

## PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE

**Venue:** Town Hall, Moorgate  
Street, Rotherham.

**Date:** Friday, 17 February 2006

**Time:** 9.30 a.m.

### A G E N D A

1. Apologies for Absence.
2. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
3. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
4. Declarations of Interest.
5. Questions from Members of the Public and the Press.

#### **For Discussion/Decision:-**

6. Connexions South Yorkshire (report herewith) (Pages 1 - 22)
7. Corporate Procurement Strategy (draft strategy and partnering protocol herewith) (Pages 23 - 92)
8. Local Area Agreement (report herewith) (Pages 93 - 99)
9. Lyons Inquiry (report herewith) (Pages 100 - 110)
10. Policy Review Progress and Policy Framework Map (report herewith) (Pages 111 - 121)
11. Robustness of Risk Registers, Risk Reporting and Progress on Controlling Insurance Claims (report herewith) (Pages 122 - 137)

#### **For Information/Monitoring:-**

12. Minutes of the previous meetings held on 20th January and 3rd February, 2006 (herewith) (Pages 138 - 145)

13. Work in Progress (Chairs of Scrutiny Panels to report)
14. Call-in Issues - to consider any issues referred for call-in.
15. Exclusion of the Press and Public  
The following item is likely to be considered in the absence of the Press and Public as being exempt under Paragraph 11 of Part 1 of Schedule 12A to the Local Government Act 1972 (labour relations matters)
16. Anti - Social Behaviour Client Scrutiny Review (report herewith) (Pages 146 - 190)

## **CONNEXIONS SOUTH YORKSHIRE**

### **Report to Performance and Scrutiny Overview Committee**

#### **Purpose**

**To provide additional information to Members on the performance and achievements of the Connexions Service in relation to the key service target of reducing the percentage of young people Not in Education Employment and Training (NEET).**

**To consider the potential impact of the Youth Green Paper and the Local Area Agreement on future delivery arrangements.**

#### **Summary**

This report presents additional data analysis and information as requested by members of the Performance and Scrutiny Overview Committee at their meeting of the 9 December 2005

Section 1 provides further information as requested on:

- Characteristics of the Not Known Cohort
- An overall comparison of NEETS in the partnership area against core cities data
- An overview of the underlying reasons for disengagement from learning drawn from the NEETs Scrutiny report
- Drop out from FE into NEET at sub-regional and borough level
- NEET young people with Learning Difficulties and Disabilities (LDD)
- The percentage of young people supervised by Youth Offending Teams in Education, Training and Employment (ETE)
- Young people in Jobs without Training

Section 2 of the report provides an overview of young people's recognition of the Connexions brand.

Section 3 provides a progress report on the transition of Connexions activity into the Local Area Agreements and Childrens Trusts structures.

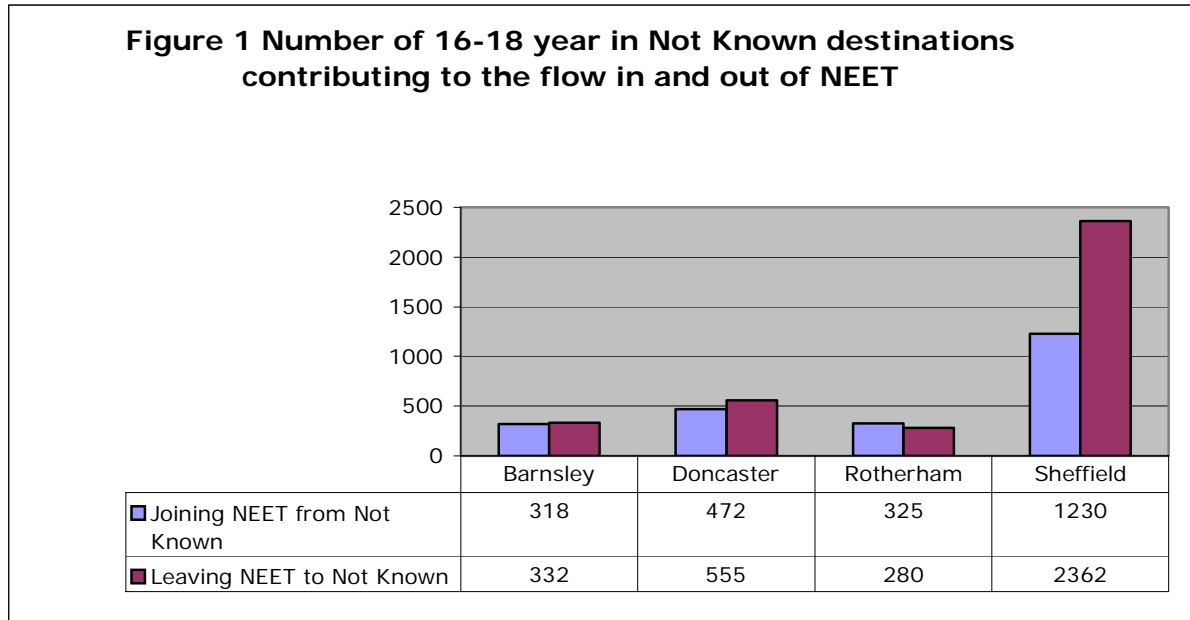
Section 4 provides specific case studies of Connexions support to young people.

#### **Recommendation**

- 1 That Members note the report**

## Section 1 - Additional Data Analysis

### 1.1 Characteristics of the Not Known Cohort



- It can be seen from Figure 1 that lost contact/re-established contact contributes significantly to NEET numbers across South Yorkshire. The pattern over the last year suggests that as Not Knowns decrease, NEETs increase. In particular Sheffield has a worryingly high number of young people for whom contact is lost

### 1.2 Percentage of Young People Not Known by Age

Figure 2 provides a breakdown of the percentage of young people categorised “Not Known” by age.

**Figure 2 - Not Known by Age**

	% of all those young people whose destinations are Not Known by age (December 2005)			
	16	17	18	No. Not Known
<b>CSY</b>	4.7%	38.2%	57.1%	<b>6432</b>
<b>Barnsley</b>	2.8%	43.8%	53.5%	<b>1371</b>
<b>Doncaster</b>	4.2%	39.8%	56.0%	<b>1719</b>
<b>Rotherham</b>	4.2%	42.1%	53.7%	<b>1640</b>
<b>Sheffield</b>	7.3%	28.1%	64.6%	<b>1702</b>

- The number of young people “Not Known” increases with age and the pattern is similar across all boroughs with the exception of Sheffield where there is a large increase in percentage between 17 and 18 year olds. This is probably attributable to limited data sharing with Job Centre plus
- The increase in the percentage “Not Known” figures between 16 and 18 is 52.4% across South Yorkshire (Barnsley 50.7%; Doncaster 51.8%; Rotherham 49.5%; Sheffield 57.3%)

### 1.3 Not Known by Ethnicity

Figure 3 shows the percentage numbers of Not Known by Ethnicity

- Across Connexions South Yorkshire BME young people constitute 7.4% of all Not Knowns
- Barnsley, Doncaster and Rotherham all record a figure of less than 5% for BME young people
- The proportion of BME young people within Sheffield’s overall Not Knowns is worryingly high at 14.9% but the borough is recording the lowest % of Not Knowns where ethnicity is also Not known

**Figure 3 - Numbers of Young People Not Known By Ethnicity**

	<b>Not Known by Ethnicity as a % of all NK 16-19</b>				
	<b>Non-BME</b>	<b>BME</b>	<b>NK Ethnicity</b>	<b>Total 16-19 in NK Destinations</b>	<b>Total Not Knowns as a % of 16-19 cohort</b>
<b>CSY</b>	80.9%	7.4%	11.7%	16491	<b>25.6%</b>
<b>Barnsley</b>	88.0%	1.2%	10.8%	2831	<b>27.5%</b>
<b>Doncaster</b>	82.1%	3.1%	14.8%	3701	<b>24.6%</b>
<b>Rotherham</b>	82.4%	4.3%	13.3%	3797	<b>26.6%</b>
<b>Sheffield</b>	75.9%	14.9%	9.2%	6162	<b>24.8%</b>

