibilities of Chief Financial Officer

- a.4 In accordance with Regulation 5 of the Accounts and Audit Regulations 2015, the Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards or guidance.

Responsibilities of Assistant Director of Finance (Audit)

- a.5 The Assistant Director of Finance (Audit) or his/her authorised representative, shall have a right of access at all times to such records and documents, including computer data, and premises (in accordance with the protocol approved by Cabinet) of the Council as appear to him/her to be necessary for the purposes of the audit and shall be entitled to require from any Officer or Member of the Council such information and explanation as he/she thinks necessary for that purpose. The Assistant Director of Finance (Audit) shall provide relevant reports and advice to the officers concerned.
- a.6 The Assistant Director of Finance (Audit) is authorised to appraise the adequacy of procedures employed by Executive Directors to secure effectiveness, efficiency and economy in the use of resources.

- a.7 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 cases of suspected fraud and other irregularities. He/she will, on conclusion of the audit investigation, report to the appropriate Executive Director who will consider any legal proceedings and/or disciplinary action in consultation with the appropriate Executive Director(s), Director of Legal Services, Chief Financial Officer and Assistant Director of Finance (Audit).
- a.8 The Assistant Director of Finance (Audit) must maintain Strategic and Annual Audit Plans which take account of the characteristics and relative risks of the activities involved which he/she will report to the Audit Committee annually for approval. He/she should liaise with Executive Directors on the audit strategy and cover required. In addition to the statutory requirement this takes account of the need to seek added value, effective use of resources, improved performance and cost effective controls.
- a.9 Where an appropriate response to audit recommendations has not been made within a reasonable period, the Assistant Director of Finance (Audit) shall refer the matter to the appropriate Executive Director for resolution. Where resolution cannot be reached, the matter shall be referred to the Chair of the Audit Committee, as specified in that Committee's Terms of Reference.
- a.10 The Assistant Director of Finance (Audit) shall produce an annual report giving his/her opinion on the Council's framework of internal controls to the Audit Committee in accordance with the requirements of the Public Sector Internal Audit Standards.
- a.11 The Assistant Director of Finance (Audit) is responsible for the consideration and formal approval of any changes that are proposed to existing financial, control and IT systems or the implementation of new systems. He/she will consider the potential impact on the Internal Control Framework and report to the Chief Financial Officer, raising any concerns as appropriate. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.

Responsibilities of Executive Directors

- a.12 To ensure that internal and external auditors are given unrestricted access to all records, personnel, assets and premises (in accordance with the protocol agreed by Cabinet) as necessary for the purpose of their work.
- a.13 To ensure that auditors are provided with any information and explanations which they seek in the course of their work.
- a.14 To consider and respond within 28 working days to recommendations in audit memoranda and reports.
- a.15 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and effective fashion.

- a.16 To notify the Assistant Director of Finance (Audit) immediately of any suspected fraud, misappropriation or misuse of money, materials or equipment, or any mismanagement of money or other assets, or any other irregularities. Pending investigation and reporting, the Executive Director should in liaison with the Assistant Director of Finance (Audit) take all necessary steps to prevent further loss and to secure the integrity of records and documentation against removal, alteration or destruction.

- a.17 To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with the Council's Assistant Director of Finance (Audit), prior to implementation. This regulation shall also apply to computer systems. The Assistant Director of Finance (Audit) will consider the potential impact on the Internal Control Framework and report to the Chief Financial Officer, raising any concerns as appropriate. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.

2 AUDIT REQUIREMENTS

B EXTERNAL AUDIT

Objectives

- b.1 The Council has opted to use Public Sector Audit Appointments as part of a national joint procurement exercise to determine the Council's external auditor over the medium term.
- b.2 The Chief Financial Officer is responsible for working with the external auditor and for advising the Audit Committee, Cabinet, Council and Executive Directors on their responsibilities in relation to external audit. The external auditor has the same rights of access as the internal auditor to all documents that are necessary for audit purposes.
- b.3 The Act requires the Comptroller and Auditor General (C&AG) to prepare one or more codes of audit practice prescribing the way local auditors are to carry out their functions. This responsibility is important both nationally and locally in supporting auditors and underpinning a consistent, high-quality approach to the audit of local public bodies. The C&AG has taken the opportunity to prepare a single code covering the audit of different types of local public body. This reflects the fact that the core statutory responsibilities placed on the auditors of the different types of local public body covered by the Code are essentially the same.
- b.4 The basic duties of the external auditor are governed by Section 20 of the Act, under which auditors need to satisfy themselves that:
- the accounts comply with the requirements of the enactments that apply to them;
 - proper practices have been observed in the preparation of the statement of accounts and that the statement presents a true and fair view;
 - the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- b.5 The Council's accounts are scrutinised by external auditors who must be satisfied that the Statement of Accounts 'presents fairly' the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

Key controls

- b.6 The C&AG provides a code of audit practice which prescribes how the external auditors carry out their functions.

Responsibilities of Chief Financial Officer

- b.7 To draw up the timetable for final accounts purposes and to advise staff and external auditors accordingly.
- b.8 To ensure that external auditors are given access to those premises, employees, documents and assets which the external auditors consider necessary for the purposes of their work.

Responsibilities of Executive Directors

- b.9 To ensure that external auditors are given access to those premises, employees, documents and assets which the external auditors consider necessary for the purposes of their work.
- b.10 To ensure that all paperwork and systems are up to date and available for inspection.

2 AUDIT REQUIREMENTS

C PREVENTING FINANCIAL IRREGULARITIES

Objectives

- c.1 The Council's Policy for the prevention of financial irregularities is set out in full in its Anti Fraud and Anti Corruption Strategy Policy and Fraud Response Plan - which are issued to all Members and Officers of the Council.
- c.2 The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the Council.
- c.3 The Council's expectation of propriety and accountability is that Members and Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- c.4 The Council also expects that individuals and organisations (e.g. suppliers, contractors, partner bodies and service providers) that it comes into contact with, will act towards the Council with integrity and without thought or actions involving fraud and corruption.
- c.5 The Audit Committee is charged with conducting an annual review and re-affirmation of the Council's Anti Fraud and Anti Corruption Strategy and the Fraud Response Plan. It will also review and approve the Council's strategy to ensure the adequate on-going training and awareness of all employees regarding anti fraud and corruption measures.
- c.6 The Council has in place an approved Whistleblowing The Confidential Reporting Code which applies to all employees, contractors working for the Council on Council premises, suppliers, those providing services to the Council in their own premises and members of the public. This Code provides a procedure for making confidential disclosures about suspected wrongdoing, irregularity or a failure of standards within the Council.
- c.7 The Audit Committee is charged with providing an annual report to Cabinet and Council on the continued adequacy and effectiveness of the Whistleblowing The Confidential Reporting Code, its publication and the strategy to ensure that both Members and Officers remain aware of, and comply with, its requirements.

Key controls

- c.8 The key controls regarding the prevention of financial irregularities are that:-
 - (a) the culture and tone of the Council is one of honesty and opposition to fraud and corruption;
 - (b) all Members and Officers act with integrity and lead by example;
 - (c) all individuals and organisations associated in any way with the Council will act with integrity;

- (d) senior managers are required to deal swiftly and firmly with those who defraud the Council or who are corrupt;
- (e) all employees should ensure that they remain aware of, and use, when appropriate, the Whistleblowing The Confidential Reporting Code.

Responsibilities of Chief Financial Officer

- c.9 To maintain adequate and effective audit arrangements for the Council.

Responsibilities of Assistant Director of Finance (Audit)

- c.10 To ensure that the outcome of investigations into potential fraud/irregularity are reported to the appropriate Executive Director(s) in accordance with the Council's agreed procedure.

Responsibilities of Executive Directors

- c.11 To notify the Assistant Director of Finance (Audit) immediately of any suspected fraud, misappropriation or misuse of money, materials or equipment, or any mismanagement of money or other assets, or any other irregularities. Pending investigation and reporting, the Executive Director should in liaison with the Assistant Director of Finance (Audit) take all necessary steps to prevent further loss and to secure the integrity of records and documentation against removal, alteration or destruction.
- c.12 To instigate the Council's disciplinary procedures where the outcome of an Audit investigation indicates improper behaviour.

2 AUDIT REQUIREMENTS

D SECONDARY EMPLOYMENT GIFTS AND HOSPITALITY

(See the requirements of the Council's Code of Conduct for Employees and Members)

Secondary Employment

- d.1 The Council recognises that employees may undertake secondary employment (either within or outside of the council). A second job for the purpose of this advice is any job, paid or unpaid, with any employer and/or any type of self-employment. The carrying out of public duties does not count as a second job.
- d.2 Any secondary employment you undertake must not, nor have the potential to:
- Create a conflict of interest, for example, working for a company that either supplies or buys from the Council, or is in competition with the Council;
 - Overlap with official duties;
 - Make use of Council resources (including knowledge, property or equipment);
 - Weaken public confidence in the Council;
 - Bring the Council into disrepute, for example by undertaking an activity that could be deemed to be incompatible with your role;
 - Affect your performance or duties whilst at work.

Any secondary employment you undertake must:

- Be undertaken outside of your working hours with the Council;
 - Be undertaken away from your place of work.
- d.3 If undertaking secondary employment outside the Council, you must complete a Declaration of Interest and submit it to your Director/Executive Director and agree that it be recorded on any register of secondary employment maintained by your Department.

You will be expected to inform your manager of:

- The name of your second employer;
 - The type of business in which the second employer is involved;
 - The type of work involved;
 - The proposed hours of work.
- d.4 When considering accepting secondary employment, either within or external to the Council, you must consider the implications of the working time directive which stipulates the maximum hours you should work in a week and required rest breaks. In particular, if you will be working over 48 hours per week in your combined roles, you must inform your manager, as this is in contravention of the Working Time Regulations, and you may be required to sign an opt out agreement.

- d.5 If any conflict between your roles is identified, you must resolve the conflict in favour of your role and duties with the Council.

EGIFTS

- d.6 You may accept 'token' gifts from customers, contractors or service users up to the value of £50. Acceptable examples are calendars, diaries, pens or chocolates. All gifts should be reported to your manager.

You must not accept gifts worth more than £50 and you must report such offers to your Executive Director.

You must refuse any offer of a gift where you suspect that an improper motive may exist – i.e. the giver is seeking to influence your decisions or actions and you must report such offers to your Executive Director. This is the case regardless of the monetary value of the offer.

In no circumstances should you accept a monetary gift (including gift vouchers) and again, you must report such offers to your Executive Director.

Hospitality

- d.7 You should only accept hospitality (meals/refreshments) if there is a genuine need to impart information or to represent the Council. You should also ensure that accepting the hospitality does not create a conflict of interest and is not likely to cause embarrassment to the Council.

You should report the offer of hospitality, whether accepted or not, to your line manager, and should ensure that all such offers are recorded in the appropriate hospitality register.

Responsibilities of Executive Directors

- d.8 To maintain an appropriate register detailing secondary employment for staff within the Department and ensure that this register is subject to periodic review.
- d.9 To maintain an appropriate register of gifts and hospitality including details of any offers which have been declined and ensure that this register is subject to periodic review.

3 RESOURCES: Land, buildings, fixed plant and machinery

A SECURITY

Objectives

- a.1 The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets should be safeguarded and used efficiently in the delivery of services, and that there should be arrangements for the security of both assets and service operations.

Key controls

- a.2 The key controls for the security of resources such as land, buildings, fixed plant and machinery are:-
- (a) resources are acquired using an approved authorisation process;
 - (b) resources are used only for the purposes of the Council and properly accounted for;
 - (c) resources are secured to be available for use when required;
 - (d) resources no longer required are promptly disposed of in accordance with the law and the regulations of the Council so as to maximise benefits.

Responsibilities of Chief Financial Officer

- a.3 To ensure that an asset register is maintained in accordance with good practice which records plant and machinery and all moveable assets of a material value currently owned, or used, by the Council.
- a.4 To receive that information from each Executive Director required for accounting, costing and financial records.

Responsibilities of Director of Property

- a.5 The Director of Property shall act in the capacity of corporate landlord for any property owned or leased by the Council.
- a.6 The Director of Property shall maintain a property database, for all land and properties currently owned or used by the Council.
- a.7 To ensure the ongoing provision of effective security arrangements for the Council's buildings and other assets.
- a.8 To record all disposals of assets, which shall be in accordance with the Council's agreed procedure.

Responsibilities of Executive Directors

- a.9 To formally notify the Chief Financial Officer/Director of Property at the earliest opportunity of the requirement to purchase, take possession of or dispose of any material asset so that the Chief Financial Officer/Director of Property can arrange to process the transaction.
- a.10 Where there is no contractual obligation, expenditure on rented property shall be subject to consultation with the Director of Property.
- a.11 Any use of property by a Department or establishment other than for service delivery should be supported by documentation identifying terms, responsibilities and duration of the use.
- a.12 To ensure that lessees and other prospective occupiers of Council land and/or premises are not allowed to take possession or enter the land and/or premises until a lease or agreement, in a form approved by the Director of Property/Director of Legal Services has been established as appropriate.
- a.13 Where land or buildings are surplus to the requirements, they must be passed to the Director of Property for re-use or disposal. Running costs of the building remain the responsibility of the transferee for a period of 18 months or until the asset is either sold or brought into new usage . If the asset is not sold or brought into new usage after a period of 18 months, the running costs become the responsibility of Property Services.
- a.14 To pass title deeds to the Director of Legal Services who is responsible for custody of all title deeds.
- a.15 To ensure that no Council asset is subject to personal use by an employee without proper authority.
- a.16 To ensure the safe custody of vehicles, equipment, furniture, stocks, stores and other property belonging to the Council.
- a.17 To ensure that the Department maintains an up-to-date register of all plant machinery and moveable assets in accordance with arrangements defined by the Chief Financial Officer.
- a.18 To ensure assets are identified, their location recorded and that they are appropriately marked and insured.
- a.19 To consult the Chief Financial Officer and Director of Property in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- a.20 To ensure cash holdings on premises are kept to a minimum.
- a.21 To ensure that keys to safes and similar receptacles are carried on the person responsible at all times; loss of any such keys must be reported to the Chief Financial Officer as soon as possible.

- a.22 To ensure the valuation of assets for accounting purposes meets the requirements specified by the Chief Financial Officer.

- a.23 To ensure that all their employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value and its disclosure or loss could result in a cost to the Council in some way. Employees are governed by the requirements of the Data Protection and Computer Misuse Acts and should comply with the guidance provided by the Information Security Policy. Measures to protect the Council's resources include maintaining the confidentiality of passwords and ensuring that manual and electronic data is held in secure locations.

3 RESOURCES: Land, buildings, fixed plant and machinery

B INVENTORIES

Responsibilities of Executive Directors

- b.1 To maintain inventories, and to record an adequate description of the items they contain (including ICT equipment). All items with a purchase price where known or estimated purchase cost greater than £250 should be recorded.
- b.2 To carry out an annual check of all items on the inventory in order to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and dvd players whose purchase price may not exceed £250 should prudently be both recorded on the inventory and identified with security marking as belonging to the Council.
- b.3 To ensure that property is only used in the course of the Council's business.
- b.4 Any proposals for the maintenance of inventory records involving electronic media or computerised systems must be reported to and considered by the Assistant Director of Finance (Audit) who will consider the potential impact on the Internal Control Framework and report to the Chief Financial Officer raising any concerns prior to implementation as many of the propriety software packages on the market do not contain adequate security features or audit trails. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.