#### 1.4 NEET Comparisons with the Core Cities

Figure 4 illustrates the NEETs comparisons with the core cities:

- When comparing NEET performance of Connexions South Yorkshire with Core Cities, the results are mixed
- However it is concerning that the Not Known data recorded in the 4 SY boroughs are four highest figures after Birmingham. This would suggest that where other cities/areas are bringing their NEETS down alongside NKs, Connexions South Yorkshire is not

**Figure 4 - NEETS Comparisons with the Core Cities**

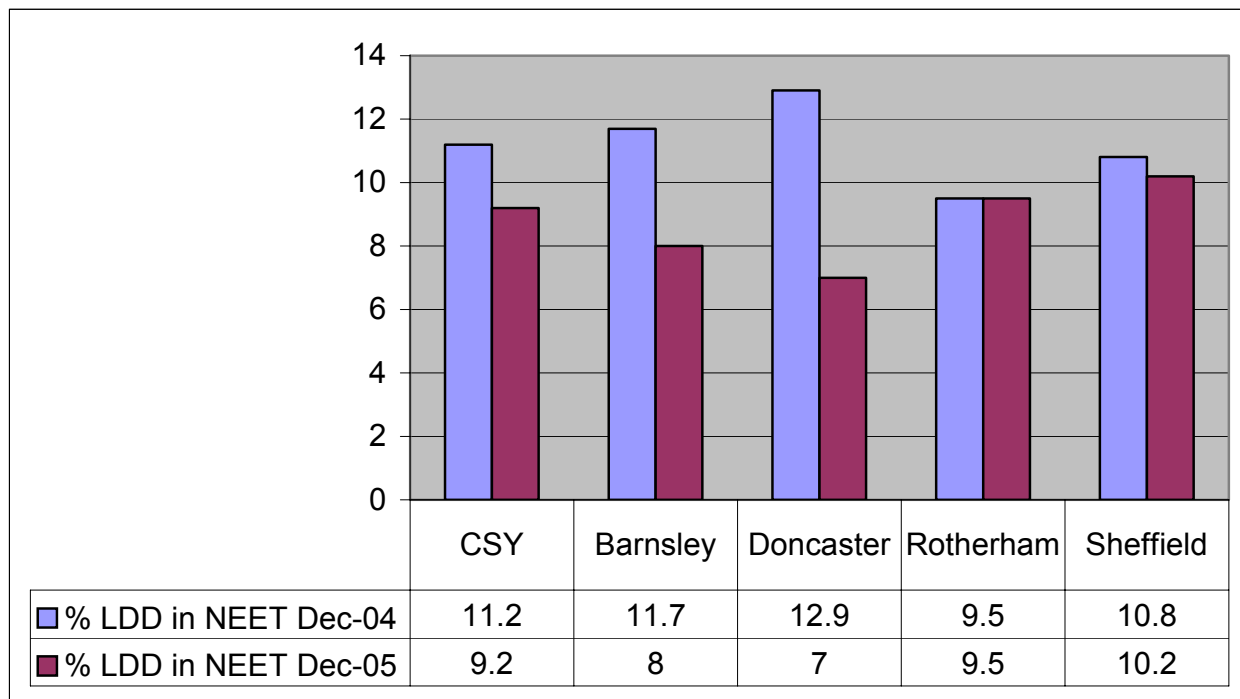
	December 2005	
	NEET	Not Known
<b>Birmingham</b>	14%	22.7%
<b>Barnsley</b>	13%	18.7%
<b>Liverpool</b>	11.70%	8.1%
<b>Doncaster</b>	11.50%	16.2%
<b>Manchester</b>	10.90%	3.6%
<b>Sheffield</b>	10.20%	10.2%
<b>Newcastle</b>	10.10%	7.9%
<b>Rotherham</b>	9.70%	16.5%
<b>Leeds</b>	9.70%	9.2%
<b>Nottingham</b>	8.70%	7.4%
<b>Bristol</b>	8.60%	6.2%

#### 1.5 Young People with Learning Difficulties and Disabilities (LDD) into NEET

Figure 5 illustrates the percentage of young people in the NEET 2004/2005 cohort with Learning Difficulties and Disabilities (LDD)

- Overall across Connexions South Yorkshire there has been a welcome decrease in LDD young people in NEET, particularly in Barnsley and Doncaster where the figures are significantly lower than the overall cohort figures for NEET

**Figure 5 - Young People with Learning Difficulties and Disabilities (LDD) into NEETS**

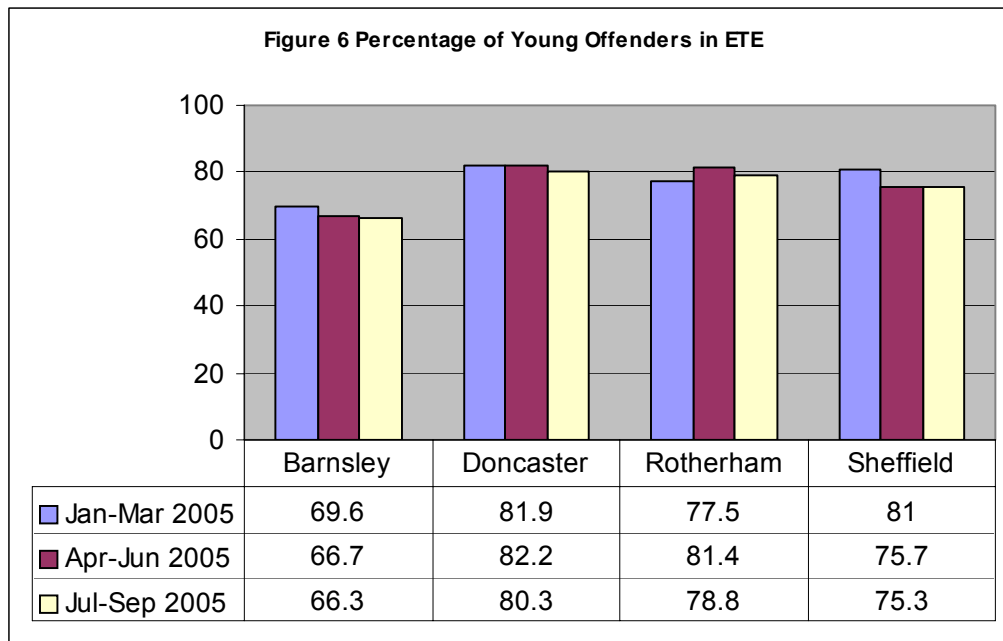


- The decrease is not as significant in Sheffield where the LDD figure and the overall cohort figure are identical and there has been no decrease in Rotherham with the LDD figure only slightly less than the overall cohort figure.

**1.6 Percentage Of Young People Supervised by Youth Offending Teams in Education, Training and Employment (ETE)**

Figure 6 provides a breakdown for the first three quarters of 2005 of the percentage of young people supervised by Youth Offending Services in ETE

- Youth Offending Teams have an overall target of ensuring that 90% of all the young people that they support are in ETE
- Over the three quarters, the percentage of young people supervised by YOT who are in ETE has decreased in Barnsley, Doncaster and Sheffield and shows an overall increase in Rotherham



- A further breakdown of the South Yorkshire data for the July to September period showed that 237 of the 263 school age children were in ETE (89% of the cohort) whereas only 243 of the 359 young people post 16 were in ETE (68 % of the cohort)

### **1.7 Underlying Reasons For Disengagement From Learning**

It is difficult to provide a robust analysis of the underlying reasons for early drop out from Further Education. Information drawn from the recent South Yorkshire NEETs Scrutiny Commission (Connexions South Yorkshire 2006), Youth Matters (DfES 2005) and the recent Transitions Report (DfES 2005) identify a number of factors which contribute significantly to young people becoming NEET, including:

- A lack of coherent Careers Education and Guidance curriculum in schools
- A lack of robust systems for planning and delivering coherent Information, Advice, Guidance and support in schools and colleges that support all young people to make informed decisions
- The need for a more coordinated approach across transitions to ensure earlier identification of, and better support to, young people at risk of disengagement due to inappropriate choice of courses lifestyle or personal circumstances

Young people were also consulted as part of the Scrutiny Commission regarding whether they fully understood the range of options open to them at 16. Many young people felt they understood clearly the options open to them, whilst others were still confused, and felt they had received very little information and support about this whilst they were still at school. All young people interviewed were aware of Connexions and its role. These responses support the wider



stakeholder view that CEG and transition planning is not consistent in terms of delivery across the sub region.

The NEETS Commission concluded that training providers need to work together with support agencies more effectively to improve information-sharing especially around retention. While there may be high levels of engagement with provision, there are many young people who drop-out, and early intervention is key to ensuring that young people are supported and do not remain NEET for long periods of time.

Linked to the idea of ensuring retention, the Commission concluded that schools must take a greater responsibility for the destinations of their students. While many students may initially progress positively, inappropriate choices can lead to a high level of drop-outs from post-16 provision. Where schools have a greater responsibility for the long-term outcomes of their students there will be a consequent need for a greater emphasis on ensuring correct decisions are made at school on future learning and employment opportunities.

Young people were also been consulted on their ideas as to why individuals become NEET. The responses identified issues, which fell into three categories: school-related reasons, lifestyle or personal reasons and work-related reasons.

A significant aspect of being NEET at 16 or becoming NEET through disengagement from learning were lifestyle and personal issues. These included

- Cost of travel, books
- Being homeless, in poverty or living in a 'bad' area
- Sexuality/Relationships/sexual activity
- Gang culture
- Lack of parental or family support
- Peer Pressure
- Lack of confidence
- Drug or alcohol issues
- Mental illness or general poor health
- Lack of ambition or drive – "Can't be bothered to do anything"
- Criminal record
- Poor transport in rural areas
- Pregnancy
- Young people in the care system tend to get a lot more money, help and support than other young people and this can act as a disincentive

Young people identified some specific areas of improvement which could reduce the likelihood of young people becoming NEET.

Specific things that they thought should be addressed in schools were:

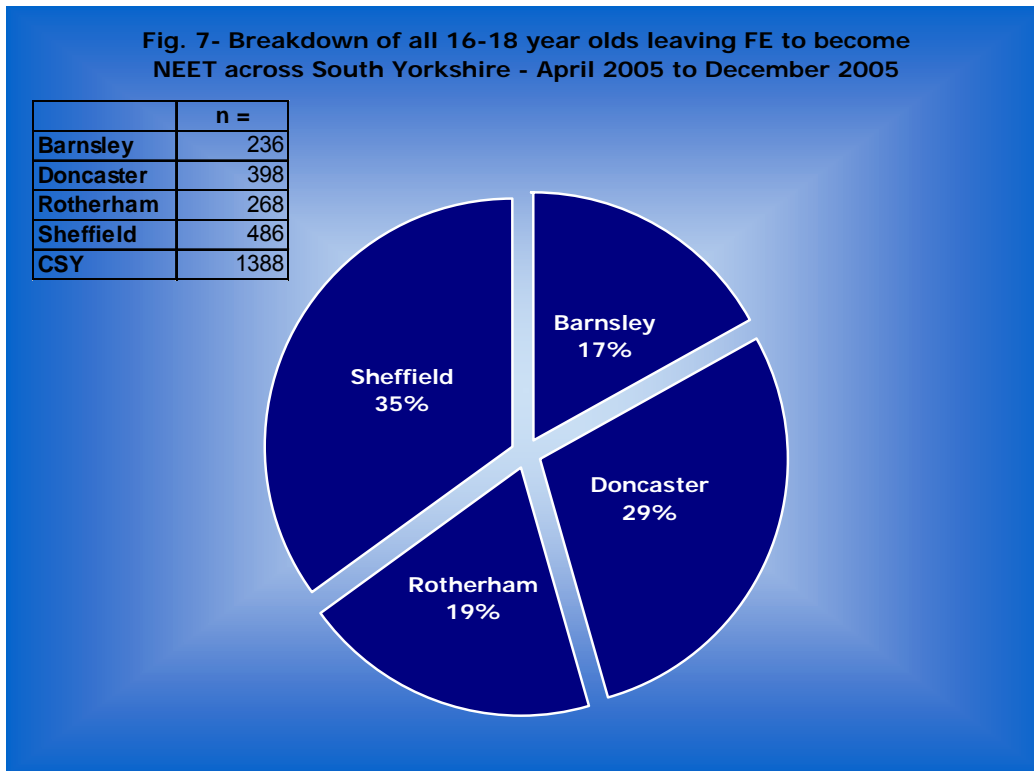
- Help to improve reading and writing
- Confidence groups to tackle the issue of self esteem, self confidence and general coping strategies, relationship issues and exam stress
- Notice boards within schools, colleges, youth service provision promoting services etc and guest speakers
- More Connexions services within schools but based on the model of the youth and community Personal Advisers (not just careers)

In terms of support services young people wanted:

- Better access to support services: open daily, including weekends; based in the community, out of school; support coming to individuals rather than them having to go to the support services
- Provision of specific help services, such as anger management courses
- Provision of more advice, support, training and volunteering opportunities: personal contact teambuilding and personal development support and information is key at the right time
- Provision of study areas and books/written advice so that people do not have to wait to talk to an Adviser
- Peer mentoring opportunities for young people
- More specialist provision to develop skills and experience (e.g. D.J'ing course, mechanics training) related to the job the young person is interested in
- Organisations to work more closely together to offer appropriate help and support when needed by young people, not when it suits the service provider or adult - "Stop pushing young people into inappropriate jobs or training providers when we all know they don't deliver."
- Make transport cheaper for everyone, and free for under 16's. Increase frequency of bus services, or provide more local facilities for people who live in remote areas, such as Dearne

**1.8 Analysis of Drop-Out from Further Education into NEET By Borough**

The data is a snapshot of young people's destinations between April 2005 and November 2005.



- Across Connexions South Yorkshire over the period April 2005 – December 2005 1,388 young people between the ages of 16-18 joined the NEET category having previously been in FE
- 52% of these 1,388 were 17 year old. 31% were 18 and 17% were 16
- Most of the young people were from the non-BME community (82.3%), 12.2% were BME young people and the ethnicity of 5.5% was not known

**Figure 8 - Barnsley**

16-18 year olds joining NEET from Post-Compulsory Education							
	Number	Age			Ethnicity		
		16	17	18	Non-BME	BME	NK
Male	98	14	53	31	94	0	4
Female	138	25	66	47	129	0	9
<b>Total</b>	<b>236</b>	<b>39</b>	<b>119</b>	<b>78</b>	<b>223</b>	<b>0</b>	<b>13</b>

- 58% of those young people leaving FE to become NEET are female, 42% male
- Across South Yorkshire Barnsley has the highest percentage of females leaving FE to become NEET and the lowest percentage of males. The gender split is most evident at 16 with 64% of this age group being female
- 16.5% of all NEET joiners from FE are aged 16, 50.5% are 17 and 33% 18
- There were no young people from the BME community becoming NEET from FE over this period
- The ethnicity of 6% of those becoming NEET from FE was not known