3. RESOURCES: Land, buildings, fixed plant and machinery

C STOCKS AND STORES

Joint responsibilities of Executive Directors and Chief Financial Officer

- c.1 To make arrangements for the care and custody of stocks and stores in the Department.
- c.2 To ensure stocks are maintained at reasonable levels and subject to a regular independent physical check. All discrepancies should be recorded, investigated and pursued to a satisfactory conclusion.
- c.3 To write-off discrepancies and obtain appropriate approval in accordance with the table below:

Written off by	Discrepancy Amount
Executive Director/Chief Financial Officer	£0 - £189,330 (OJEU)
Cabinet Member	£189,330-£500,000
Cabinet	£500,000+

- c.4 To authorise or write-off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction unless following consultation with the Chief Financial Officer, the Cabinet decides otherwise in a particular case.
- c.5 To write-off redundant stocks and equipment and obtain appropriate approval in accordance with the table below:

Written off by	Redundant Stocks/Equipment Amount
Executive Director/Chief Financial Officer	£0 - £189,330 (OJEU)
Cabinet Member	£189,330-£500,000
Cabinet	£500,000+

- c.6 All discrepancies on stocks and stores should be taken seriously. Where there is any suspicion that the discrepancy is a result of theft or fraudulent activity, this must be reported to the Assistant Director of Finance (Audit) immediately.
- c.7 Where concerns relate to the operation and management of the store, the discrepancy should be investigated by relevant Departmental staff. However, if concerns arise during this review that there may be potential dishonesty/fraudulent activity, the matter must be reported to the Assistant Director of Finance (Audit) immediately.

- c.8 Any stocks and stores discrepancies may only be written-off after the discrepancy has been investigated.
- c.9 Accounting policies require the Chief Financial Officer to reflect the true value of Stocks and Stores at the financial year end. This may require amounts to be written off before approval is obtained. When this occurs, retrospective approval should be sought.

3 RESOURCES: Land, buildings, fixed plant and machinery

D INTELLECTUAL PROPERTY

(see the requirements of the Council's Code of Conduct for Employees)

Objectives

- d.1 Intellectual property is a generic term that includes inventions, computer programs and writings. If the employee during the course of employment creates these, then as a general rule they belong to the employer, not the employee. Various Acts of Parliament cover different types of intellectual property.
- d.2 Certain activities undertaken within the Council may give rise to items which may be patentable. These are collectively known as intellectual property.

Key Controls

- d.3 In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should only proceed following consultations with, and taking advice from, the Director of Legal Services on a case by case basis.

Responsibilities of Executive Directors

- d.4 To ensure that employees are aware that they should not make use of the County Council's intellectual property to conduct private work.

3 RESOURCES: Land, buildings, fixed plant and machinery

E PRIVATE USAGE OF COUNTY COUNCIL FACILITIES

(See the requirements of the Council's Codes of Conduct for Employees and Members)

- e.1 Employees are reminded that equipment or facilities of the Council may not be used for personal purposes. Where an explicit policy has been approved by Cabinet to provide for limited, personal use within a regulated framework, employees are reminded that the Council may legitimately monitor such private use to ensure compliance with that framework. Employees may not conduct outside work on the Council's premises or use its facilities or equipment for such purposes.

County Council facilities include, but are not limited to:

- Property
- Vehicles
- Telecommunications equipment
- Photocopiers/printers
- Computer hardware
- Software.

3 RESOURCES: Land, buildings, fixed plant and machinery

F ASSET DISPOSAL

Objective

- f.1 It would be unsatisfactory and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and regulations of the Council.

Key Controls

- f.2 Assets are disposed of at the most appropriate time and only when it is in the best interests of the Council and that the best price is obtained. For items of significant value, disposal should be by competitive tender or public auction. Waste electrical and electronic equipment should be disposed of in compliance with the Waste Electrical and Electronic Equipment Regulations 2006.

Responsibilities of Chief Financial Officer

- f.3 To advise on best practice for disposal of assets.
- f.4 To ensure appropriate accounting entries are made.

Responsibilities of Executive Directors

- f.5 To seek advice from the Chief Financial Officer on the disposal of surplus or obsolete materials, stores or equipment.
- f.6 To ensure that income received for disposal of an asset is properly banked and coded.

4 RISK MANAGEMENT AND INSURANCE

Objectives

- 1 All organisations, whether they are in the private or public sectors, face risks to people, property and continued operations, which can affect delivery of services and achievement of the Council's objectives. Risk is defined as the chance or possibility of loss, damage or injury caused by an unwanted or uncertain action or event. Risk Management is the planned and systematic approach to the identification, evaluation and control of risk.
- 2 Insurance has been the traditional means of protecting against loss but this cannot be seen as the complete answer. By reducing, or even preventing, the incidence of losses (whether they result from crime or accident) the Council will improve service delivery and the effective use of resources, reduce stress and anxiety for service users and employees and benefit from reduced costs of providing insurance cover. It will also avoid the disruption and wasted time caused by losses and insurance claims.
- 3 It is the overall responsibility of Cabinet to approve the Council's Risk Management Strategy and to promote a culture of risk management awareness throughout the County.

Key Controls

- 4 The key controls for risk management and insurance are:
 - procedures are in place to identify, assess, prevent or mitigate material risks and these procedures are embedded within the culture of the Council;
 - acceptable levels of risk are determined and insured against where appropriate;
 - managers are made aware of the spectrum of risks for which they are responsible and are provided with relevant information on risk management initiatives;
 - provision is made for losses which may result from the risks that remain;
 - procedures are in place to investigate insurance claims within required timescales;
 - a monitoring process is in place which ensures the regular review of the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis;
 - the Council's Audit Committee will receive a report, at each meeting, on the Council's Risk Register and will consider any significant changes and monitor the effectiveness of the management of the key risks identified.

Responsibilities of Chief Financial Officer

- 5 To prepare and promote the Council's Risk Management Policy Statement.
- 6 To develop risk management strategies in conjunction with Executive Directors.
- 7 To effect corporate insurance cover, through external insurance and internal funding, and negotiate all claims in consultation with other officers where necessary.
- 8 To include all appropriate employees of the County Council in a suitable fidelity guarantee insurance.
- 9 To offer insurance cover to schools in accordance with Fair Funding arrangements.
- 10 Claims against the County Council by its employees where there is no legal liability may be settled by the Director of Legal Services up to a limit of £300 in any case, in respect of damage to or loss of personal property occurring in the course of their duties. Provided that there is no contributory negligence, the settlement to be on the following basis: -
 - (a) for repairs to clothing or other property - full cost;
 - (b) for replacement of clothing or other property (where repair was impracticable) - three quarters of reasonable replacement cost.

Responsibilities of Executive Directors

- 11 To notify the Chief Financial Officer immediately of any loss, liability or damage which may lead to a claim against the Council, together with any information or explanation required by the Chief Financial Officer or the Council's insurers. These should be reported irrespective of the application of any insurance excess.
- 12 To notify the Chief Financial Officer promptly of all new risks, properties, vehicles, plant or equipment, which require insurance, and of any alterations affecting existing insurances.
- 13 To consult the Chief Financial Officer and the Director of Legal Services on the terms of any indemnity that the Council is requested to give.
- 14 To ensure that Council employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation which may prejudice the assessment of liability in respect of any insurance claim.
- 15 To take responsibility for risk management having regard to advice from the Chief Financial Officer, the Corporate Risk Management Policy & Strategy and other specialist officers (eg Risk Management, Emergency Planning, Crime Prevention, Fire Prevention, Health and Safety).

- 16 To ensure that there are regular reviews of risk within their Departments in accordance with the Council's Corporate Risk Management Policy & Strategy.

5 TREASURY MANAGEMENT

Objectives

- 1 The County Council is responsible for the in-house management and investment of many hundreds of millions of pounds in respect of both itself and the Derbyshire Pension Fund. Codes of Practice aim to provide assurances that the Council's money is properly managed in a way which balances risk with return.

A Treasury Management and Banking

Responsibilities of Chief Financial Officer

- a.1 To arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's Treasury Management Policy Statement.
- a.2 To report at least twice a year to the Audit Committee/Cabinet on treasury management activities.
- a.3 To operate bank accounts as are considered necessary within the terms of the banking arrangement. Opening or closing any bank account shall require the prior approval of the Chief Financial Officer.

Responsibilities of Executive Directors

- a.4 To ensure that the Council's Treasury Management Practices as set out in the Treasury Management Manual are followed and regularly reviewed.

B Investments and Borrowing

Responsibilities of Chief Financial Officer

- b.1 To ensure that all investments of money are made in the name of the Council, or school in the case of a school operating an approved bank account, or in the name of nominees approved by the Council.
- b.2 To ensure that:-
- all negotiable instruments which are the property of the Council or its nominees are securely held by the Council's External Custodian;
 - the title deeds of all property and land in the Council's ownership are passed to the Director of Legal Services who will maintain their safe custody;
 - other share certificates relating to investments in Unquoted Companies, which are the property of the Council or its nominees, are securely held by the Chief Financial Officer; and
 - all investments on behalf of the Council in Strategic Pooled Funds are independently validated by the Council's appointed external audit provider.
- b.3 To effect all borrowings in the name of the Council.
- b.4 To act as the Council's registrar of stocks, bonds, and mortgages, and to maintain records of all borrowing of money by the Council.

Responsibilities of Executive Directors

- b.5 To ensure that no loans are made to third parties and no interests are acquired in companies, joint ventures, or other enterprises without the approval of the Council, following consultation with the Chief Financial Officer.

C Trust Funds and Funds held for Third Parties

Responsibilities of Executive Directors

- c.1 To arrange that all trust funds are in the name of the Council. Trust funds should not be held in the name of individual officers. All officers acting as trustees by virtue of their official position shall deposit securities etc. relating to the trust with the Chief Financial Officer/Director of Legal Services unless the deed otherwise provides.
- c.2 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Financial Officer and maintain written records of all transactions.
- c.3 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust, and to contact the Director of Legal Services as appropriate.

D Imprest Accounts

Responsibilities of Chief Financial Officer

- d.1 To provide employees of the Council with cash or bank imprest accounts to meet minor expenditure and low value procurement spend on behalf of the Council and to prescribe rules for operating these accounts.
- d.2 To maintain a record of all petty cash advances made and periodically review the arrangements for the safe custody and control of these advances.
- d.3 To record and maintain the issue of debit cards held against imprest accounts, and in conjunction with Executive Directors ensure the cards are used in accordance with the Corporate Debit Card Policy
- d.4 To reimburse imprest holders as often as necessary to restore the imprest balance in accordance with the Imprest Management Programme guidance.

Responsibilities of Executive Directors

- d.5 To ensure that employees operating an imprest account:
 - (a) Operate the account in accordance with the Imprest Management Program Guidance and comply with the Corporate Debit Card Policy ensuring that the Chief Financial Officer is informed of any debit holders no longer authorised to hold cards and that they have been securely destroyed
 - (b) obtain and retain vouchers and receipts to support each payment from the imprest account. Where appropriate an official receipted VAT invoice must be obtained;
 - (c) make adequate arrangements in their office for the safe custody of the account;
 - (d) produce upon demand by the Chief Financial Officer, cash and all vouchers to the total value of the imprest amount;
 - (e) record transactions promptly;
 - (f) reconcile and balance the account at least monthly; reconciliation to be recorded within the Council's Imprest Management Programme;
 - (g) do not overdraw the imprest bank account,
 - (h) ensure that the imprest is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of any surplus monies remaining from purchases which have been funded by an advance;
 - (i) operate in accordance with Section 115 of the Local Government Act 1972 whereby any officer employed by the Council shall at such times

during the continuance of his/her office or within three months of ceasing to hold it and, in such a manner as the Council may direct, make out and deliver to the Council a true account in writing of all money and property committed to his/her charge, and of his/her receipts and payments with vouchers and other documents and records supporting the entries contained, and a list of persons from whom or to whom money is due in connection with this office, showing the amount due from or to each;

- (j) do not purchase goods on behalf of the Council using a personal store/loyalty card;
- (k) no payment is made from an imprest account to fund the purchase of foreign currency for the purposes of defraying expenditure in connection with authorised overseas visits. However, the use of debit cards abroad held against imprest accounts is permitted if operated in accordance with the Corporate Debit Card Policy. Any foreign currency requirements should be processed by the Corporate Resources General Office who will obtain the appropriate currency;
- (l) all discrepancies on imprest accounts should be taken seriously. Where there is any suspicion that the discrepancy is a result of theft or fraudulent activity, this must be reported to the Assistant Director of Finance (Audit) immediately;
- (m) where concerns relate to the operation and management of the account, the discrepancy should be investigated by relevant Departmental finance staff. However, if concerns arise during this review, that there may be potential dishonesty/fraudulent activity, the matter must be reported to the Assistant Director of Finance (Audit) immediately;
- (n) any imprest account imbalances may only be written-off by the Executive Director after the discrepancy has been investigated;
- (o) approval must be sought by the Chief Financial Officer or their delegated officer to use imprest accounts for other income and expenditure streams that cannot be processed via the main council accounts.

E Money Laundering Regulations and Proceeds of Crime Act

- e.1 Money laundering is a term used for a number of offences involving the proceeds of crime or terrorist funds. It also includes the processing, or in any way dealing with, or concealing, the proceeds of crime.
- e.2 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place specific obligations on employees responsible for handling and processing cash transactions.

Key controls

- e.3 It is Council policy not to accept individual cash payments of more than £10,000.
- e.4 For amounts between £2,500 and £10,000, confirmation must be sought from the payee that the funds were not generated under circumstances that would leave the County Council in jeopardy. The Council's anti-money laundering officer will make the relevant decisions.
- e.5 Where the transaction is under £2,500 and there are reasonable grounds to suspect money laundering activities, proceeds of crime or it is suspicious, the matter must be reported to the Council's nominated anti-money laundering officer.

Responsibilities of Chief Financial Officer

- e.6 The Chief Financial Officer should ensure that appropriate arrangements are in place to inform and provide training to all relevant Officers in respect of the requirements placed upon them by this legislation. He/she will also determine and maintain appropriate internal reporting procedures including the nomination of an Officer whose job is to receive disclosures from anyone in the organisation who is suspicious of money laundering and report this to the National Crime Agency.

Responsibilities of Executive Directors

- e.7 Executive Directors should ensure that all employees are made aware of the Anti-Money Laundering Policy and receive appropriate training on their obligations under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the duty to notify the Chief Financial Officer of any known or suspected money laundering activities.

6 EMPLOYEES

Objectives

- 1 In order to provide the highest level of service, it is essential that the Council recruits and retains high calibre, knowledgeable employees, qualified to an appropriate level. An appropriate Human Resources Strategy and policies should exist, in which HR requirements and budget allocation should be matched.

Key controls

- 2 The key controls for human resources are:
 - (a) that workforce planning is in place for forecasting HR requirements and cost;
 - (b) that procedures are in place for monitoring employee expenditure against budget;
 - (c) that controls are implemented which ensure that employee time is used efficiently and benefits the Council.

Responsibilities of the Director of Organisation Development and Policy

- 3 To act as an advisor to Executive Directors on areas such as PAYE, National Insurance and pension contributions as appropriate.