**Figure 9 - Doncaster**

16-18 year olds joining NEET from Post-Compulsory Education							
	Number	Age			Ethnicity		
		16	17	18	Non-BME	BME	NK
Male	186	36	96	54	168	12	6
Female	212	49	99	64	201	4	7
<b>Total</b>	<b>398</b>	<b>85</b>	<b>195</b>	<b>118</b>	<b>369</b>	<b>16</b>	<b>13</b>

- 53% of those young people leaving FE to become NEET are female, 47% male. Doncaster has the smallest percentage gap between genders across South Yorkshire
- 21% of all NEET joiners from FE are aged 16 (the highest percentage for this age group across South Yorkshire), 49% are 17 and 30% 18
- 4% of those young people becoming NEET from FE were from the BME community
- The ethnicity of 3.3% of those becoming NEET from FE was not known

Figure 10 - Rotherham

16-18 year olds joining NEET from Post-Compulsory Education							
	Number	Age			Ethnicity		
		16	17	18	Non-BME	BME	NK
Male	144	28	69	47	119	10	15
Female	124	22	69	33	104	10	10
<b>Total</b>	268	50	138	80	223	20	25

- 54% of those young people leaving FE to become NEET are female, 46% male
- 18.5% of all NEET joiners from FE are aged 16, 51.5% are 17 and 30% 18
- 7.5% of those young people becoming NEET from FE were from the BME community
- The ethnicity of 9.3% of those becoming NEET from FE was Not known – this is the highest percentage across South Yorkshire

Figure 11 - Sheffield

16-18 year olds joining NEET from Post-Compulsory Education							
	Number	Age			Ethnicity		
		16	17	18	Non-BME	BME	NK
Male	262	30	138	94	182	71	9
Female	224	30	133	61	158	57	9
<b>Total</b>	486	60	271	155	340	128	18

- 46% of those young people leaving FE to become NEET are female, 54% male
- 12% of all NEET joiners from FE are aged 16 (the lowest % for this age group across South Yorkshire), 56% are 17 and 32% 18
- 27.6% of those young people becoming NEET from FE were from the BME community – this is the highest % across South Yorkshire
- Of the 128 BME young people joining NEET from PCE, 56% were male and 44% female

### 1.9 Young People in Jobs Without Training

Figure 12 provides an analysis of young people in Jobs Without Training

- Across South Yorkshire over half of the young people who are in employment are not receiving training
- All boroughs are showing a percentage increase year on year except Doncaster where the figures have dropped by 2.4%
- In Rotherham there has been a considerable increase of 6.1% since December 2004
- Young people in employment without training contribute to the flow in and out of the NEET to a greater extent than those in employment with training ie if they have a job with training they are more likely to be secure in employment

**Figure 12 - Analysis of Young people in Jobs Without Training**

	December 04			December 05		
	Numbers of 16-18 in JWT	No. of Young people in all Employed categories	JWT as a % of all YP in employment	Numbers of 16-18 in JWT	No. of Young people in all Employed categories	JWT as a % of all YP in employment
<b>Barnsley</b>	769	1493	<b>51.5%</b>	797	1498	<b>53.2%</b>
<b>Doncaster</b>	1417	2582	<b>54.9%</b>	1145	2179	<b>52.5%</b>
<b>Rotherham</b>	1052	1992	<b>52.8%</b>	1078	1829	<b>58.9%</b>
<b>Sheffield</b>	1423	2678	<b>53.1%</b>	1604	2941	<b>54.5%</b>
<b>South Yorkshire</b>	4661	8745	<b>53.3%</b>	4624	8447	<b>54.7%</b>

- 48.4% of young people currently in employment without training were previously in positive destinations (training, education, employment without training). This is almost double the reverse scenario with 24.5% of those currently in positive destinations having left employment without training

Of those young people who left employment without training destinations, 64 % became unemployed and only 9.6% went into education.

## Section 2 - Young People's Feedback

### 2.1 Awareness of Connexions and Views on Service Delivery

The most recent comprehensive survey by BMRB (Customer Satisfaction Survey – 2004) which interviewed 1,220 Connexions users in the South Yorkshire Partnership showed that:

- Awareness of Connexions was very high; 95 per cent were aware of the Service before being contacted for the survey
- Across age groups, 93% of 13-15 year olds were aware of Connexions, 97% of 16-17 year olds and 95% of 18-20 year olds
- 94% of young people from BME communities were aware of Connexions, 95% from non-BME communities
- Similar to other Connexions Partnerships, awareness of other services was significantly lower than awareness of Connexions: 26% of respondents were aware of Connexions and 5% of the Connexions Youth Charter. 41% of respondents were aware of Connexions Direct.

In 2005 Connexions South Yorkshire also undertook a piece of focused group work with young people which identified the following:

- **Support from PA** - The young people interviewed had received varying degrees of help from their PAs around returning to or remaining in education and exploring employment and training options. In addition to this help the young people also received emotional support from their PAs. Through being able to talk to their PA and express their feelings they had been encouraged to open up, address family problems and make decisions for themselves.
- **Service Received** - The young people greatly valued the help they had received from the Connexions service. They discussed how the advice had opened up options to them they did not think were possible in terms of accessing training courses and helping them to develop the skills they needed to enter work.
- **Contact with PA** - The importance of ongoing contact with one PA was emphasised by all young people. In each case the young people had been in touch with Connexions for some time and had very regular contact with their PA. The importance of this regular, long-term contact was attributed to the need to be able to build a friendship and develop trust with the adviser. The fact that the PAs were easily contactable was also cited as a positive aspect of the service. The young person in education was able to drop into the PAs office in the school/college at anytime whilst the teenage mother and young traveller had PAs who visited them in their homes.
- **Impact of Connexions South Yorkshire** - When asked about the impacts that Connexions had made on them these young people believed they would have been unemployed without the service. Also, it was said that they would not have achieved what they were currently doing without the help of their PA.

- **Awareness** - Improving the awareness of what age range Connexions works with to ensure young people are targeted at an early age. It was also suggested that young people in Year 6 should have access to Connexions in order to target travellers who usually opted-out of education at this time in favour of home tuition. Do more to attract young people into the local Connexions office – the young people wanted it to be made clear what Connexions was and how it could help people similar to them, including putting up posters explaining to people about the role of Connexions.
- **Better Delivery** - Increase the way Connexions delivers the service – there were requests that videos be made available for personal problems such as racism, bullying and drugs with case studies of real young people describing their experience and how Connexions had helped them. They also felt that meeting with PAs in a range of places (eg for tea/coffee) should be encouraged as it provided a change of scenery and was less formal.

(Connexions South Yorkshire Summer 2005)



### **Section 3 - Transition Issues**

At the December meeting of the Performance and Scrutiny Overview Committee Connexions South Yorkshire posed a number of key questions in relation to the alignment of future Connexions Services development within local arrangements for the development of Youth Support services and the implementation of the Local Area Agreement. Progress is as follows:

#### **3.1 Consideration of the retention of the Connexions brand within future Youth Support services.**

Recent discussions within the four boroughs suggest that there is substantial commitment to retaining the brand in the short term but at this stage it is not clear whether this would be an overarching brand for all services for teenagers or simply for particular elements of service delivery eg targeted. Connexions South Yorkshire is continuing discussion with Local Authorities to explore how the “service offer” could remain consistent if the brand is continued in a sub regional context.

#### **3.2 Consideration of Future Commissioning Arrangements for Information Advice and Guidance**

Local Authorities were asked to consider how future commissioning arrangements will retain impartial information advice and guidance which is fully informed by and meets the needs of the local economy. The four Local Authorities, as members of the Connexions Advisory Group, have affirmed their commitment to retaining a sub-regional forum to share information on labour market intelligence to inform IAG commissioning arrangements and address cross boundary issues in relation to sub regional data analysis and tracking.

#### **3.3 Development of the Youth Offer**

Local Authorities are currently considering how they will develop a “Youth Offer” for all teenagers, which will include the minimum requirements identified in relation to IAG and sport and other youth activities. Each Local Authority is currently working with the Connexions South Yorkshire team to develop a transition plan for the Connexions service. In Rotherham and Barnsley a key component of the transition plan is the development of an IAG offer, which will be incorporated in the specification for Connexions activity and Youth Support service development. As yet there is no indication as to how future funding will be allocated for targeted and universal provision. The vehicle for commissioning of Connexions activity beyond 2006/7 is as yet unclear. These will be determined through local Governance arrangements with the Children and Young Peoples Trusts.

### **3.4 Local Area Agreements**

The introduction of Local Area Agreements (LAAs), allows DFES to route Connexions funding to local areas within the Children and Young People block of funds. Sheffield, Barnsley and Doncaster are all first phase pilots of LAA's and Rotherham is a second phase pilot. The Local Area Agreements have a Children and Young People's block and from the 1 April 2006 that the Connexions funding can be included within the LAA. In Barnsley, Doncaster and Rotherham it has been agreed that Connexions funding will continue to be aligned within the LAA. Sheffield, has confirmed that it will be withdrawing its commitment to the current Host Body arrangement at the end of the current financial year and will take on Connexions through the Local Area Agreement commissioning arrangements from April 2006. Therefore from April 2006 Connexions will no longer be delivered as a sub regional service across South Yorkshire. Barnsley, Doncaster and Rotherham will continue with the Host Body arrangement through Rotherham MBC until the end of March 2007 to facilitate a coherent transition for Connexions activity into the new Children's and Young People's Services arrangements.

Rotherham, Barnsley and Sheffield all include LPSA NEET stretch targets in their Local Area Agreements which will accelerate progress towards the achievement of the 2010 NEET target.

### **3.5 Transition to the Childrens Trusts**

Local Authorities need to consider how best to support and manage the coming together of LAAs. Children's Trusts and Green Paper developments by March 2008.

It is important to continue to work together to manage cross boundary issues in terms of provision of Youth support services particularly post 16 and these areas will be explored by the sub regional Connexions Advisory group. There is a range of - current sub regional activity on Management information and tracking, learning and labour market information and resources, CEG QA standard, which provide added value. The four local authorities need to retain and build on this collaboration.

## Section 4 – Connexions South Yorkshire Case Studies

### Case Study 1

<p><b><u>Partnership name</u></b>  <b>Connexions South Yorkshire</b></p>
<p><b>Issues/Background/Current circumstances of young person</b>  <i>(Including information on age, current situation e.g. at school, barriers to learning, previous assessments undertaken, strategies to address barriers attempted, other agencies – e.g. YOT involvement)</i></p>
<p>A was in Year 10 and was referred to me in June 2003, having been out of school for 3 months. She was suffering from an eating disorder and an in-patient at a specialist clinic in XXXXXX that is dedicated to the treatment of eating disorders and alcohol detox. However she was on roll at a school in YYYYYY. Before her illness, A was a high achiever and had been predicted A*'s at GCSE, however her illness meant she was unable to attend her own school.</p> <p>A was receiving little or no support from school because of the proximity of her school in YYYYYY and the clinic in XXXXXX. She was working with a key worker in the clinic, and here parents were very supportive in gaining support for A to begin to re-engage in some form of education.</p> <p>I met A in the clinic and undertook an assessment of her needs, pertaining to her education, as I was aware she was receiving specialist counselling and support to address other issues. Through discussion with A, her mother and keyworker, it became clear that she needed to reintegrate into a place that allowed her to socialise and possibly meet new people, as she had become isolated from her peers whilst in the clinic.</p> <p>It became clear that A was only in a position to access education in XXXXXX because of her location. However this presented difficulties because she was on a YYYYYY school roll.</p> <p>I contacted XXXXXX College, but initially they refused to accept A because of this. I realised that we would face difficulties and so made a referral to the home education service in YYYYYY who would provide tutoring in A's home (ie the clinic) They also initially refused to work with A because she was in XXXXXX.</p> <p>I challenged both decisions but the college were still certain they could not help, particularly because of issues of funding and being across area. However when I was able to guarantee funding from the school direct to the college, they then found a place. Initially they offered maths GCSE, but then English. This allowed A to access the college site and begin to meet people her own age. I also pursued the home education service and they agreed to offer tutoring in GCSE's in art and sociology and to visit A at the clinic in XXXXXX.</p>

**Action taken/PA involvement**

*(How and by whom was the young person referred, PA's initial assessment activity, including use of APIR Framework if appropriate, intervention activity/support offered/networking undertaken and involvement of parents or other agencies)*

Because of the difficulties in securing provision in XXXXXX, I also looked at A moving school roll to XXXXXX LEA, and was supported in this by the re-engagement team in YYYYYY. They also provided information and guidance on how to secure the funding to pay for the college place, and attended meetings in school to ensure the money was released

I co-ordinated the network of support for A and was the link between A, school and parents.

When A came to take her GCSE's in summer, she sat Maths and English at college. However she was anxious about returning to school to sit art and sociology. I arranged a separate facility for A to take her Sociology exam and also for her to sit her art exam at home, which I invigilated.

**Outcome/The results of PA's intervention**

*(Distance travelled, any difficulties encountered, success of PA's intervention, where young person is now)*

A was able to take 4 GCSE's and will be going to 6<sup>th</sup> form at her school in YYYYYY. She is doing very well and positive about her future.

**PA's analysis of case study**

*(Highlighting assessment of activity, networking undertaken, success or otherwise of intervention, learning points for the Connexions Service, any gaps in provision and any training needs for PA or colleagues, that have been identified)*

**Key learning points:**

PA role was vital in challenging decisions made XXXXXX College and home tuition service in YYYYYY.

It should not be so difficult to access provision out of area; this is not an isolated case.

Positive partnership working between key agencies:

- PA
- Re-engagement team in YYYYYY
- School in YYYYYY
- Home tuition service
- XXXXXX College
- Clinic in XXXXXX

PA role co-ordinated all professionals on behalf of A

We need to have a greater understanding of provision in other areas and referral procedures in place.

School were unable to provide this high level of support because all of the work undertaken happened outside of school.

**Case Study 2****Partnership name****Connexions South Yorkshire****Issues/Background/Current circumstances of young person***(Including information on age, current situation e.g. at school, barriers to learning, previous assessments undertaken, strategies to address barriers attempted, other agencies – e.g. YOT involvement)*

E was referred to me in the middle of September 2004, at the age of 15 years. At the time of the referral, E's attendance at school for the previous academic year was 18%.

E had settled into Secondary School during year 7, however, problems began to arise in year 8 when E frequently absconded from school. During year 9, a transfer to another local school was looked into but E decided not to go ahead. Throughout this year a number of internal school attendance panels were held to try and improve E's record of attendance but to no avail. A partial timetable was offered to E and full access to a Learning Mentor in order to provide E with support within school. A referral was also made to the school's Pupil Support Centre. When E attended the centre, E worked well and responded well to staff. However, despite such efforts, E continued to abscond from school and attendance was very poor.

E often made allegations of bullying by her peers. Any incidents of bullying were followed up immediately and the pupils involved dealt with accordingly.