Responsibilities of Executive Directors

- 4 To monitor employee activity to ensure the maintenance of adequate control over such costs as sickness, overtime, training and temporary employment costs.
- 5 To ensure that effective management and supervision protocols exist to validate the accuracy and integrity of working times recorded and expenses claimed.
- 6 To ensure that the requirements of the Recruitment and Selection Policy in respect of the validation of qualifications claimed and references regarding previous employment are followed. Similarly that for all posts requiring Disclosure and Barring Service checks, these checks are completed prior to the employee taking up appointment and appropriate evidence retained.

ANNEX 4: SYSTEMS AND PROCEDURES

- 1 General
- 2 Income
- 3 Payments to Members and employees
- 4 Ordering and paying for work, goods and services
- 5 Taxation

1 GENERAL

Objectives

- 1 Executive Directors operate many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Departments are reliant on IT for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 2 The Chief Financial Officer has a professional responsibility to ensure that the Council's financial and control systems are sound and therefore the Assistant Director of Finance (Audit) must be consulted on any new developments or proposed changes, and will assess the potential impact of such changes on the Internal Control Framework and report to the Chief Financial Officer, raising any concerns as appropriate. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.

Key Controls

- (a) Basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated;
- (b) performance is communicated to the appropriate managers on an accurate, complete and timely basis;
- (c) early warning is provided of deviations from target, plans and budgets that require management attention;
- (d) operating systems and procedures are secure;
- (e) an ongoing audit of the Council's activities and control systems both financial and operational is maintained.

Responsibilities of Chief Financial Officer/Assistant Director of Finance (Audit)

- 3 To make arrangements for the proper administration of the Council's financial affairs, including to:
 - (a) issue advice, guidance and procedures for the Council's Members, Officers and others acting on its behalf (Chief Financial Officer);
 - (b) determine the accounting systems, form of accounts and supporting financial records (Chief Financial Officer);
 - (c) review any proposed changes to existing financial and/or control systems or the establishment of new systems and consider the potential impact on the Internal Control Framework and report to the Chief Financial Officer raising any concerns (Assistant Director of Finance)

(Audit)). The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer;

- (d) agree the Departmental Scheme of Financial Delegation proposed by Executive Directors annually (Chief Financial Officer).

Responsibilities of Executive Directors

- 4 To ensure that accounting records are properly maintained and held securely.
- 5 To ensure that vouchers and documents with financial implications are retained in accordance with arrangements approved by the Chief Financial Officer.
- 6 To ensure that a complete audit trail, allowing financial transactions to be traced from the original document to the accounting records and vice versa, is maintained.
- 7 To incorporate appropriate controls to ensure that:
 - (a) all input is genuine, complete, accurate, timely and not previously processed;
 - (b) all processing is carried out in an accurate, complete and timely manner;
 - (c) output from the system is complete, accurate and timely.
- 8 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and minimise the risk of fraud or other malpractice.
- 9 To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 10 To ensure that all business critical systems are identified, documented and appropriate officers trained in their operation.
- 11 To consult with the Assistant Director of Finance (Audit) before changing any existing system or introducing new systems.
- 12 To establish a scheme of delegation identifying officers authorised to act upon the Executive Director's behalf in respect of payments, income collection, imprest accounts and placing orders, including variations and determining the limits of their authority. The scheme of delegation should be reviewed and updated annually and agreed with the Chief Financial Officer.
- 13 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Chief Financial Officer, together with any subsequent variations.
- 14 To ensure that effective contingency arrangements, including back up procedures, exist for computer systems. Wherever possible, back up

information should be securely retained in a fireproof location, preferably off site, or in an alternative location within the building.

- 15 To ensure that, where appropriate, all systems containing personal data are identified and registered in accordance with the Data Protection legislation and that staff are aware of their responsibilities under the legislation.
- 16 To ensure that relevant standards and guidelines for computer systems issued by the Director of Finance & ICT are observed.
- 17 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism etc.
- 18 To comply with the Copyright, Designs and Patents Act 1988 and in particular, ensure that:
 - (a) only software legally acquired and installed by the Council is used on its computers and appropriate licences are retained;
 - (b) staff are aware of legislative provisions;
 - (c) in developing systems, due regard is given to the issue of intellectual property rights.
- 19 To ensure that employees are aware of their obligations to comply with and observe electronic access controls, maintain security and confidentiality of electronic identifiers and passwords and their duty to comply with the requirements of the Computer Misuse Act 1990.

2 INCOME

Objectives

- 1 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all of the income due is identified, collected, receipted and banked promptly and properly.

Key Controls

- 2 The key controls for income are:
 - (a) all income due to the Council is identified and charged correctly;
 - (b) all income is collected from the correct person, at the right time using the correct procedures and the approved recording systems;
 - (c) all money received by an employee on behalf of the Council is paid intact and without delay to the Chief Financial Officer or as he/she directs, to the Council's bank, and properly recorded;
 - (d) effective action is taken to pursue non-payment within defined timescales;
 - (e) the County Council does not accept individual cash payments with a value in excess of £10,000;
 - (f) The Chief Financial Officer or the Director of Legal Services, in conjunction with the Executive Director, will have the authority to write off any debt where all reasonable measures have been taken to recover the debt. Budget Monitoring reports to both management and Members will include an analysis of the latest departmental / portfolio debt recovery positions.
 - (g) appropriate write off action is taken within defined timescales;
 - (h) appropriate financial provisions are made for bad or doubtful debts;
 - (i) appropriate accounting adjustments are made following write off action;
 - (j) all appropriate income documents are retained and stored for the defined period in accordance with the "Guidelines on the Retention of Financial Records".

Responsibilities of Chief Financial Officer

- 3 To agree arrangements for the collection of all income due to the Council and approve the procedures, systems and documentation for its collection.
- 4 To approve all receipt forms, books or tickets and similar items and satisfy him/herself regarding the adequacy of the arrangements for their control and safe storage, including electronic storage media.
- 5 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts which are not paid promptly.
- 6 Under section 151 of the 1972 Local Government Act and in accordance with accounting policies the Chief Financial Officer has responsibility for the administration of financial affairs and as such must ensure that debt is reflected accurately and promptly within the financial accounts, and so will have the ability to apply financial postings as he deems appropriate.
- 7 Once the Chief Financial Officer and the Director of Legal Services establish that a debt is irrecoverable due to bankruptcy or insolvency the write off will be processed promptly and where necessary reported retrospectively.
- 8 The Chief Financial Officer and the Director of Legal Services will ensure that an annual review of historic debt takes place to ensure that debt is proactively managed.
- 9 The Chief Financial Officer will each year prepare a summary report of debt write offs charged to Departmental budgets and circulate to Executive Directors.

Responsibilities of Executive Directors

- 10 To establish a schedule of fees and charges for the supply of goods and services etc, including the appropriate charging of VAT and review it at least annually, within corporate policies.
- 11 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 12 To establish and initiate appropriate recovery procedures, including legal action where necessary, for non-invoiced debts which are not paid promptly.
- 13 To ensure that invoices are accurate and issued promptly within a target maximum of 21 days from provision of service. Executive Directors have a responsibility to collect debts and to provide any information requested by the Chief Financial Officer/Director of Legal Services to enable debts to be pursued effectively on the Council's behalf.
- 14 To officially record income collected using the approved system(s).

- 15 At all points where it is reasonable to expect that postal remittances may be received to ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- 16 To hold securely receipts, tickets and other records of income, for six years plus the current accounting year in line with statutory requirements and retention schedules.
- 17 To process and maintain debit/credit card details in accordance with approved procedures and ensuring compliance with the Payment Card Industry (PCI) Security Standards.
- 18 To ensure all income collected is held securely in locked storage to safeguard against loss or theft and to ensure the security of cash handling. Access to such locked storage should be minimised.
- 19 To ensure that income is paid intact and promptly into the appropriate Council bank account in the form in which it is received. The processing of cash should be reduced as far as is practicably possible. Appropriate details should be recorded on paying in slips to provide an audit trail.
- 20 To ensure income is not used to cash personal cheques or other payments.
- 21 To keep a record of every transfer of official money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 22 As per the Departments scheme of delegation, authorise write off debts up to the OJEU limit, and to keep a record of all sums so written off. In no case will the officer raising the debt be empowered to authorise its writing off. Once raised, no bona fide debt can be cancelled except by payment in full, its formal writing off or in the form of a reversal or reduction adjustment under procedures agreed with the Chief Financial Officer.
- 23 Ensure write off action is done promptly and that appropriate financial provisions are made for bad or doubtful debts.
- 24 To notify the Chief Financial Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by him.
- 25 To minimise administration costs by limiting the issue of an invoice to sums of £25 and above unless a lower limit is agreed with the Chief Financial Officer. Sums due below this level should be collected prior to service delivery in accordance with procedures agreed with the Chief Financial Officer. Pensioner debt invoices should not be ordinarily raised for sums under £100 and should be adjusted accordingly within the Finance and HR systems.

3 PAYMENTS TO MEMBERS AND EMPLOYEES

Objectives

- 1 Employee costs are the largest item of expenditure for most Council services. It is, therefore, important that there are effective controls in place to ensure that payments are made only where they are due for services to the Council and that payments accord with individual's conditions of employment.

Key Controls

- 2 The key controls for payments to Members and employees are:
 - (a) proper authorisation procedures and adherence to corporate timetables for:
 - Starters,
 - Leavers,
 - Variations,
 - Enhancements;
 - (b) frequent reconciliation of payroll expenditure against approved budget;
 - (c) all appropriate payroll documents are retained and stored for the defined period in accordance with the "Guidelines on the Retention of Financial Records".

Responsibilities of the Director of Organisation Development and Policy

- 3 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees in accordance with procedures prescribed by him/her, on the due date.
- 4 To ensure these entries are entered into the accounting systems in a form prescribed by the Chief Financial Officer.
- 5 To record and monitor tax, pension and other deductions.
- 6 To make arrangements for payment of all travel and subsistence claims to Officers.
- 7 To make arrangements for payment of all travel and subsistence claims to Members after receipt of the duly authorised form from the Chief Financial Officer.
- 8 To provide advice and encouragement to secure payment of salaries and wages by most economical means.
- 9 Recovery of overpayments of salary for employees and pensioners.

Responsibilities of Chief Financial Officer

- 10 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form duly completed and authorised.
- 11 To reconcile all payroll entries into the accounting system on a monthly basis.
- 12 To determine the form which entries from the payroll system should take when posted into the accounting system.

Responsibilities of Executive Directors

- 13 To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades, scale of pay and that adequate budget provision is available.
- 14 To notify the Director of Organisation Development and Policy of all appointments, terminations, or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director of Organisation Development and Policy.
- 15 To ensure that adequate and effective systems and procedures are operated for HR and payroll aspects, so that:
 - (a) payments are only authorised to bona fide employees;
 - (b) payments are only made where there is a valid entitlement;
 - (c) conditions and contracts of employment are correctly applied;
 - (d) employees' names listed on the payroll are checked at regular intervals to verify accuracy, completeness and continued employment;
 - (e) there is an effective system of checking and certifying payroll forms.
- 16 To maintain up to date lists of the names of officers authorised to sign records, a copy of which should be forwarded to the Director of Organisation Development and Policy, together with specimen signatures.
- 17 To ensure that payroll transactions are processed only through the payroll system. Executive Directors should seek advice from the Director of Organisation Development and Policy in respect of the employment status of individuals employed on a "self-employed or sub contract" basis. HM Revenue & Customs applies a tight definition for employee status and in cases of doubt, advice should be sought from the Director of Organisation Development and Policy/Director of Legal Services.
- 18 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were pre-authorised, related to official business and expenses actually, properly and necessarily incurred and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the Director of Organisation Development and Policy is informed where appropriate. Full details on the claiming of expenses by employees will be issued from time to time by the Director of Organisation Development and Policy.

- 19 To ensure that the details of any employee benefits in kind are notified to the Director of Organisation Development and Policy to enable full and complete reporting within the Income Tax Self-Assessment system.
- 20 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the “Guidelines on the Retention of Financial Records”.

Responsibilities of Members

- 21 To submit claims for Members’ travel, subsistence and dependant carers’ allowances on a monthly basis and in any event, within one month of the financial year end.

4 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Objectives

- 1 Public money should be spent with demonstrable probity and in accordance with the Council's policies. The Council's procedures should help to ensure that services receive VfM in their purchasing arrangements. These procedures should be read in conjunction with the Council's Standing Orders Relating to Contracts and the Derbyshire Codes of Conduct.

General

- 2 Every member and officer of the Council has a responsibility to declare, by completing the Council's Declaration of Interest form, any links or personal interests which they may have with purchasers or suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council.
- 3 Official orders, whether electronic or paper based, must be in a form approved by the Chief Financial Officer. Official orders must be issued for all work, goods or services to be supplied to the Council except for supplies of utilities, debit card transactions, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Chief Financial Officer.
- 4 Each order must conform to the directions of the Council on procurement and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the Chief Financial Officer.
- 5 Apart from petty cash and schools' own bank accounts the normal method of payment of money due from the Council shall be by BACS transfer. Payments can be made by cheque or other instrument but this will be a small proportion of total payments. The use of direct debit and other forms of payment methods shall require the individual, prior agreement of the Chief Financial Officer.
- 6 Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of Council contracts.

Key controls

- 7 The key controls for ordering and paying for work, goods and services are:
 - (a) all goods and services are ordered only by appropriate persons using approved electronic ordering systems. In emergencies, manual orders can be used;
 - (b) all goods and services shall be ordered in accordance with the Council's Standing Orders Relating to Contracts/Procurement Strategy;
 - (c) goods and services received are checked on receipt to ensure they are in accordance with the order and receipted wherever the electronic system used for ordering allows;

- (d) payments are authorised by officers who can certify that goods received conform to price, quantity and quality;
- (e) in normal circumstances the process of ordering, receipt of goods/services and authorisation of payment will be carried out by separate officers to maintain adequate separation of duties;
- (f) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
- (g) all appropriate payment documents are retained and stored for the defined periods in accordance with the Council's 'Guidelines on the Retention of Financial Records';
- (h) all expenditure, including VAT, is accurately recorded against the appropriate budget head and any exceptions corrected;
- (i) all references in this section of the regulations should be taken to include, and apply equally to e-commerce transactions. The advent of this element of the Council's operations requires that processes are in place to maintain the security and integrity of data for transacting business electronically; and
- (j) during an emergency or business continuity event it may become necessary to procure supplies at short notice or to place orders with suppliers who are not already approved by the Council. Further details on these arrangements can be found in the Council's Corporate Business Continuity Plan.

Responsibilities of Chief Financial Officer/Assistant Director of Finance (Audit)

- 8 To ensure that all of the Council's financial systems and procedures are sound and well administered.
- 9 The Assistant Director of Finance (Audit) will review any proposed changes to existing financial and/or control systems or the establishment of new systems and consider the potential impact on the Internal Control Framework and report to the Chief Financial Officer raising any concerns. The Chief Financial Officer will then formally consider the proposed changes. No changes may be actioned without the formal approval of the Chief Financial Officer.
- 10 To approve the form of official orders, and associated terms and conditions (Chief Financial Officer).
- 11 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order (Chief Financial Officer).
- 12 To make payments to contractors on the certificate of the appropriate Executive Director, which must include details of the value of work, retention money,

amounts previously certified and amounts now certified (Chief Financial Officer). The Chief Financial Officer can set tolerances which will be monitored.

- 13 To provide advice and support on making payments by the most economical means (Chief Financial Officer).

Responsibilities of Executive Directors

- 14 To ensure that all contracts have been awarded and expenditure has been approved in accordance with the Procurement and Award Procedures set out in Annex A of these Regulations.
- 15 To ensure that employees comply with these Procurement requirements and are aware of their responsibilities under the Council's Code of Conduct for Employees.
- 16 Official orders shall be in a form approved by the Chief Financial Officer and shall be signed personally either manually or by secure electronic protocols by the Executive Director or by officers authorised by him/her. Responsibility for orders lies with the Executive Director.
- 17 To ensure that uniquely numbered orders are used for all goods and services.
- 18 To ensure that all orders are placed using properly approved systems and to refer any proposed changes to existing financial systems or the implementation of new systems to the Assistant Director of Finance (Audit) before they are introduced. Where orders are produced in a printed format they are controlled stationery and should be retained securely when not in use.
- 19 To ensure that where credit procurement and debit cards are available to employees they are controlled, used and maintained in accordance with procedures that have been agreed by the Chief Financial Officer.
- 20 To ensure that orders are only used for goods and services provided to the County Council. Individuals must not use official orders to obtain goods or services for their private use.
- 21 To ensure that only those employees authorised by the Executive Director sign orders and to maintain an up-to-date list of such authorised employees:
 - including specimen signatures where paper based systems are used, or
 - reports of access privileges for all users of electronic systems identifying in each case the limits of their authority.
- 22 The signatory of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained as required by standing orders and good procurement practice. VfM should always be taken into consideration.

- 23 To ensure that a budgetary control system is established which enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that it can be taken into account in budget monitoring reports.
- 24 To ensure that goods and services are checked on receipt to validate that they are in accordance with the order, and that the order whether paper or electronic is endorsed 'goods received' and dated. A different officer from the person who signed the order should carry out this check. Appropriate entries will then be made in inventories or stores records.
- 25 To ensure that payment is not made unless a proper invoice has been received, checked, coded and certified for payment and the order endorsed 'passed for payment' and dated to confirm:
- (a) receipt of goods or services (payment should not be made in advance of goods being received unless specific prior approval is given by the Chief Financial Officer);
 - (b) that the invoice has not previously been paid;
 - (c) that expenditure has been properly incurred and is within budget provision;
 - (d) that prices are correct and accord with quotations, tenders, contracts or catalogue prices;
 - (e) that the invoice is arithmetically correct;
 - (f) the correct accounting treatment of any relevant tax;
 - (g) the invoice is correctly coded;
 - (h) discounts have been taken where available; and
 - (i) that appropriate entries will be made in accounting records.
- 26 To ensure that an authorised employee who should be a different officer from the person who authorised the order, and in every case a different officer from the person certifying that the checks detailed at 26 above have been completed, authorises invoices.
- 27 To ensure that the Department maintains and reviews periodically a list of staff approved to certify and authorise invoices. Names of authorising officers together with specimen signatures (or lists of access privileges) and details of the limits of their authority shall be forwarded to the Chief Financial Officer.
- 28 Payment should not routinely be made on a photocopied or faxed invoice, statement or other document other than the formal invoice unless specific prior approval has been obtained. Any instances of these being rendered should be reported to the Assistant Director of Finance (Audit).

- 29 To encourage suppliers of goods and services to receive payment by the most efficient means for the Council. Payments should, however, not be made by direct debit unless essential and with the prior approval of the Chief Financial Officer.
- 30 To ensure that the Department obtains best VfM from purchases by utilising the Council's approved procurement procedure taking, where appropriate, steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the guidelines and best practices issued by the Chief Financial Officer.
- 31 To operate within the County Council's approved Procurement Strategy and procedures ensuring that for appropriate purchases competitive quotations or tenders are sought. These will comply with Standing Orders in Relation to Contracts, which covers:
- (a) authorised officers and the extent of their authority;
 - (b) advertisement for competitive tenders or seeking quotations through the Source Derbyshire website and in additional publications when appropriate;
 - (c) selection of tenderers;
 - (d) compliance with UK and EU legislation and regulations;
 - (e) procedures for the submission, receipt, opening and recording of tenders;
 - (f) the circumstances where financial or technical evaluation is necessary;
 - (g) procedures for negotiation;
 - (h) acceptance of tenders;
 - (i) the form of contract documentation;
 - (j) cancellation clauses in the event of corruption or bribery; and
 - (k) contract records.
- 32 To ensure that all employees are aware of the Council's Code of Conduct.
- 33 All acquisitions and disposals of land and/or buildings (whether by leasing, rental or any other means) shall be negotiated and agreed by the Director of Property and Director of Legal Services.
- 34 To ensure that no loan, leasing or rental arrangements are entered into without prior agreement from the Chief Financial Officer. This is because of the potential impact on the Council's borrowing powers, to protect the Council against entering into unapproved credit arrangements and to ensure VfM is being obtained.

- 35 To notify the Chief Financial Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by him/her and in all cases by no later than 30 April.
- 36 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Financial Officer, the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of sub contractors' tax status.
- 37 To notify the Chief Financial Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 38 To ensure that all appropriate payment records are retained and stored for the defined periods in accordance with the "Guidelines on the Retention of Financial Records."
- 39 Other than for the use of refuelling a vehicle provided under the County Council's car hire scheme, which has been pre-authorised by a line manager, employees should not make official purchases using personal credit/debit cards for which they subsequently seek reimbursement from the County Council as this circumvents the requirement for pre-authorisation by an independent party and negates the requirement to demonstrate best value in relation to these purchases. Similarly personal store account cards/loyalty cards held in the name of private individuals should not be used in connection with County Council purchases.

5 TAXATION

Objectives

- 1 Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Key controls

- 2 The key controls on taxation are:
 - (a) budget managers are provided with relevant information and kept up to date on tax issues;
 - (b) budget managers are instructed on required record keeping;
 - (c) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales;
 - (d) records are maintained in accordance with instructions;
 - (e) returns are made to the appropriate authorities within the stipulated time scale.

Responsibilities of Chief Financial Officer

- 3 To complete a monthly return of VAT input and outputs to HM Revenue & Customs.
- 4 To provide monthly and annual returns to HM Revenue & Customs regarding the Construction Industry Tax Deduction Scheme:
- 5 To maintain up to date guidance for Council employees on taxation issues in the VAT Manual.
- 6 To ensure the Council's Tax Strategy is reviewed at least annually.
- 7 To account for tax in connection with pension fund investments, including overseas tax.

Responsibilities of Director of Organisation Development and Policy

- 7 To complete all HM Revenue & Customs returns regarding PAYE.

Responsibilities of Executive Directors

- 8 To ensure that the correct VAT liability is attached to all income and that all VAT recoverable on purchases complies with HM Revenue & Customs Regulations.

- 9 All new proposals to generate income must be notified to the Technical Section, Corporate Finance to ensure that the VAT implications are evaluated and addressed.
- 10 All coding slips on creditor invoices, bank paying in slips and debtor accounts must be completed in accordance with instructions.
- 11 VAT on expenditure from imprest accounts can only be recovered if VAT receipts are obtained and included with reimbursement claims.
- 12 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary Construction Industry Tax Deduction requirements.
- 13 To ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona-fide self-employed or are employed by a recognised employment agency. All payments to employees must be made through the payroll system, except with the explicit approval of the Chief Financial Officer.
- 14 To follow the guidance on taxation issued by the Chief Financial Officer in the VAT Manual. The VAT Manual is widely distributed and advice on any matter can be obtained from the Chief Financial Officer.

ANNEX 5: EXTERNAL ARRANGEMENTS

- 1 Partnerships
- 2 External funding
- 3 Work for third parties

1 PARTNERSHIPS

Objectives

- 1 Local Authorities work in partnership with the wider public and voluntary sectors and private providers.

PARTNERSHIPS - GENERAL

- 2 A partnership is “an agreement between two or more independent bodies working collectively to achieve an objective”, as a joint arrangement not as a single entity.
- 3 The main reasons for entering into a partnership are to achieve the aims and objectives of the Council by the most effective means. This will include:
 - (a) improving service delivery by maximising and sharing the use of resources;
 - (b) fulfil the Council’s role as a community lead;
 - (c) meet the Council’s statutory requirements;
 - (d) the desire to find new ways to share risk;
 - (e) the ability to access new resources;
 - (f) to forge new relationships.
- 4 A partner is defined as either:
 - (a) an organisation (private, voluntary or public) undertaking, part funding or participating as a beneficiary in a project, or
 - (b) a body whose nature or status give it a right or obligation to support the project.
- 5 Partners participate in projects by:
 - (a) acting as a project deliverer or sponsor, solely or in concert with others;
 - (b) acting as a project funder or part funder in the provision of financial or other resources;
 - (c) being the beneficiary group of the activity undertaken in a project.
- 6 Partners have common responsibilities:
 - (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;

- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;
- (c) to be open about any conflict of interests which might arise;
- (d) to encourage joint working between themselves, promote the sharing of information, resources and skills between public, voluntary, private and community sectors;
- (e) to maintain the confidentiality of information received as a result of partnership activities or duties, and to recognise that such information may be of a personal/commercially sensitive nature;
- (f) to act wherever possible as ambassadors for the project;
- (g) to act at all times in accordance with the terms and conditions of the partnership agreement and within the broader requirements of demonstrable probity both in terms of personal conduct and stewardship of public funds.

Key controls

7 The key controls for Council partnerships are:

- (a) each proposed partnership should be subject to a risk assessment and allocated a risk ranking;
- (b) where the partnership has been given a risk ranking of High or Medium this must be justified by a formal business case and be subject to a formal legal arrangement;
- (c) to be aware of the nature of the partnership, and, for individual officers to be aware of their personal responsibilities and delegated authority as regards the partnership, under the Council's Financial Regulations and Standing Orders in Relation to Contracts;
- (d) to agree and formally document the roles and responsibilities of each of the partners involved in the project before its commencement;
- (e) all partnerships should be formed in accordance with agreed criteria and after proper legal consultation and should accord with guidance stipulated in the Council's Partnership Development Toolkit;
- (f) a formal register should be maintained which details, in respect of all partnerships in which the Council participates:
 - its aims and objectives,
 - its approved duration,
 - the Council's commitment in terms of finance and other resources,
 - the accountable organisation for the partnership,

- the framework by which the performance of the partnership is to be monitored,
 - the Council's exit strategy on completion or termination of the partnership;
- (g) Auditing arrangements must include, as a minimum, guaranteed rights of access for the County Council's auditors at all times to all documents, records, premises and those employees who relate to, or are provided by, the Council's contributions to the partnership.

Responsibilities of Chief Financial Officer

- 8 To advise on the effectiveness of the proposed framework of controls and responsibilities within the operation of the partnership.
- 9 To advise on the key elements of funding a project:
- (a) risk assessment and scheme appraisal for financial viability;
 - (b) accounting and audit requirements.
- 10 Arrange for internal or external audit scrutiny as appropriate.

Responsibilities of Director of Legal Services

- 11 The Director of Legal Services must:
- (a) establish, maintain and review the legal framework for the County Council's participation in partnership working;
 - (b) ensure that all proposed partnership arrangements are:
 - within the County Council's powers,
 - the subject of a legal agreement in an approved form,
 - adequately defined by the agreement's terms and conditions,
 - subject to adequate insurance cover for any liability of the proposed partnership which may rest with the County Council,
 - financially viable,
 - open and promote active decision-making;
 - (c) a constitution exists which clarifies:
 - the aims and objectives of the partnership,
 - each partner's responsibility in terms of financial liability,
 - asset ownership issues resulting from the partnership,
 - each partner's responsibilities in respect of any employees employed for the purpose of the partnership,
 - security and confidentiality of information and the extent of any data sharing including requirements under the Freedom of Information Act,
 - the roles and responsibilities of individual partner bodies,

- the regulatory framework for the partnership,
- the exit strategy on cessation of the partnership including any liabilities then arising,
- arbitration/conciliation arrangements in the event of dispute.

Responsibilities of Executive Directors

- 12 To ensure that the approval of the Cabinet is obtained before any negotiations are entered into with regard to proposed partnership arrangements and that a risk assessment of the proposed partnership has been undertaken.
- 13 To maintain the central register of all partnership arrangements entered into in accordance with procedures specified by the Chief Financial Officer and which contains as a minimum the details specified at paragraph 7(f) above.
- 14 To ensure that accountability frameworks are specified within a written agreement with all partners. This will include agreements regarding prevention and addressing of overspendings; covering inflation; managing efficiency savings; and other resource or financial issues.
- 15 To account for any contributions to pooled budgets and where the Council is the Budget Holder, maintain accounts in accordance with the agreed budget arrangements, the Council's accounting policies and procedures and the requirements of these regulations.
- 16 To ensure that all partnership agreements include adequate provision for internal and external financial monitoring of their operation, and that these provisions meet internal and external needs.
- 17 To ensure that all financial records relating to the Council's participation in the partnership are retained as required by the Council's Document Retention requirements.
- 18 To ensure that the Director of Legal Services has been consulted on and given approval to the proposed contractual arrangements for the partnership before any legal commitment is signed.
- 19 To ensure that there are sufficient, available levels of expertise, employees and resources to meet the obligations imposed by the partnership agreement.
- 20 To ensure compliance with the required control frameworks including these regulations with regard to any partnership initiatives.
- 21 To ensure that the performance of the partnership against its key aims and objectives, as identified in the partnership register, is regularly monitored and reported.
- 22 To ensure that an exit strategy is in place, to safeguard the County Council on completion or termination of the contract/partnership.

2 EXTERNAL FUNDING

Objectives

- 1 As local authorities are encouraged to provide 'seamless' service delivery through working closely with other agencies, voluntary organisations and private sector providers, the scope for external funding has increased. However, such funding is often linked to specific objectives which may not be sufficiently flexible to link with the Council's overall plan. Therefore funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.

Key controls

- 2 The key controls for external funding are:
 - (a) To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;
 - (b) To ensure that funds are acquired only to meet priorities in the policy framework approved by the Council;
 - (c) To ensure that any matched funding requirements are given due consideration and approval prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of Director of Legal Services

- 3 To provide guidance on potential grant funded activities, ensure that they support priorities identified by Council and are within the legal powers of the Council.

Responsibilities of Chief Financial Officer

- 4
 - (a) To maintain a record of expected grants to be received showing the amount of grant, receipt date(s) and designated responsible officer in consultation with Executive Directors;
 - (b) To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts;
 - (c) To ensure that Executive Directors make grant claims by the due date;
 - (d) To identify the long-term implications of funding arrangements and ensure that these are considered prior to entering into any agreements;
 - (e) To investigate ways of maximising grant income;
 - (f) To ensure that the requirements of these Regulations including audit arrangements are met.

Responsibilities of Executive Directors

- 5 To provide plans which demonstrate how the grant funds will be used to support service plan objectives and any conditions attached to that funding.
- 6 To ensure that all expenditure is properly incurred and recorded, that income is received at the appropriate time, returns are made by the specified dates, and in liaison with the Assistant Director of Finance (Audit) that the audit requirements of the funding body can be met.
- 7 To ensure compliance with Financial Regulation 2.a13(v) (Revenue Budget) which requires that an exit strategy is in place and is implemented on the cessation of external funding.
- 8 To ensure that all required approvals are obtained before external funding agreements are entered into.
- 9 To maintain an up-to-date Departmental record of all external funding sources.
- 10 Where the Council receives additional funding for activities outlined in the Service Plan, this can be approved by the Executive Director.
- 11 Where the Council receives additional funding above £500,000 not outlined in the Service Plan, this should be approved by Cabinet.