E's home life was also very unsettled which was having a detrimental effect on E's behaviour both inside and outside school. Despite evidence of concern and affection shown between mother and daughter, due to the number of people living within the household, E's mother was finding it increasingly difficult to deal with E's behaviour. E's mother offered to escort E to school and provide support whilst there but due to E frequently absconding from the home, she was unable to do this. Whilst truanting from school, E was extremely vulnerable and was being exploited by older members of society. Social Services became involved with the family and attempts were made to befriend E in order to encourage a return to school. However, the case worker found it extremely difficult to meet with E as appointments were often not kept and the case worker evaluated that, at that point, E could not be engaged. E did access some support from XX Drug agency, which she used as a drop in service whenever she needed the support.

### Action taken/PA involvement

*(How and by whom was the young person referred, PA's initial assessment activity, including use of APIR Framework if appropriate, intervention activity/support offered/networking undertaken and involvement of parents or other agencies)*

E was referred to me via Provider Forum on September 16<sup>th</sup> 2004 and I made contact as soon as possible. When I initially spoke to E over the phone, she expressed concerns at meeting me in a public place and preferred for me to meet her within her home environment. I explained that this was something I was able to do but for health and safety reasons, a colleague would have to accompany me. E was happy for the visit to go ahead.

During this visit, E expressed a desire to make a fresh start, and although nervous about the prospect of attending the Pupil Referral Unit, she felt that this is what she wanted to do. I arranged for E to visit the unit with her mother in order to have a look around and to fill in the necessary paper work. E appeared extremely comfortable during this visit and was happy at the prospect of starting on a partial timetable as soon as possible. However, when the day arrived, E was extremely scared and refused to attempt any lessons. She demonstrated a hostile attitude towards her mother and became very angry with the young people around her. I encouraged E's mother to leave E with me as she would not engage in anything I had to say whilst displaying such anger. E's mother left happy with the fact that I would provide E with the support she required. Eventually E did engage with some academic work but it was apparent that for such work to take place in the classroom, this was going to be an extremely slow / gradually process. I discussed this with E and explained that we would take one day at a time. When E came into the unit the following day, she left her mother at the door and despite working by herself, began some ASDAN work. However, following a small period of illness and the half term holiday, E refused to attend the unit again, explaining that she felt extremely nervous with the young people attending the Pupil Referral Unit and could not deal with the noise levels. E continued to meet with me regularly, which on a number of occasions, happened to be twice a week. I observed that E very rarely left the home during the day unless it was to the local supermarket with her family. She asked me to take her some academic work in order to occupy her and continued to show an interest in a possible work experience placement so a referral was made.

Following discussions with my line manager, I decided that due to her outburst of anger and her dislike of working in groups, that a referral to home tuition was more appropriate for E. E and E's mother were extremely happy for this to go ahead.

Whilst waiting for this referral to be processed I attempted to develop E's social skills. I suggested meeting at a local supermarket which would encourage E to leave the house by herself and would enable me to hold a discussion without the presence of the family. However, whenever such meetings have been planned, E has rung to ask if we could alter the venue. However, E continually kept our appointments within the home.

I had discussed with E the possibility of her attending a girls group run by the Youth Service as she regularly expressed a wish to develop her self-esteem. However, despite my offer of intensive support in attending this group, when the time arrived E refused to attend.

Through my assessment with E and information gathered from E's previous school, it was apparent that E is academically able. When discussing E's post 16 options, she continually expressed her wish to attend YYYYYY College. She realised that socially this would be difficult

for her but would like to apply for a Hairdressing course. E completed her application form for YYYYYY College and I organised for a Careers Guidance PA to visit E within the home. During this interview, E also expressed an interest in the E2E programme and agreed to visit the local training provider with me. E received an interview for YYYYYY College and despite some hesitation, she kept her appointment with me and I supported her through the interview.

E's referral to home tuition was processed surprisingly quickly. However, E rejected the initial tutor because she did not feel comfortable working with a male.

**Outcome/The results of PA's intervention**

*(Distance travelled, any difficulties encountered, success of PA's intervention, where young person is now)*

E has been offered an unconditional place on the Hairdressing course at YYYYYY College to start in September 2005. However, she is beginning to express concerns at the thought of attending this placement and has begun to consider employment as a more desirable option for her. I plan to support E with a visit to the Connexions Centre for an information session.

E is awaiting a female home tutor and continues to meet with me on a weekly basis. I feel that due to E's nature, she will require continued intensive support and when the time comes for her to leave school, I plan to make a referral to a Youth Service Personal Adviser as I feel that they will be able to provide the intensive, community support that E so desperately requires. Behaviour Support PA's have already met with the Youth Service Connexions PA's in order to plan a smooth and successful hand over of young people like E.

**References**

**Youth Matters** (2005), DfES

**NEETS Scrutiny Commission** (2005), SYLSC and Connexions South Yorkshire

**Transitions: Young Adults with Complex Needs** (2005), Social Exclusion Unit

**Improve Your Connexions**, Connexions Service Customer Satisfaction Survey, (June 2004), BMRB





# **The Corporate Procurement Strategy**

**Draft 3**

**March 2006 – March 2009**

**Document History****Revision History**

<b>Date</b>	<b>Issue No</b>	<b>Summary of Changes</b>
31/10/05	Draft 1	Initial draft for review.
25/11/05	Draft 2	Minor changes made as a result of consultation.
17/01/06	Draft 3	Restructure of document - actions removed from body of document and replaced with summary of actions. Action plan in appendix further streamlined and developed. Other minor changes as a result of consultation and approval process.

**Approvals**

This document requires the following approvals.

<b>Meeting</b>	<b>Name</b>	<b>Title</b>	<b>Date</b>	<b>Version</b>
CMT	Carol Mills	Executive Director of Corporate Services	14.11.05	Draft 2
Cllr Wyatt	Cllr K Wyatt	Member for Customer Services and Innovation	16.01.06	Draft 2
Cabinet	Cllr K Wyatt	Member for Customer Services and Innovation		Draft 3

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**Corporate Procurement Strategy ( Feb 2006- Feb 2009 )**

**Introduction from Cllr Wyatt**

“Over recent years procurement has been an increasingly important activity for the council.

In simple terms procurement is about buying the goods and services that the council needs to operate, but it also includes the commissioning and construction of new buildings. It is true to say that procurement is about everything from pens and paper-clips to PFI and strategic partnerships.

The process should not be seen as an end in itself, rather procurement should be seen as the way that the Council uses its’ purchasing power to deliver the strategic objectives of the authority.

Procurement can and will play a significant role in helping to deliver the five priority themes adopted by the authority and set out in our Corporate Plan :- Rotherham Learning, Achieving, Alive, Safe, Proud and the two cross cutting themes of Sustainable Development and Fairness.

The procurement process is about seeking best value for our citizens and contributing to the social, economic and environmental well being of the Borough. The starting point for better procurement is the development of a procurement strategy and I am very pleased therefore to write this introduction to the document.

The Councils’ Procurement Panel will continue to oversee the performance of the strategy. In addition to obtaining value for money we shall seek to ensure procurement activity is coherent and controlled, that equality and sustainability is factored in and that staff have the development opportunities that will enable continuous improvement.

As to recent developments, our newly introduced e-procurement system can be a powerful tool and officers from the Audit Commission have given us positive and encouraging feedback.

Political and managerial leadership will continue to drive the agenda on capacity building, effective partnerships, stimulating markets and seeking to achieve community benefits. We will seek to strengthen our links with the Voluntary and Community sector so that through our commissioning processes we are better placed to improve the economic and social wellbeing of the local community.

All who are involved in the procurement process recognise the key factor their work plays in meeting service users’ needs. I would like to thank them all for their hard work and dedication.”

*Councillor Ken Wyatt - Cabinet Member Customer Services and Innovation.  
Procurement Champion RMBC*

## **Executive Summary**

The previous Corporate Procurement Strategy focused on the centralisation of the procurement function and the introduction of e-procurement - both through RBT - a joint venture company formed between the Council and BT plc in 2003. RBT procures the Council's bought in goods and services, but there is still substantial procurement activity carried out elsewhere in the Council. The other main areas of procurement and commissioning are to be found in Construction, PFIs (private finance initiatives) and other partnership procurements, and Social Services.