3 WORK FOR THIRD PARTIES

Objectives

- 1 Current legislation enables the Council to provide a range of services to certain other bodies. Such work may enable the Council to maintain economies of scale and retain existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised.

Key controls

- 2 To ensure that proposals are properly costed, self-financing and are not at variance with the Council's Plans or Policies. The service receiving income from third parties must reimburse all costs including development costs incurred by other council services in respect of traded income.
- 3 To ensure that contracts are drawn up using guidance provided by the Director of Legal Services and that the formal approvals process is adhered to. Where appropriate the Council should be protected against potential losses/claims by an appropriate level of professional indemnity insurance in line with the service to be provided.

Responsibilities of Chief Financial Officer

- 4
 - (a) To maintain a record of expected income to be received from third parties including the amount of income against associated expenditure, receipt date(s) and designated responsible officer in consultation with Executive Directors;
 - (b) To ensure that all income generated from work for third parties is received and properly recorded in the Council's accounts;
 - (c) To ensure that Executive Directors are able to demonstrate effective contract performance;
 - (d) To identify the long-term implications of income arrangements and ensure that these are considered prior to entering into any agreements;
 - (e) To investigate ways of maximising income from working for third parties;
 - (f) To ensure that the requirements of these Regulations including audit arrangements are met.

Responsibilities of Executive Directors

- 5 Executive Directors may undertake work for third parties including traded activity as follows:
 - Up to £50,000 per annum to be approved by the Executive Director
 - From £50,000 to £250,000 per annum, approved by the Executive Director, in consultation with the Chief Financial Officer

- £250,000 to £500,000 per annum with formal approval of the Cabinet Member
 - Over £500,000 per annum with the approval of Cabinet
- 6 For contracts (including traded activity) over £50,000 per annum a business case must be provided to the Chief Financial Officer setting out how the contract or traded arrangement will recover costs which adheres to the rules set out by the Chief Financial Officer.
 - 7 To ensure that the Department has all necessary skills and expertise to discharge the requirements placed upon it by the contract or traded arrangement.
 - 8 To ensure that all contracts or traded arrangements are properly executed and that all appropriate documentation exists.
 - 9 To maintain a register of all contracts or traded arrangements entered into with third parties in accordance with procedures specified by the Director of Legal Services.
 - 10 To ensure that appropriate insurance cover is effected.
 - 11 To ensure that adequate arrangements are in place for prompt and accurate billing of any service provided.
 - 12 To ensure that the Council is not put at risk from any bad debts. Service providers must also be prepared to review or withdraw services if substantial debts remain outstanding.
 - 13 To ensure that such contracts or traded arrangements are not subsidised by the Council.
 - 14 To ensure that such contracts or traded arrangements do not impact adversely upon the services provided for the Council.
 - 15 To provide all appropriate information to the Chief Financial Officer to enable a note to be entered into the Statement of Accounts.

4 GRANTS TO EXTERNAL ORGANISATIONS

Objectives

- 1 The Council provides grants to external organisations

Key controls

- 2 Cabinet Members will approve grants to external organisations up to £100,000. Any grants over £100,000 require Cabinet authorisation.

Responsibilities of Executive Directors

- 3 To ensure that Officers have satisfied themselves that organisations to be grant-aided are financially viable for the duration of the appropriate project or activity. They must also provide adequate notice of any grant they propose to make or withdraw.
- 4 To ensure that the purpose of the grant is communicated to the external organisation.
- 5 To maintain a register of all grants provided to external organisations in line with the Transparency Code to demonstrate political transparency and that there is no favouritism. The register should record the details of the grant including, date, amount, payee and objectives/purpose of the grant.

DERBYSHIRE COUNTY COUNCIL

COUNCIL

16 September 2020

Report of the Director of Finance & ICT

BUDGET MONITORING 2020-21 (as at 31 May 2020)

1 Purpose of the Report

To provide Council with the Revenue Budget position for 2020-21 as at 31 May 2020.

2 Information and Analysis

The report summarises the controllable budget position by Cabinet Member Portfolio as at 31 May 2020. Further reports will be considered at Audit Committee and Council in accordance with the Budget Monitoring Policy and Financial Regulations. The Council would normally do a first formal report to members on budget monitoring at the end of Period 3 (June). However, in view of the current cost increases and income reductions due to Covid-19 it was felt an earlier report was required.

The projected outturn compared to controllable budget is summarised below.

	Budget	Use of MHCLG Covid- 19 Grant Funding	Adjusted Budget	Forecast Actuals	Projected Outturn
	£m	£m	£m	£m	£m
Adult Care	261.170	7.081	268.251	267.927	(0.324)
Clean Growth and Regeneration	0.695	0.531	1.226	1.316	0.090
Corporate Services	43.513	1.549	45.062	48.554	3.492
Health and Communities (exc. Public Health)	4.884	1.483	6.367	6.276	(0.091)
Highways, Transport and Infrastructure	74.789	6.933	81.722	80.798	(0.924)
Strategic Leadership, Culture and Tourism	11.666	0.315	11.981	12.016	0.035
Young People	116.912	2.059	118.971	119.490	0.519

Total Portfolio Outturn	513.629	19.951	533.580	536.377	2.797
Risk Management	63.823	(21.728)	42.095	87.369	45.274
Debt Charges	34.351	0.000	34.351	31.676	(2.675)
Interest and Dividend Income	(6.198)	1.378	(4.820)	(4.820)	0.000
Levies and Precepts	0.343	0.000	0.343	0.343	0.000
Corporate Adjustments	2.630	0.399	3.029	3.015	(0.014)
Total	608.578	0.000	608.578	653.960	45.382

The table above shows the immediate Covid-19 related costs for each portfolio as £19.951m. These costs are projected up to the end of June 2020 for all portfolios except for Adult Care, which is up to the end of May 2020. Budget of £19.951m will be allocated to portfolios from the Risk Management Budget, where the additional grant funding received from Government has been temporarily allocated, to match these costs. Portfolio costs are explained in more detail later in this report.

There is a forecast overspend on the risk management budget of £45.274m, which represents the funding gap between the estimated costs of Covid-19 to the Council and the funding the Council has available in 2020-21 to meet these costs.

The risk management budget of £63.823m includes:

- £17.920m approved in the Council's 2020-21 Revenue Budget in February 2020, including £17.406m of contingency funding, for the pay award and for adult social care.
- £37.107m of Ministry of Housing Communities & Local Government (MHCLG) grant funding received to help the Council respond to Covid-19 pressures across the services it delivers. Of the funding the Government announced on 19 March 2020, the Council received £22.996m. Additional funding of £14.111m was received following the Government's announcement on 18 April 2020.
- £5.119m of additional non-ringfenced grants received in the year, announced after the 2020-21 Revenue Budget was approved by Council on 5 February 2020. These additional grants are
 - £2.714m additional Business Rates Relief Grant;
 - £1.236m Business Rates Retention Reconciliation Grant and;
 - £1.169m Extended Rights to Free Travel Grant.
- £3.677m of one-off funding transferred from the Adult Care portfolio, approved in the Council's 2020-21 Revenue Budget but no longer required after it was funded from the portfolio's 2019-20 underspend.

The following £109.097m of forecast expenditure of the risk management budget is:

- £9.192m drawdown of contingency funding for the purposes for which it was set aside.
- £19.951m to reimburse portfolios for Covid-19 costs incurred and lost income suffered from April to June 2020, reflected in the portfolio outturn above.
- £1.378m to reimburse the Council's interest and dividend income budget for forecast lost dividend and interest income due to Covid-19.
- £0.399m to reimburse the Council's corporate adjustments budget for unachieved savings in respect of the Council paying its Local Government Pension Scheme contributions early due to Covid-19.
- £3.323m of additional income estimated to be claimable under a Government scheme, announced on 2 July 2020, to compensate local authorities for losses in respect of planned income from sales, fees and charges, at a rate of 75p in every pound, over and above the first 5%. Further details of the scheme have yet to be announced.
- £49.500m of Covid-19 related costs estimated to be incurred as follows:
 - at the approximate current rate of £3.500m for Adult Care for June 2020 (the other portfolio's June 2020 Covid-19 effects are shown in the portfolio outturn), the current overall portfolio rate of £9.000m a month for two months from July to August 2020 and at a lower average rate of £7.000m a month for four months from September to December 2020.
- £17.000m of additional costs estimated for the provision of increased Home to School transport provision to maintain social distancing rules. Government guidance in respect of Home to School transport has only just been received but in the absence of the guidance planning with schools has commenced. The estimate is based on 100% attendance of students from September and 50% capacity in vehicles. However, there are many variables to consider, such as bus passes bought on the local bus network and commercial services. Therefore, costs could be higher if operators struggle to obtain additional vehicles and need to hire in at higher prices. The recently issued guidance appears to be less restricting than has been planned and the cost impact may be significantly lower. The actual impact will become clearer over the coming weeks before September.
- £15.000m estimated to be required to support the wider county and the council's recovery from the impacts of the pandemic, later in 2020-21. It should be noted that this figure may differ as it's affordability will ultimately depend on a range of factors including whether the Council experiences a second wave of the pandemic later in the year. The impact on the revenue budget will also depend on whether the recovery expenditure is capital in nature in which case this figure will decrease.

On 2 July 2020, the Government also announced an additional un-ringfenced £500m grant for local authorities, to respond to the spending pressures being faced. Details of individual allocations are awaited but the Council's share could be in the region of £5m to £7.5m, based on previous allocations. This additional funding will contribute towards the Covid-19 funding gap.

Whilst budgets are monitored by portfolio, the individual portfolios are not separate entities. All the portfolios operate in conjunction with the others and it is important to consider the Council's budgetary position as a whole in the context of its Five Year Financial Plan and its overall level of reserves.

A summary of the individual portfolio positions is detailed below.

Adult Care

There is a projected year-end underspend of £0.324m, after the allocation of £7.081m of MHCLG Covid-19 grant funding. Before the allocation of this funding, the main variances are:

Information and Early Intervention, £5.916m overspend – mainly due to the additional costs of personal protective equipment in response to the Covid-19 pandemic.

Purchased Services, £2.605m overspend – due to additional care package costs and an increase in payments to residential and nursing homes and discharge services as a result of the Covid-19 pandemic.

Unallocated Budgets, £1.018m underspend – relates to budgets awaiting allocation during the year.

Commissioning and Service Delivery, £0.588m underspend – due to vacancy control.

A sum of £3.677m of the £4.210m one-off funding identified in the 2020-21 Revenue Budget Report to fund the Better Lives Project, a joint initiative with Newton Europe, in which Adult Care is reviewing and revising its work processes, especially around the assessment of need and selection of the most appropriate care packages for Derbyshire's residents, has been transferred from Adult Care to the Risk Management budget. The full amount was no longer required after Adult Care transferred its 2019-20 underspend to an earmarked reserve to fund these services.

The budget savings target for 2020-21 is £3.784m. An over-achievement of budget savings of £0.427m has been brought forward, resulting in total reductions to be achieved of £3.357m at the start of the financial year.

Of this target, £0.337m is expected to be achieved by the end of the financial year. The implementation of planned savings have been significantly delayed by the impacts of Covid-19.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Care Home and Home Care Fees - £8.787m, to meet the increase in independent sector fees. This has been fully allocated and the

additional spend started in April 2020 and is expected to be incurred evenly throughout the whole year.

- Demographic Growth - £4.500m, to fund the additional costs due to the year-on-year increase in the number of clients supported.
- Winter Pressures - £3.627m, to fund the additional services put in place to help reduce hospital admissions and delays in hospital discharges.
- Homes for Older People - £3.000m (one-off), to meet some of the costs associated with the remedial work and additional staff required to meet safety standards in a number of the Council's homes.
- Transformational Care Programme - £0.800m, to fund the additional care packages for clients that have been discharged from long-term health provision. No additional clients have been discharged in the current financial year to date, so there is yet to be any spend against this allocation.
- Implementation of Better Lives - £0.533 (one-off), to fund the balance of the cost of consultancy services for the Better Lives project. This has not yet been spent, but will be by the end of the year.

Clean Growth and Regeneration

There is a projected year-end overspend of £0.090m after the allocation of £0.531m of MHCLG Covid-19 grant funding. Before the allocation of this funding, the main variances are:

Economic Development, £0.582m overspend – due to the cost of supporting businesses and administering grants as a result of the Covid-19 pandemic.

No budget savings target has been allocated to this portfolio for 2020-21.

No additional funding has been provided to this portfolio in the 2020-21 budget.

Corporate Services

There is a projected year-end overspend of £3.492m after the allocation of £1.549m of MHCLG Covid-19 grant funding. Before the allocation of this funding, the main variances are:

County Property, £5.217m overspend - direct costs associated with the Covid-19 pandemic and the indirect impacts on savings not expected to be realised, reduced design fee income and legacy fee income no longer being claimed.

Legal Services, £0.469m overspend - due to a delay in the implementation of the "Core/Core-Plus" offer. Under the offer, core legal functions are funded corporately, with all other legal activities funded by alternative means.

Public

Finance and ICT, £0.466m underspend - due to vacancy control. This will assist in managing a planned restructure of the ICT function, aiming to deliver significant savings over the three years from 2020-21.

Strategic Management, £0.215m underspend - relates to savings arising from previous restructures of senior management.

A budget savings target for 2020-21 of £4.120m has been allocated, with a further £0.535m target brought forward from previous years. Of this total target of £4.655m, £1.510m is expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Legal Services - £0.300m (one-off), to support the high levels of demand for the service in respect of child care cases. It is forecast that this allocation will be fully spent by the end of the financial year.
- ICT Strategy - £0.200m, to ensure that ICT is aligned with the needs of the business and to assist with the delivery of priorities. It is forecast that additional expenditure of this amount will be incurred by the end of the financial year.

Health and Communities

The Health and Communities portfolio includes the Public Health budget of £42.175m, which is fully funded by the ring-fenced Public Health Grant for 2020-21. The forecast year-end position for the portfolio is an overspend of £0.567m. However, excluding Public Health, the portfolio is forecast to underspend by £0.091m after the allocation of £1.483m of MHCLG Covid-19 grant funding. Before the allocation of this funding, the main variances are:

Registrars, £0.770m overspend – loss of income from fees due to the Covid-19 pandemic.

Public Health, £0.871m underspend – the activity of the Live Life Better Derbyshire Service has been affected by the Covid-19 pandemic and the need to socially distance and self-isolate.

Emergency Planning, £0.325m overspend – additional cost of hand sanitiser and overtime for staff, forecast up to June 2020, associated with the Covid-19 pandemic.

Community Safety, £0.195m overspend – additional costs in Domestic Violence and Hate Crime services relating as a consequence of the Covid-19 pandemic.

A budget savings target of £0.216m has been allocated for 2020-21. A total of £0.216m of savings initiatives have been identified, all of which are anticipated to be achieved by the end of the financial year.

Additional funding has been provided in the 2020-21 budget for the following growth items:

- Coroners - £0.101m, to meet the increasing cost of fees due to a national shortage of pathologists. £0.017m has been spent to date.

Highways, Transport and Infrastructure

The Highways, Transport and Infrastructure portfolio is forecast to underspend by £0.924m after the allocation of £6.933m of MHCLG Covid-19 grant funding. The major elements of the portfolio's Covid-19 costs are £1.272m of lost income from developers in respect of highways development control, £1.000m additional cost of construction supervision because of delayed schemes, £0.810m estimated increase in the cost of residual household waste and savings slippage of £1.168m.