The Council recognises that following the successful creation of the RBT Procurement Service, there is a need for an overarching Corporate Procurement Strategy which guides and informs all procurement activity within the Council. This strategy aims to fulfil that purpose.

The profile of procurement has increased nationally in the last few years, with the Efficiency Review and the National Procurement Strategy setting targets and milestones for local authorities to achieve. The Efficiency Review applies to procurement because of the savings that can be achieved by the reduction of total cost of acquisition and the efficiencies that can be made by improving our internal processes. The National Procurement Strategy also addresses this but also tasks local authorities to achieve community benefits through procurement. This strategy sets the agenda to enable the Council to meet these demands.

This strategy supports Rotherham's Community Strategy and the Council's Corporate Plan showing throughout how each action will contribute to at least one of the Council key priorities.

The procurement vision directs this strategy:

"The Council will procure goods, services and works by the most economic, efficient, effective, and sustainable means to ensure that the needs of the community are met, within a clear framework of accountability and responsibility. In doing so, the Council will strive to become best in class by adopting world-class procurement practices and techniques".

Following the four main themes of the National Procurement Strategy; leadership, partnering, electronic procurement and achieving community benefits, the strategy will in turn describe the Council's current position, the vision for the next three years, and what actions will be required to achieve that vision.

In order to drive this strategy through, the Council will form a Procurement Panel which will consist of procurement managers from across the Council, and representatives from departments with a stake in what is achieved. This panel will develop an action plan for the implementation of the strategy, and set local performance indicators to help the Council measure the success of this strategy and the procurement function as a whole.

### **Definition of Procurement and Value for Money (VFM)**

The National Procurement Strategy for Local Government defines procurement and value for money as:

“Procurement is the process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.”

“...obtaining “best value for money” means choosing the bid that offers the optimum combination of whole life costs and benefits to meet the customer’s requirement. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The council’s requirement can include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that best meets the requirement.”

With a procurement spend of approx £140m per annum, the Council has a duty to deliver value for money coupled with effectiveness and quality. The taxpaying public expects no less and those involved in the procurement of works, goods and services, whatever their capacity, are uniquely placed to directly impact on that.

## **The Wider Context**

In recent years it has been widely recognised that procurement has a large part to play in contributing to the efficiency and success of local government. This has dramatically increased the profile of procurement in Central Government leading to a number of recent Government policies and agendas:

### The Efficiency Review

The Government's Spending Review statement effectively sets every local authority a target for efficiency gains of 2.5 % per annum for each of the next three years - with the current year acting as the baseline. A key point with the overall target is that at least one-half of efficiency gains should be "cashable" (i.e. resources actually able to be redirected rather than securing improved efficiency through heightened productivity).

The review envisages that efficiencies will fall into 4 broad categories:

- Corporate services
- Procurement
- Transactional services
- Productive time

The Regional Centre of Excellence (RCE) – The Yorkshire and Humberside RCE in this case - working in partnership with other key regional players, will be the lead change agent in each region. Originally set up to lead on procurement, they will now have a much broader role, particularly in relation to transactions and corporate services, and they may also work with authorities across the service sectors. They will act to identify and disseminate best practice, promote partnerships, act as a focus for procurement consortia, strengthen training in procurement skills and monitor progress towards efficient ways of working across their regions. The Council will actively respond to the Efficiency Review requirements, by contributing to and working with the RCE, and fulfilling the requirements laid down by the agenda.

### The National Procurement Strategy

The Council is required to respond to the requirements of the National Procurement Strategy for Local Government (2003), which sets out how local government, working together with partners from the public , private and voluntary sectors should set about improving procurement. Taking its lead from the key messages and milestones prescribed by the National Procurement Strategy, this document will look at the actions required to ensure Rotherham Council's procurement processes are effective, efficient and sustainable.



## **Community Strategy and Corporate Plan**

The Council and its partners have worked together to develop a new vision for the borough under 5 priority themes which will steer progress over the next 5 years.

*Rotherham Learning* - people will be recognised as being informed, skilled and creative, innovative and constructively challenging. They will be self-confident and have a sense of purpose. They will aspire to develop and achieve their full potential in their chosen careers, work, leisure and contributions to local life. Learning and development opportunities will be available and accessible to all. Through this enabling, learning environment, involvement and entrepreneurship will be encouraged.

*Rotherham Achieving* - Rotherham will be a prosperous place, with a vibrant, mixed and diverse economy, and flourishing businesses. Inequalities between parts of the borough and social groups will be minimised. There will be an excellent town centre known for the high quality design of its public spaces and buildings, specialist and quality shops, markets, and cultural life for all age groups. Rotherham will be accessible from other areas and will have a wide choice of integrated transport options available. Villages and rural areas will be revitalised and provide high quality of life among Rotherham's beautiful countryside.

*Rotherham Alive* - Rotherham will be a place where people feel good, are healthy and active, and enjoy life to the full. Health services will be accessible and of a high quality for those who require them. Rotherham will celebrate its history and heritage - building on the past, and creating and welcoming the new. People will be able to express themselves and have opportunities to be involved in a wide range of high quality cultural, social and sporting activities. The media, arts, literature and sport will flourish. As a society, we will invest in the next generation by focusing on children and young people.

*Rotherham Safe* - Rotherham will be a place where neighbourhoods are safe, clean, green and well maintained, with well-designed, good quality homes and accessible local facilities and services for all. There will be attractive buildings and public spaces. Communities will be peaceful but thriving, relatively free from crime and the fear of crime, drugs and anti-social behaviour. Environments, people and businesses will be protected and nurtured. Children will be safe from harm and neglect. A preventative approach will be taken to minimise crime, accidents and hazards; and to further strengthen resilience and thus safeguard all Rotherham citizens.

*Rotherham Proud* - Rotherham people, businesses and pride in the borough are at the heart of our vision. Rotherham will have a positive external image and its people will be renowned for their welcome, friendliness and commitment to the values of social justice. Active citizenship and democracy will underpin how Rotherham works. Achievements and diversity will be celebrated. Rotherham will be a caring place, where the most vulnerable are supported. It will be made up of strong, sustainable and cohesive

communities, both of place and interest, and there will be many opportunities for people to be involved in civic life and local decision making. The means to do this will be clear, well known and accessible.

*And two cross cutting themes:*

*Sustainable Development* - Rotherham will be a place where the conditions are right to sustain economic growth, the well-being of its citizens is prioritised and there is a high quality living environment sustained through minimising harm from development. Rotherham will be recognised locally, nationally and internationally for the positive impact of all organisations being excellent in sustainable development best practice.

*Fairness* - All individuals in Rotherham will have equality of opportunity and choice. Rotherham will provide open and accessible services. We will treat each other with fairness and respect, and our diverse needs and strengths will be understood and valued. Rotherham will actively challenge all forms of prejudice and discrimination and ensure that all the priorities encompass an equalities approach.

In addition to these themes, the Council is aiming to continue improving its own effectiveness and efficiency, and so be rated "Excellent Council" by the Audit Commission's CPA process by 2008. A Corporate Improvement Plan 2005-08 has been developed to help focus the organisation on strengthening the following areas

- Translating our ambitions into action
- Strengthening governance arrangements
- Strengthening performance management
- Delivering Value for Money
- Providing effective political leadership and management
- Effective consultation, involvement and community leadership
- Effective workforce development
- Delivering higher quality services

In order to achieve Excellent Council status, we must evidence efficient use of the resources block, of which value for money is an important element. A use of resources score of less than 3 (consistently above minimum requirements – performing well) will prevent a council from becoming excellent.