Before the allocation of this funding, the main variances are:

Unallocated Budget Savings, £5.084m overspend – savings targets not yet allocated to specific services.

Waste Management, £1.840m underspend – due to savings under the service continuity arrangements.

Winter Maintenance, £1.327m overspend – the Council has to build up a large stockpile of grit salt to comply with Department of Transport recommendations, based on an average year, prior to the onset of winter. The vehicles associated with gritting are a high fixed cost overhead, irrespective of the severity of the conditions. The Winter Service budget of £1.473m does not provide for more than a mild winter, so the Council is reliant on using contingency reserves for additional costs incurred as a result of a moderate or severe winter.

Highways Management and Land Reclamation, £1.155m overspend – mainly due to a reduction in the recharges to capital schemes as staff productivity is affected by the need to self-isolate or shield because of the Covid-19 pandemic.

Countryside Services, £0.482m overspend – reduction in income from Countryside sites and a planned £0.400m saving which will not be achieved in the year due to the Covid-19 pandemic.

The budget savings target for 2020-21 is £1.426m, with a further £5.234m target brought forward from previous years. Of this total target of £6.660m, £0.408m is expected to be achieved by the end of the financial year. Therefore there is currently a £6.252m forecast shortfall in achievement of budget savings, however the multi-year savings programme to 2024-25 does

Public

allow for some slippage to be covered by prior years' underspends, still delivering the savings target in total.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Ash Dieback - £0.270m (one-off), to develop an action plan initiated by a programme of inspection to quantify the scale of the Ash Dieback problem across the Council's estate. It is anticipated that a multi-year funding commitment to survey, fell and replant trees on Council land will be required once this evaluation work has taken place. There has been no significant expenditure to date because of delays caused by the impact of Covid-19. A project officer will be in post by Autumn 2020, so expenditure is anticipated, although not all of this funding will be spent in 2020-21.
- Elvaston Castle Masterplan - £0.200m (one-off), being spent on preparatory costs and design work, mainly associated with the construction of the access drive and car park, as part of a programme of capital investment and income generation at Elvaston Castle approved by Cabinet on 20 December 2018. Work is progressing and it is anticipated that all of this funding will be spent in 2020-21.

Strategic Leadership, Culture and Tourism

A year-end overspend of £0.035m is projected after the allocation of £0.315m of MHCLG Covid-19 grant funding. Before the allocation of this funding, the main variances are:

Libraries, £0.521m overspend – savings are not expected to be realised as the Library Strategy and proposals to transfer the service to community management have been suspended due to the Covid-19 pandemic.

Policy, £0.427m underspend – due to vacancy control. Also, £0.200m of one-off funding was allocated to coordinate and plan measures to address the threat of Climate Change. It is forecast that this allocation will be fully spent by the end of the financial year.

Heritage, £0.203m overspend – planned savings from the withdrawal of Arts grants to the Community and Voluntary Sector are not anticipated to be achieved, as it is not expected that the transfer of the service to an alternative provider can proceed at this time due to the Covid-19 pandemic.

The budget savings target for 2020-21 is £1.899m, with a further £0.161m target brought forward from previous years. Of this total target of £2.060m, it is expected that £0.320m will be achieved by the end of the financial year.

Additional funding has been provided in the 2020-21 budget for the following items:

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- Climate Change - £0.200m (one-off), the Council published its Climate Change Manifesto in May 2019. This funding is to advance the priorities identified in the Manifesto. It is forecast that this allocation will be fully spent by the end of the financial year.

Young People

The Young People portfolio is forecast to overspend by £0.519m after the allocation of £2.059m of MHCLG Covid-19 grant funding.

The forecast outturn position includes £1.390m of Dedicated Schools Grant income, as a contribution to the cost of supporting Early Help services and children with additional needs. Income from this source is not guaranteed to continue at the same level in future years.

Before the allocation of the Covid-19 grant funding detailed above, the main variances are:

Placements for Children in Care (or unable to remain at home), £2.661m overspend – placement numbers have continued to rise steadily during the year in line with increases in the number of children in care. There are currently more placements required than can be funded from the allocated budget. The needs of individual children and the availability of placements has also meant that there are an increased number of children placed in both more expensive fostering arrangements and more expensive residential provision. The planned introduction of a specialist fostering service for children with disabilities has been deferred for a year after the tender closing date for this service coincided with the Covid-19 pandemic resulted in no tenders to provide this service.

Unallocated Budget, £2.124m underspend – this includes the following amounts which have not yet been allocated to services: £1.390m allocation from the Dedicated Schools Grant, £0.425m of service pressure yet to be allocated, either because the forecast spend is lower than the existing budget or where staff have yet to be appointed, £0.282m allocated to the department for increased employer pension contributions and £0.268m of other grant funding.

Education Support Services, £1.612m overspend – predominantly in the Sport and Outdoor Education service. Scheduled programmes have ceased and staff at residential centres are providing respite accommodation and activities to children in care. The projection assumes that schools agree to pass through funding to the Schools Catering Service that they receive from the Department for Education for provision of Free School Meal.

Early Help and Preventative Services, £0.603 underspend – due to vacancies in Multi-Agency Teams, Children's Centres, Youth support and Youth Offending Support.

Support for Children with Disabilities, £0.479m overspend – increased demand for support and complexity of some individuals' needs.

Pensions Payable to Former Teachers and Other Staff, £0.413m overspend – enhanced pension obligations payable to staff who left under efficiency programmes during the early 1990s. Whilst the number of pensions being paid reduces each year, this is outweighed by the annual increase to those pensions still in payment.

A savings target of £2.350m has been allocated for 2020-21, with a further £0.829m target brought forward from previous years. Savings initiatives totalling £2.350m have been identified, of which £1.207m are expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Placement Demand Pressures - £11.000m, to support the increase in the demand for placements and the increasing complexity of children and young peoples' needs. These costs have continued to increase in 2020-21 and there is concern for the wellbeing of children who have been less visible to school professionals during the first part of 2020-21. It is forecast that this allocation will be fully spent by the end of the financial year.
- Social Worker Recruitment - £1.300m plus one-off funding of £1.300m, as part of a four year recruitment plan to increase the number of social workers to ensure caseloads are at a healthy working level consistent with good practice. It is forecast that this allocation will be fully spent by the end of the financial year.
- Home to School Transport (SEN) - £1.000m plus one-off funding of £0.971m, to support the increased cost of transporting children and young people to school, pupil referral units or alternative provision when they have been excluded from mainstream schools. It is forecast that this allocation will be fully spent by the end of the financial year.
- Children in Care Legal Proceedings - £1.100m (one-off), reflecting the greater number of court proceedings and the increased use of external legal firms to present cases. It is uncertain, at present, whether this funding will be fully spent, as the use of external legal firms has not increased as much as anticipated, despite an increasing number of proceedings. The number of cases that can be managed by internal legal teams varies, depending on the length and complexity of cases. The projected costs of legal proceedings will be reviewed and revised as the year progresses.
- Preventative Support to Families - £1.000m (one-off), to support work with children and families. The number of referrals and children identified as 'in need' is increasing. It is forecast that this allocation will be fully spent by the end of the financial year.

- SEND Assessment and Planning - £0.600m, to provide additional staffing. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment.
- Child Protection - £0.500m, to fund the cost of staff needed to respond to an increased number of children on protection plans. It is forecast that this allocation will be fully spent by the end of the financial year.
- Care Leavers - £0.498m (one-off), to meet the cost of additional statutory duties towards care leavers. It is forecast that this allocation will be fully spent by the end of the financial year.
- Service Transformation - £0.438m (one-off), to identify and implement improvements to service quality and efficiency. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment.
- Increase in Special Guardianship Placements - £0.336m, to ensure the budget is sufficient to meet the current level of costs payable to those who have parental responsibility under a special guardianship order. It is forecast that this allocation will be fully spent by the end of the financial year.
- Quality Assurance SEND & Fostering - £0.214m (one-off), to introduce new processes to enable managers to analyse the performance of the Fostering and SEND services. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment.
- Elective Home Education - £0.207m (one-off), to fund staff visits to assess the education provision to children educated at home by choice. The number of these children is increasing. It is forecast that this allocation will be fully spent by the end of the financial year.
- Support to Achieving Great Futures - £0.108m (one-off), to fund staff seconded to this project to review the pathways for people with disabilities and the services provided to them by the Council. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment.
- Foster Carers - £0.100m, to cover the inflationary increase to foster carer allowances from April 2020. It is forecast that this allocation will be fully spent by the end of the financial year.

Dedicated Schools Grant

The Dedicated Schools Grant (DSG) is a ring-fenced grant comprising four individual blocks: Schools Block, High Needs Block (HNB), Early Years Block and Central Block. Allocations of the blocks are governed by the Schools and Early Years Finance Regulations. Any underspend or overspend on the grant is carried forward to future years within the accumulated balance of the DSG Earmarked Reserve.

The Department for Education (DfE) have clarified the ring-fenced status of the DSG by putting provisions into the School and Early Years Finance (England) Regulations 2020 that require that a cumulative DSG deficit must be carried forward to be dealt with from future years' DSG income, unless otherwise authorised by the Secretary of State not to do so. The updated

regulations require the Council to engage formally with the DfE on recovery plans if it has a deficit balance on its DSG or if it reports a substantial reduction in its DSG surplus.

There was a surplus of £0.188m in the closing net total DSG reserves at the end of 2019-20. However, after taking account of commitments the underlying balance was a deficit of £3.140m.

In January 2020, the Schools Forum agreed to leave £1.325m of the Pupil Growth Fund, unallocated within the Schools Block in 2020-21, as a contribution to resolving the deficit. The Council will also seek further opportunities to make reductions to DSG expenditure in 2020-21. The position will be further supported should Derbyshire receive another above inflation increase in its DSG settlement in 2021-22.

The expected DSG and sixth form grant income due to the Council in 2020-21 is £375.222m and the projected year-end expenditure is £373.864m. The expected underspend compared to income is £1.358m, of which £0.373m is ring-fenced to the Schools Block.

The variances on the other three blocks are:

Central Schools Services Block, £1.534m underspend – mainly due to unallocated growth. Also, support for schools to meet KS1 pupil/teacher ratios is projected to be below the allocated budget.

High Needs Block, £0.747m overspend – additional places purchased at Derbyshire special schools. This is the cost of the team to support an increased number of children and young people who have been temporarily or permanently excluded, or to provide preventative measures. Additional support paid to primary schools for pupils with high needs is above the allocated budget.

Early Years Block, £0.020m overspend.

Summary

The Covid-19 pandemic is having a significant impact on the Council's 2020-21 forecast outturn. The portfolios' projected outturn reflects the additional costs of the Council's response up to the end of June 2020 for all portfolios except for Adult Care, which is up to the end of May 2020, including the impact of slippage to the planned programme of savings which cannot yet be implemented as a result.

A Council portfolio overspend of £2.797m is forecast, after the use of £19.951m of MHCLG Covid-19 grant funding for immediate Covid-19 related costs.

The Risk Management Budget is forecast to overspend by £45.274m, as referred to in detail above. Any continuation of excess costs beyond December 2020 will see this shortfall rise still further. To mitigate this, overspend, any balance from the £4.000m set aside in the Revenue Budget 2020-21 from the Business Rates Pilot will be utilised to reduce the overspend.

The Debt Charges budget is projected to underspend by £2.675m. This is 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 £3.500m one-off reduction in the Council's Capital Adjustment Account Reserve. This reduction is made on the basis that the amounts set aside to repay debt over the last ten years are well in excess of what is required to ensure the Council can repay its debts.

The Council utilises a range of investments, including pooled funds, to maximise its interest and dividend income. Interest and Dividends received on balances is estimated to breakeven after the allocation of £1.378m of MHCLG Covid-19 grant funding, to address a forecast decrease in income from investments in pooled funds of £0.995m and other lost income due to Covid-19. The interest base rate fell to 0.10% on 10 March 2020, a historically low rate. Interest also accrues to the loan advances to the Buxton Crescent Hotel and Thermal Spa Company.

Corporate Adjustments are forecast to underspend by £0.014m after the allocation of £0.399m of MHCLG Covid-19 grant funding, reflecting that only £0.601m of the £1.000m savings target allocated is expected to be achieved by the Council paying its Local Government Pension Scheme contributions early. This is due to the decision not to pay in advance all the contributions due for the entire period 2020-21 to 2022-23, but rather to make separate early lump sum payments for each year. This decision was made in light of Covid-19, to preserve the Council's liquidity of cash flow amongst other considerations.

An overall Council overspend of £45.382m is forecast, after the use of £37.107m of MHCLG Covid-19 grant funding received and additional income of £3.323m estimated to be claimable under a Government scheme, announced on 2 July 2020, to compensate local authorities for lost income due to Covid-19. Additional Covid-19 grant funding, also announced on 2 July 2020, is expected to contribute a further £5m to £7.5m towards the Covid-19 funding gap.

Details of the Council's Earmarked Reserves balances as at 29 June 2020 are set out in Appendix One.

A summary of the expected achievement of budget savings targets is provided at Appendix Two. The budget savings target for 2020-21 is £18.795m, with a further £6.332m target brought forward from previous years. The savings

initiatives identified to meet this target currently fall short by £9.724m, therefore further proposals will need to be brought forward to ensure the Council continues to balance its budget. Of this total target of £25.127m, £4.599m is expected to be achieved by the end of the financial year. Therefore, there is a £20.528m forecast shortfall in achievement of budget savings. The resulting base budget overspend is offset to some extent by one-off underspends or is being met from one-off funding from earmarked reserves and additional grant funding received.

The age profile of debts owed to the Council and the value of debts written off is disclosed in Appendix Three. This information is collected on a departmental rather than a portfolio basis.

The General Reserve stands at £53.745m as at 1 July 2020. There are commitments in the 2019-20 outturn report held against this balance as follows:

General Reserve at 1 July 2020

	£m
Balance	53.745
Less: Allocations to Portfolios	
Adult Care	0.000
Clean Growth and Regeneration	0.000
Corporate Services	(1.588)
Health and Communities	(0.245)
Highways, Transport and Infrastructure	(1.701)
Strategic Leadership, Culture and Tourism	(0.021)
Young People	(0.302)
<hr/> Balance After Outturn Commitments	<hr/> 49.888

The level of General Reserve is currently 9.15% of the Council's Net Budget Requirement, after commitments in the 2019-20 Outturn Report. In addition, further commitments are held against this General Reserve balance, which were referred to in the Council's 2020-21 Revenue Budget Report. At that time the General Reserve, was a pessimistic forecast, was predicted to decrease to 2.2% (£12.793m) of the Council's Net Budget Requirement by 2024-25. The majority of chief financial officers consider 3% to 5% of a council's net spending to be a prudent level of risk based reserves.

3 Financial Considerations

As set out above.

Public

4 Other Considerations

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

5 Background Papers

Papers held in Technical Section, Finance & ICT, Room 137, County Hall.

6 Key Decision

No.

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

No.

8 Officer's Recommendation

That Council:

8.1 Notes the 2020-21 budget monitoring position as at 31 May 2020.

PETER HANDFORD

Director of Finance & ICT

Earmarked Reserves as at 29 June 2020

Adult Care	£m
Older People's Housing Strategy	30.000
Other reserves	0.046
Total Adult Care	30.046
Corporate Services	
Revenue Contributions to Capital	25.682
Loan Modification Gains	25.254
Insurance and Risk Management	20.085
Planned Building Maintenance	5.275
Business Rates Relief Grant	5.000
Business Rates Pool	4.672
Prior Year Underspends	3.772
Uninsured Financial Loss	3.500
Computer Purchasing	2.828
Property Insurance Maintenance Pool	2.672
Budget Management	2.615
PFI Reserves	2.340
Property DLO	2.299
Change Management	1.807
Business Rates Strategic Investment Fund	1.013
Other reserves	5.361
Total Corporate Services	114.175
Economic Development and Regeneration	
D2 Growth Fund	0.200
Markham Environment Centre	0.114
Other reserves	0.381
Total Economic Development and Regeneration	0.695
Health and Communities	
Domestic Abuse	1.622
S256/External Funding	0.244
Proceeds of Crime	0.135
Trusted Trader	0.101
Other reserves	0.218
Total Health and Communities	2.320
Highways, Transport and Infrastructure	
Prior Year Underspends	9.803
Winter Maintenance	2.000
Commuted Highways Maintenance	1.137

APPENDIX 1	Public
Road Safety Public Service Agreement (PSA)	1.079
Derby and Derbyshire Road Safety Partnership Reserve	0.632
Waste Recycling Initiatives	0.598
IT Reserve	0.523
Other reserves	1.377
Total Highways, Transport and Infrastructure	17.149

Strategic Leadership, Culture and Tourism

Policy and Research	0.715
Community Managed Libraries	0.742
Derbyshire Challenge Fund	0.447
Library Restructure	0.429
Derwent Valley Mills World Heritage Site	0.176
Other reserves	0.568
Total Strategic Leadership, Culture and Tourism	3.077

Young People

Tackling Troubled Families	3.894
Standards Fund (Schools)	0.726
School Rates Refunds	0.721
Childrens Services IT Systems	0.706
Primary Teacher Pool Premium	0.465
Youth Activity Grants	0.283
Foster Carer Adaptations	0.295
High Needs Strategic Funding	0.229
Other reserves	0.607
Total Young People	7.926

Total Portfolio Earmarked Reserves	175.388
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Schools

Schools Balances	23.897
Dedicated Schools Grant (DSG)	0.188

Total balances held for and on behalf of schools	24.085
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Public Health Grant	7.424
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APPENDIX 2

Budget Savings Monitoring 2020-21

Portfolio	Budget Savings Targets			Ongoing Savings Initiatives	Target not Identified	Actual Savings Forecast	Savings Shortfall
	Not yet achieved Brought Forward						
	Prior Year £m	Current Year £m	Total Target £m	Total Identified £m	(Shortfall)/ Additional Identified Savings £m	Forecast to be achieved by Financial Year End £m	Actual (Shortfall)/ Additional Achievement of Savings Target £m
AC	(0.427)	3.784	3.357	0.337	(3.020)	0.337	(3.020)
GR	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CS	0.535	4.120	4.655	4.831	0.176	1.510	(3.145)
HC	0.000	0.216	0.216	0.216	0.000	0.216	0.000
HTI	5.234	1.426	6.660	1.576	(5.084)	0.408	(6.252)
SLCT	0.161	1.899	2.060	1.093	(0.967)	0.320	(1.740)
YP	0.829	2.350	3.179	2.350	(0.829)	1.207	(1.972)
Other	0.000	5.000	5.000	5.000	0.000	0.601	(4.399)
Total	6.332	18.795	25.127	15.403	(9.724)	4.599	(20.528)

APPENDIX 3

Age profile of debt, relating to income receivable, at 12 June 2020

0 - 30 Days £m	31 - 365 Days £m	1 - 2 Years £m	2 - 3 Years £m	3 - 4 Years £m	Over 4 Years £m	Total £m
Adult Social Care and Health						
0.900	7.297	1.150	0.705	0.405	0.640	11.097
8.1%	65.8%	10.4%	6.4%	3.6%	5.8%	100.0%
Children's Services						
0.053	0.691	0.030	0.013	0.005	0.013	0.805
6.6%	85.8%	3.7%	1.6%	0.6%	1.6%	100.0%
Economy, Transport and Environment						
1.787	2.745	1.239	0.277	0.017	0.015	6.080
29.4%	45.1%	20.4%	4.6%	0.3%	0.2%	100.0%
Commissioning, Communities and Policy						
0.658	3.760	0.718	0.187	0.084	0.173	5.580
11.8%	67.4%	12.9%	3.4%	1.5%	3.1%	100.0%
All Departments						
3.398	14.493	3.137	1.182	0.511	0.841	23.562
14.4%	61.5%	13.3%	5.0%	2.2%	3.6%	100.0%

The value of debt written off in the 12 months up to 12 June 2020

Department	£m
Adult Social Care and Health	0.253
Children's Services	0.045
Economy, Transport and Environment	0.013
Commissioning, Communities and Policy	0.013
All Departments	0.324

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DERBYSHIRE COUNTY COUNCIL

FULL COUNCIL

16 September 2020

**Report of the Chair of the
Member Development Working Group**

MEMBER DEVELOPMENT STRATEGY ADOPTION

1. Purpose of the Report

Full Council are requested to formally adopt the Member Development Strategy on 16 September.

2. Background

On behalf of the Council, Member Development Working Group (MDWG) lead the work around enhancing the effectiveness of communication to Members and further development of the range and quality of learning and development opportunities that support Members in discharging their role as an elected Member in Derbyshire County Council. Applying best practice principles, such as those contained with the external Member Development Charter, MDWG have developed the proposed Member Development Strategy (see **APPENDIX 1**) and Member Development Skills Matrix.

Throughout the development stages MDWG have sought the views of, and input from, their peers within the Council.

On 25 February 2020, 27 elected Members participated in the Member Development Offer Engagement Workshop. This event, which was led by MDWG, involved a series of facilitated table discussions that focused upon the Skills Matrix, pre-election materials for prospective election candidates and the design and content of an effective post-election induction. There was also a short Derbyshire Learning Online presentation. Evaluation feedback from the workshop indicates that it was very well received by participants. An invitation to attend the Engagement Workshop was also extended to CMT and MDWG have sought the perspective of Corporate Management Team (CMT) regarding the Strategy and Skills Matrix developments.

In July MDWG leads consulted with their respective political Groups on the draft Strategy. All feedback from the various consultation approaches has been reflected in the finalised versions of the Member Development Strategy and Member Development Skills Matrix.

3. Member Development Strategy

Following the incorporation of the consultation feedback the Member Development Strategy was agreed by MDWG on 10 August 2020. It was also agreed that this would progress to a Cabinet Member, Corporate Services meeting for approval that recommends the adoption of the Member Development Strategy by the Council.

A key development to note is that under the Strategy the Cabinet Member for Corporate Services assumes responsibility for Member Development within their portfolio. As such the portfolio holder becomes a Member Development Champion for the Council and a member of the revised Member Development Working Group.

The Member Development Strategy is being considered at the Cabinet Member meeting for Corporate Services on 10 September 2020, and seeks approval to recommend adoption of the strategy at the Council meeting on 16 September 2020. Council are therefore asked (subject to Cabinet Member approval) to formally adopt the Member Development Strategy. Adoption of this strategy will constitute a commitment to applying the principles of the external Member Development Charter quality scheme which will act as a foundation and template for progressive improvement.

The full implementation of the Member Development Strategy will require completion of the following steps.

4. Member Development Skills Matrix

The agreed Skills Matrix will be made available to elected Members via the Members area of Derbyshire Learning Online. It will provide the template for Member Development Plans, support the Training Needs Discussion process and inform the 2021 Post-election Induction design.

5. Training Needs Discussion

The Member Development Strategy states that Members will be offered an annual Training Needs Discussion (TND). TNDs will be facilitated by trained officers from within Democratic Services and Learning & Development. Facilitator training will be developed, officers / facilitators identified and trained so they can offer and undertake TNDs with Members following Strategy adoption. The Skills Matrix will be a key tool against which the current and aspirational training needs of Members will be identified.

6. Pre-Induction content and delivery

MDWG is currently working on enhancing the existing strand for election pages of the council's website. Plans are in hand to include a number of case studies of current county councillors under the themes: 'Day in the life' and 'Why I became a county councillor'. A video is also underway to explain what the work of a county councillor entails.

7. Induction Review and Refresh

MDWG are meeting in early October to develop a draft post-election induction delivery plan. Feedback from the Engagement Workshop will inform the 2021 post-election induction programme design and delivery. A further report to CMT and Cabinet/CMT will be presented outlining the draft approach later in the year.

8. Derbyshire Learning Online (DLO)

Options for the 'architecture' of an elected Members only area have been considered by MDWG and a preferred model has been agreed. The Members area will create a 'one stop shop' for Member Development courses and resources including the Skills Matrix. Work is now underway to develop content and enable immediate 'go live' following adoption of Strategy. Further developments will be ongoing to develop and update content. Training on accessing and using the Member area will be developed and offered to all Members.

9. Elected Member Well-being Pulse Survey

Following the recent employee Pulse Survey a similar exercise is currently underway to capture the experiences of Members as they fulfilled their Council duties in Covid lockdown conditions. The results, which will be considered by MDWG, will be used to identify areas where the Council can offer greater support to elected Members in discharging their role going forward.

10. Recommendations

That Council:

- approve the formal adoption of the Member Development Strategy.
- note that the Cabinet Member for Corporate Services assumes responsibility for Member Development within their portfolio.

Cllr Gary Musson
Chair of the Member Development Working Group

**MEMBER
DEVELOPMENT
STRATEGY
2020 / 21**

Derbyshire County Council

Welcome to the Member Development Strategy

As Corporate Services Portfolio Holder and a Member Development Champion I strongly believe that we, the County's elected Members, require the opportunity to build upon and enhance our existing knowledge and skills, keeping them fresh and abreast of the ever changing national and local government context. In this way, Members can ensure they effectively provide the Community Leadership that the residents and visitors to our County deserve.

Along with my colleagues in the Member Development Working Group, I will strive to ensure all Members have the best possible development opportunities, when and how they need them.

I am proud to introduce, and fully support, our Member Development Strategy which has been developed by the Member Development Working Group.

Angelique Foster, Member Development Working Group Chair, Corporate Services Portfolio Holder & Member Development Champion, Derbyshire County Council

We are jointly and personally committed to the Member Development Strategy which has been developed cross-party to offer the best support and training opportunities to all of the elected Members of Derbyshire County Council.

As Leaders of the Council's Political Groups, we will ensure Member Development is a standing item on our respective Group agendas. We will work within our Groups to ensure that Members have access to the training they need to enable them to carry out their roles effectively.

We will have well-trained, reputable Groups of Members as it is an important, personal responsibility in our role of being a Derbyshire County Councillor.

Barry Lewis, Conservative Group Leader & Leader of the Council, Derbyshire County Council

Paul Smith, Labour Group Leader & Member Development Champion, Derbyshire County Council

Beth Atkins, Liberal Democrat Group Leader & Member Development Champion, Derbyshire County Council

1. Introduction

- 1.1 Derbyshire County Council's ambition is to become an enterprising and value for money Council enabling people and communities to thrive. To achieve this, and become an Enterprising Council, requires taking forward an ambitious programme of whole Council transformation and cultural change. The One Council approach will ensure that the necessary plans are in place to modernise, innovate, transform and collaborate to meet the Council's ambitions, making identified savings whilst continuing to deliver priorities and achieve better outcomes for local people.
- 1.2 To achieve the Council's ambition, the Council Plan identifies the following priorities:
 - value for money
 - a prosperous Derbyshire
 - empowered and self-sufficient communities
 - a focus on prevention and early intervention
 - high performing council services
- 1.2 Effective Member Development is integral to achieving the Council's ambition and priorities. This strategy sets out a planned approach to how the Council will support its Members and provide them with learning and development opportunities to embrace challenges and assist them in effectively fulfilling their individual, collective and community roles.
- 1.3 The Council recognises that it is essential to support, develop and encourage its Members and that continuous development is vital to ensure that Members update their knowledge and learn new skills to enable them to play an effective role in local government.
- 1.4 This strategy sets out the Council's objectives for Member learning and development and how those objectives will be achieved. It has been created to lay a foundation on which the Council can build in order to effectively support and develop its Members. This strategy also takes into account the development needs of co-opted Members who sit on Council committees e.g. the Governance, Ethics and Standards Committee.
- 1.5 This strategy has been developed through the Member Development Group and in consultation with Members from across all groups. Member Development Working Group comprises each Group Member Development Champion, the Chair of the Governance, Ethics and Standards Committee and Portfolio Holder for Corporate Services. This group advises the Portfolio Holder for Corporate Services on matters relating to Member Development and is supported as appropriate by Council Officers.
- 1.6 The Chair of the Member Development Working Group will undertake the role of Member Development Champion for the whole Council.

- 1.7 Group Leads and Member Development Working Group members will act as Champions within their respective political groups.
- 1.8 The Council is committed to Member Development (see **APPENDIX 1**) and, following the May 2021 County Council elections, will consider whether to progress with Member Development Charter accreditation.
- 1.9 Should the Council decide to progress with Charter accreditation, the assessment process is expected to commence by December 2021. This timing will provide the opportunity to incorporate assessment evidence from:
- the 2021 induction programme for the newly elected Council
 - one full cycle of the annual Elected Member Training Needs Discussion (TND) process (to be implemented from October 2020)
- 1.10 As appropriate, the Council will seek re-accreditation in line with the requirements of the Charter.

2 The Role of the Elected Member

- 2.1 Being an effective Member can be challenging. Members have to balance the needs and interests of their residents, voters, political parties and the Council. All these groups will make legitimate demands on the Member's time in addition to their personal responsibilities to family, workplace and friends. It is therefore important that Members understand their role so they can perform responsibly and effectively for the Council and maintain the quality of their personal lives.

Member roles include:

- Representing the Division
- Decision-making by Council and Cabinet
- Policy and strategy review and development
- Improvement and Scrutiny
- Regulatory duties
- Community leadership and engagement
- Dealing with the allegations of Member misconduct through the Standards Committee.

Representing the division

- 2.2 The primary role of a Member is to represent their division and the people who live and work in it. They also have a responsibility to communicate Council policy and decisions to people in the division whilst also ensuring that matters of concern to their residents and businesses are brought forward to the Council.

Decision-making

2.3 Members have a critical part to play in making decisions that impact on their ward and across the whole area covered by the Council. They will be involved in decision-making through:

- Full Council
- Cabinet
- Regulatory committees such as Planning
- Outside bodies appointed by the Council
- Being members of boards and as school governors
- Membership of partnership committees
- Appointing senior management of the authority including Executive Directors and Directors

Policy and Strategy

2.4 Members influence and determine the development and review of the Council's policies and strategies. They contribute to this through their:

- Role in Improvement and Scrutiny
- Involvement in advisory groups and partnerships
- Interaction with and being Members of Cabinet
- Role as a representative on local community groups
- Membership of a political group

Improvement and Scrutiny

2.5 Members have always been required to scrutinise the Council and the Improvement and Scrutiny function is a natural extension of representation. The process has recently become more clearly defined and distinct and the role of Members now includes:

- Holding Cabinet to account through call-in powers
- Monitoring and reviewing policy formulation and implementation
- Policy development
- Performance and Quality review
- Scrutiny of external bodies, agencies and partners
- Considering petitions received by the authority relating to the senior officers of the Council

Regulatory Duties

2.6 Local authorities are not just service providers, they also act as regulators. This involves Members in quasi-judicial roles on committees appointed directly by the Council, such as Planning and Licensing Committees. In these roles, Members are

required to act independently. As stated in the Council's Code of Good Planning Conduct (Council Constitution, Appendix 20), Members will be required to attend the requisite number of planning sessions in order to be a Member of that Committee and maintain membership of the Council's Planning Committee.

Community Leadership and Engagement

2.7 Community leadership is at the heart of modern local government and Councils are taking on responsibilities for working in partnership with other organisations, including the voluntary and community sector, to improve services and the quality of life of those within the communities served.

2.8 Elected Members play a key role in community leadership and engagement. They are easily identifiable within, and accountable to, the local community. Therefore the Council will make available learning opportunities which support the development of the skills and knowledge required so that Members can confidently engage with the community they represent and act as local community champions on their behalf.

3 The Aims and Objectives of the Strategy

3.1 The strategy aims to provide clear direction and purpose in respect of learning and development in order to achieve:

- Motivated and skilled Members of the Council
- A consistent approach to Member learning and development
- Equality of opportunity
- Well-equipped Members who are confident and able to carry out their roles effectively

3.2 The Strategy is designed to provide an overall framework for a development programme that reflects best practice and achieves the following objectives:

- Developing Members' political leadership capability to enable the Council's priorities to be achieved
- Linking Member learning and development to the Council's priorities
- Creating shared values and behaviours across Elected Members which align to the Council's values / one Council approach
- Building the capacity for elected members to adapt and change in order to respond to the changing environment and take advantage of the benefits of technology
- To respond to changes in legislation and government guidelines in relation to elected members?
- Giving priority to addressing basic skills needs and providing ICT skills development opportunities for Members

- Delivering learning and development in innovative ways to make the best use of the resources available to the Council and to meet Members' learning preferences
- Enabling Members to direct and support community initiatives and act as community champions
- An evaluation of the development undertaken in order to demonstrate its value and impact in the decision making process and to ensure value for money

4 Commitment to the Strategy

4.1 The Council will demonstrate its commitment to a Member led strategy through:

- The adoption of the Strategy by the Council's Full Council
- Applying the principles of the East Midlands Regional Member Development Charter as a route for progressive improvement. Charter accredited status, and subsequent retention, will be sought at the appropriate time.
- An ongoing commitment to the Member Development Working Group (comprising the Portfolio Holder for Corporate Services, the political group Member development champions and the Chair of the Governance, Ethics and Standards Committee). The group will continue to provide the focus for overseeing the strategy and advising on Member development issues. Specifically the group will:
 - Act as a cross-party reference group to review, develop and improve communication and engagement with Members
 - Act as a co-ordinating body linking all political groups' learning and development needs
 - Act as a cross-party reference group on Member Development
 - Define and implement the Council's core Member Development Skills Matrix
 - Commission organisational learning and development solutions for Members
 - Identify and promote a range of different learning solutions
 - Evaluate the effectiveness and value for money of all learning activities
 - Monitor the annual budget and resource allocation for Member learning and development

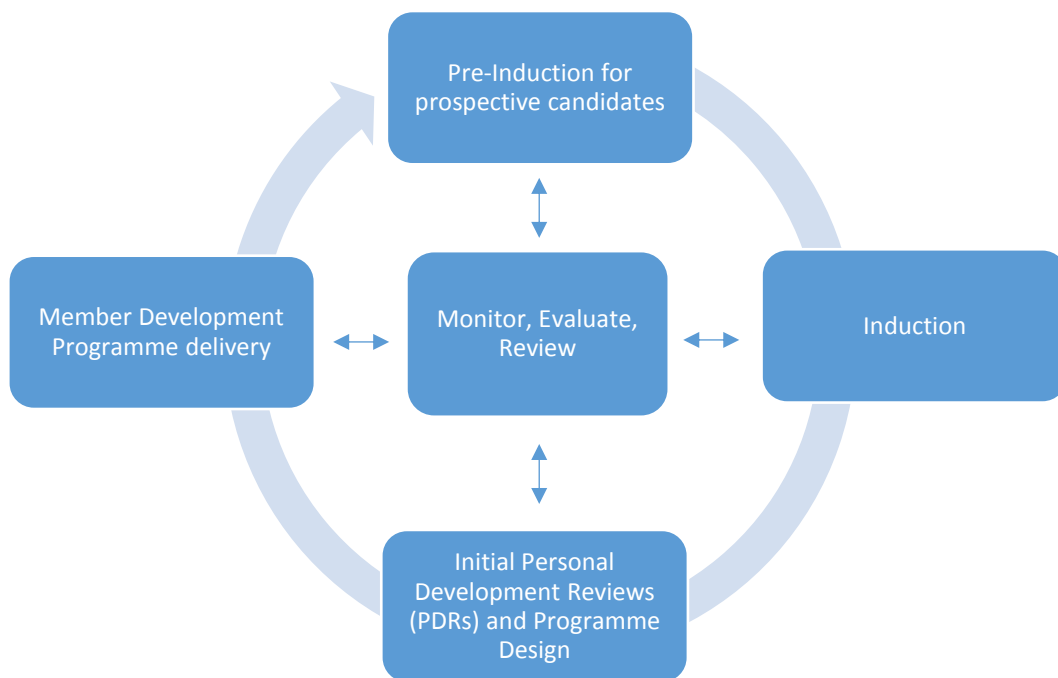
The Member Development Working Group, with the support of relevant officers, will:

- Promote an organisation-wide understanding and recognition that Members have individual learning and development needs; they will be assisted in identifying those needs by the Training Needs Discussion (TND) process
- Be responsible for overseeing the delivery and evaluation of an annual communications and engagement plan for Members.
- Co-ordinate all Council development for Members; ensuring seminars, briefings, academic advice and other formal learning opportunities are designed and delivered in relation to the Council's priorities
- Ensure effective and timely Member Development solutions are implemented

- Improve transparency and access to appropriate learning and development to Members
- Oversee the development of pre-election materials to be made available for prospective Members and a structured Induction Programme to be provided to every newly Elected Member
- Advocate mentoring support for new Members and those who require mentoring when changing role as this will support succession planning. As appropriate Mentors will be Elected Members or Officers.
- Implement learning and development activity that is shared with officers, partners and other authorities where appropriate
- Ensure that all Members are aware of learning and development opportunities and that all learning and development undertaken by individual Members is recorded on Derbyshire Learning Online (DLO)

5 Member Development programme

5.1 The Member Development programme will take the Member Development Skills Matrix [as its basis and is cyclical. However the programme commences with information sharing with a pre-induction for prospective candidates. This strand stands outside the Skills Matrix but is essential in developing elected Member role understanding for prospective candidates and communicating expectations. Those candidates who are elected will then be supported by a learning and development programme that is delivered against the Member Development Skills Matrix.



5.2 The Skills Matrix has been agreed by the Member Development Working Group and designed to deliver consistent skills, knowledge and understanding across the Council's Members once. It includes development opportunities designed to cover the following key strands for all elected Members:

- i. The Derbyshire Context
 - ii. Leadership
 - iii. Continuous development
- 5.3 Statutory training sessions are mandatory for those Members who wish to serve on the Planning Committee.
- 5.4 Mandatory training sessions have been agreed that all Elected Members should attend.

Pre-Election Arrangements

- 5.5 The pre-election process is based around the Council's need to attract a wide variety of persons to stand for election.
- 5.6 The Council will hold, prior to each election, sessions where prospective candidates can meet Members and senior officers to discuss the duties and responsibilities of being an elected Member. The sessions will comprise:
- An explanation of the Council's political management arrangements supplemented by the agreed role profiles for the differing Member roles within the Council.
 - The electoral process.
 - Discussion with experienced Members on what it is to be a Member
 - Meet the Members (informal chat with a cross section of Members).
- 5.7 The pre-election events will be advertised through a variety of media including the Council's website, through social media and "Derbyshire Now" magazine.
- 5.8 Pre-election event materials will be reflected in the Candidates Pack.
- 5.9 An evaluation of the success of the events to encourage potential candidates to stand for election will be undertaken by Democratic Services following the elections.

Induction

- 5.10 Following the election, successful candidates will be provided with an intensive induction delivered over the first six weeks of the life of the Council. It will provide a broad overview of the Council to help Members in their new role.
- 5.11 The precise details of the sessions will be determined by the Member Development Working Group prior to the election with a review of previous experience shaping the design of the new Induction programme. This will be publicised to all prospective candidates via the pre-induction process.

5.12 There is an expectation that all Members, including those returning, will attend certain elements of the induction as defined in the pre-election materials. Members should therefore allow time within the first six weeks of their tenure to facilitate this.

Training Needs Discussion (TND)

5.13 A Training Needs Discussion will be offered to all elected Members within two months of their date of appointment, whether appointed via election or by-election. The TND process is cyclical and will involve annual discussions.

5.14 Group Leaders and Chief Whips will encourage all elected Members within their Group to engage with the TND process.

5.15 The TND is a confidential process and will be undertaken by an officers from either Democratic Services or Learning and Development. It will identify the individual Member's development needs and aspirations. The identified development needs will inform the annual Development Programme and a personal development programme for the Member concerned.

5.16 Subsequent annual discussions will:

- reflect on how effectively development undertaken in the previous year has been applied
- identify the individual Member's development needs and aspirations for the year ahead and
- review how effectively the Member is communicated and engaged with (see 7.5)

Development Programme

5.17 The Development Programme is built around but not restricted to the Skills Matrix. An assessment of each Member's learning needs informs personal development plans which can be addressed either through the core development programme or on an individual basis as appropriate. The development programme will be supported by a range of high-quality learning materials that individual Member can access via Derbyshire Learning Online (DLO) and to be used as a virtual development reference manual.

5.18 In addition, the development programme will be focussed on meeting the needs of the statutory committees and other corporate bodies.

5.19 The programme will acknowledge the time constraints and competing demands faced by Members and will, wherever possible, meet the needs of the majority of Members.

Leadership Programme

5.20 The Leadership programme is contained within the Skills Matrix and is aimed at Cabinet Members, chairs and vice-chairs and those aspiring to such positions. It reflects the Local Government Association's (LGA's) Political Skills

Framework and may include the following modules:

- Local Leadership
- Partnership Working
- Communications Skills
- Political Understanding
- Scrutiny and Challenge
- Regulating and Monitoring

Additional development workshops or seminars related to leadership include:

- Leadership
- Delegation Skills
- Chairing Skills

Continuing Development

5.19 The Skills Matrix and associated development programme aims to provide core competencies for all Members however, as nothing remains static in local government for very long, new learning opportunities will be developed to address any changes. These can be to reflect the introduction of new services, duties and powers, new funding arrangements or legislation including amendments. Providing training and briefing materials for Members as these changes arise helps to ensure Members remain up to date and informed at all times.

5.20 It is essential that Member undertake new learning opportunities that reflect developments in policy or practice so that they can deepen their understanding and strengthen their effectiveness as local leaders within their respective communities.

5.21 Annual Personal Development Reviews will inform continuing development requirements at the personal level.

5.22 Whilst it is recognised that Members have many varied commitments, Members should support and engage with development opportunities in order to enhance their various roles as Members of the authority.

6 Delivering the Development Programme

6.1 The Council recognises that Members will have their own preferred learning styles and respond differently to various learning methods employed during learning and development events. Similarly, Members will also have time constraints due to non-Council commitments.

- 6.2 A range of learning and development opportunities will be explored for use in the Council with delivery designed to reflect the different learning styles of the Members whenever practical.
- 6.3 The Council, in delivering the development programme, will make full use of external funding and opportunities including partnership working.
- 6.4 Using Derbyshire Learning Online (DLO), the Council will create and maintain a programme of development events, together with the material delivered to Members in any presentations, in order to build a comprehensive library. In order to meet the information needs of all Members, reference and publicity material will also be made available in each group room.

7 Communication and Engagement

- 7.1 Effective communication and engagement with Members is fundamental to the successful delivery of the Member Development Strategy.
- 7.2 Communication and engagement with Members supports their primary role as stated in this strategy (2.2):

“The primary role of a Member is to represent their division and the people who live and work in it. They also have a responsibility to communicate Council policy and decisions to people in the ward whilst also ensuring that matters of concern to their residents and businesses are brought forward to the Council.”

- 7.3 Communication and engagement activity also underpins the following aim of this strategy (3.1):

- Well-equipped Members who are confident and able to carry out their roles effectively

and the following objective (3.2):

- Enabling Members to direct and support community initiatives and act as community champions.

- 7.4 Specifically, effective two-way communication with Members will support this strategy by enabling Members to confidently and effectively:

- Respond to residents’ queries and investigate their concerns
- Communicate Council policy, decisions and campaigns to their residents
- Be aware of any issues in their ward
- Work with representatives of local organisations, interest groups, businesses and other stakeholders.

- 7.5 It is the role of the Member Development Working Group (4.1) with the support of relevant officers, to:

- Oversee the development and delivery of an annual communications and engagement plan and calendar

- Review any TND data (see 5.14) which could inform improved Member communication and engagement practices
 - Identify gaps and any improvements required.
- 7.6 Communication and engagement will also be a significant element in the delivery of the pre-election arrangements to attract a wide variety of candidates to stand for election in 2021 (5.5).

8 Monitoring, Evaluation and Review

- 8.1 All learning and development opportunities undertaken by elected Members will be recorded in their personal record via Derbyshire Learning Online (DLO). Records will inform the evaluation and PDR processes, including from return on investment and succession planning perspectives.
- 8.2 In order to get the best out of development opportunities, the Council will evaluate the impact of development opportunities and ensure that any new skills are put into practice.
- 8.3 The Council's approach to evaluation and review will:
- Support the Member Development Strategy
 - Provide information on the success of development undertaken
 - Promote consistent evaluation methodologies
 - Ensure that all services and departments which "touch" upon Member Development consider evaluation issues before providing support and assistance
- 8.4 In addition the Member Development Working Group will oversee the implementation of this strategy and of the development programme. It is proposed that the group will submit periodic reports on attendance and effectiveness of the learning to Cabinet / CMT and minority Group Leaders.
- 8.5 Reviewing the information collated via monitoring and evaluation will inform the refresh / redesign of all aspects of the Council's Member Development offer.

APPENDIX 1

Derbyshire County Council affirms its commitment to the development and enhancement of the skills and professionalism of elected Members through:

- Publication of an Annual Member Development Plan developed in response to feedback from Members.
- One-to-one support for Members to identify methods and ideas to develop their capacity to provide effective community leadership and corporate governance.
- The establishment and maintenance of a Member Development Working Group (MDWG) to oversee and report on all Member Development activities.
- The MDWG representatives acting as Member Development champions within their Political Groups. They will encourage their peers to engage with, and take advantage of, the available development opportunities.
- Ensuring Member Development and learning opportunities are evaluated against the Corporate Priorities in the Corporate Plan.
- Implementing a clear evaluation process to inform the authority of the benefits and 'return on investment' achieved through Member Development. This will include Members providing written evaluations of development undertaken, which will be shared within the authority.
- On-going commitment towards continuous improvement in Member Development.
- Commitment to the framework of excellence for development and evaluation embodied in the East Midlands Member Development Charter.
- The publication and sharing of best practice in Member Development with other authorities.
- Implementation and monitoring of a continuous Development Plan which identifies learning points / future improvements to the Member Development process.
- Quarterly reports to Cabinet / Corporate Management Team (CMT) advising on achievements and future priorities.
- Chair of MDWG to provide updates on the work of MDWG to Governance, Ethics and Standards Committee.
- Minutes of Member Development Working Group to be shared via the Modern Gov system.

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