## **The Vision for Procurement**

“The Council will procure goods, services and works by the most economic, efficient, effective, and sustainable means to ensure that the needs of the community are met, within a clear framework of accountability and responsibility. In doing so, the Council will strive to become best in class by adopting world-class procurement practices and techniques“.

## **Approach**

The Council’s approach to procurement is to achieve best value through effective procedures and robust option appraisal leading to a clear mix of service and goods provision. The Council can demonstrate its strength in building sound relationships through a variety of models such as PPPs, PFIs and JVCs whilst recognising the value for money that small, local businesses can offer. It has also built firm foundations on which to strengthen its links with the Voluntary and Community Sectors via a Compact with the third sector. In addition to this, having already met level 2 of the Equality Standard for Local Government, we have set the clear target of achieving level 3 by the end of December 2005 and Procurement will contribute to this achievement.

## **Who this strategy is aimed at:**

Members

Executive Directors

Procurement Officers

Budget Holders

ODPM, The Audit Commission and other external inspection agencies

## **Objectives of Procurement Strategy**

### *VFM Achieved*

To improve procurement processes and systems in a way that savings and VFM are achieved so that money can be directed to Council priorities.

**This supports the Excellent Council Priority**

### *Legal Procurement*

To implement best practice procurement through the training and communication of robust policies and procedures, so that all procurement is carried out within the context of procurement legislation and the Council's financial regulations and standing orders.

**This supports the Excellent Council Priority**

### *Governance*

To capitalise on our partnerships by implementing and working within robust frameworks so that effective governance and contract management is achieved.

**This supports the Excellent Council Priority**

### *Sustainable Procurement*

To develop procurement processes and procedures to foster sustainable development so that the well being of Rotherham's environment is maintained and VFM is achieved.

**This supports the Excellent Council Priority and the Sustainable Development Priority**

### *Stimulated Markets*

To operate a range of service providers by using inclusive procurement procedures and robust option appraisal, in order to contribute to the health of Rotherham's economic community and achieve VFM.

**This supports the Sustainable Development Priority, the Fairness Priority, the Rotherham Achieving Priority and the Excellent Council Priority**

## **The Current Procurement Framework**

The Council has made some complex and innovative decisions to develop major strategic partnerships with the clear aim of improving services to customers and achieving financial savings.

### RBT (Connect)Ltd

In 2003 the Council and British Telecommunications plc (BT) created a 12 year joint venture company, RBT (Connect) Ltd, in order to provide essential business services its on behalf, in the following functional areas:

- Information Communications & Technology
- Revenues & Benefits
- Human Resources & Payroll
- Procurement
- Rotherham Connect

RBT Procurement has a target of £30 million savings to achieve over the length of the contract and through efficient working practices it aims to reduce its staff requirements saving a further £x.

We have completed stage one of the RBT / RMBC Service Improvement Plan (SIP) which involved:

- Centralising all procurement activity into one office space
- Setting standards and establishing best practice
- The introduction of Category Management
- The setting up of two teams -
  - Purchase to Pay (P2P) to handle all the transactional work
  - The Best Practice Procurement Team (BPPT) to concentrate on achieving savings

We have completed stage two of the SIP which mainly involved the introduction of e-procurement and across the Council.

Phase 3 of the SIP - which will be concerned with further e-enabling the procurement function - will form part of this strategy (see section 3 - "systems that allow business to be done electronically")

### Schools PFI Project

The Schools PFI Project involves a partnership between the Council and Transform Schools (Rotherham) Ltd, a special purpose company based on consortia of Balfour Beatty companies. The contract is to Design, Build, Finance and Operate 15 schools and linked community facilities for a period of 30 years from 1<sup>st</sup> April 2004.

The contract, signed in June 2003, includes 10 new build and 5 new build/refurbished schools (6 Comprehensives and 9 Primaries), integration of Young Peoples Centres, general community use, Space for Sports and Arts, Sure Start Centres, Children's Centres, Primary Care Trust, Social Services and Families Unit facilities.

Construction started in April 2003 and is programmed to be completed in December 2006. The first integrated Primary School, Young Persons Centre and Sure Start opened in April 2004. The capital cost of the project is over £94M. The Council was awarded £71.4M of PFI credits from the DfES as a contribution towards the costs of the scheme.

All of the existing schools came under the contract for facilities maintenance from April 2004. Caretakers transferred to Haden Building Management but cleaning and catering services were successfully won by the Council's in-house services (PSS and ECS).

The Council pays for services delivered via a monthly Unitary Charge, which is subject to reductions under a Payment and Performance Mechanism for Availability or Service failures. However the payment is based on the schools reaching full services availability, and the full unitary payment will not be reached until 2007/08 when all the schools will be complete and operational.

*Sport and Leisure Facilities and Maltby Joint Service Centre*

The above project is to be a Partnership contract to Design, Build, Finance, Operate and manage for 25 years. Part PFI, part private finance with an estimated value over £35M.

The project involves rationalisation of the Council's current swimming pools with the provision of four strategically located new build pools and a Joint Service Centre housing Council services and several partner organisations including the Primary Care Trust and the Police.

Currently the project is in the procurement phase with an anticipated contract close in summer 2006. Construction will take a further 2/3 years.

*Future Projects where Partnerships may be appropriate*

*Bereavement Services* – Including crematorium, cemeteries/burial services. This is likely to be a Public Private Partnership and is currently at OJEU notice for pre-qualification. The Invitation to Negotiate document to selected bidders is programmed for issue in December 2005.

*Waste Management* – There is a total package of services within the scope of project which is awaiting a Council decision on the preferred procurement option of service delivery.

*Rotherham Construction Partnership (RCP)*

RCP is the Councils strategic Construction partnership, covering the Councils own construction professionals, five external consultant partners and ten contractor partners. Managed by the Council's Asset Management service within its Economic & Development Service programme area, RCP was created, following a best value review, to deliver the National Construction Reform Agenda and provide greater Value for Money whilst improving the quality of the built environment. RCP procured its partners through OJEU and provides building construction expertise and delivery to all areas of the

Council, its partners and external clients. In 2004/05 RCP issued £31 million of construction works through delivering buildings such as:-

Schools, Health Buildings, Libraries, Offices, Customer Service Centres, Customer Contact Centres, Sure Start & Early Years, Community Buildings, Business Incubation Centres and Sports Facilities

### 2010

The Housing ALMO (Arms Length Management Organisation), 2010 Rotherham Limited, took over the running of the Borough's council houses in May 2005. The company is responsible for the management, repair and improvement of the Council's 23,000 houses. Its creation means that up to £330 million could be available in Rotherham in the period up to 2010 for the repair and improvement of homes through the Decent Homes Scheme.

It is intended that the Decent Homes Project will be run on a strategic partnering basis – similar in some respects to RCP with particular emphasis on supply chain issues.

The Borough Council will still own the houses but the authority will now delegate managing, repairing and improving them to the ALMO. Although fully owned by the Council, the company will not be controlled by it. 2010 Rotherham Ltd will have its own management board, made up of five tenants, five Councillors and five independent members.

### Social Services

Social Services commission a range of care and support services from external providers in both Adult Services and Children and Young People's Services. These services are procured in a context of a mixed economy of care and Best Value. Through partnership working with a wide range of national and local providers including organisations in the Voluntary Sector, other care and support services are also commissioned.

Social Services also procure a range of products and services which are ancillary to principal care but are necessary to operate care homes and other services – eg Food provisions, window cleaning, transport.

Specific work is being undertaken with providers to stimulate growth in the domiciliary market where capacity is stretched to meet existing and predicted future demands.

**Adult Services** - has its own dedicated Contracts Section which deals with all aspects of service procurement including writing service specifications, tendering process and monitoring contract performance. A Revenue and Payment Team deals with all invoicing and payments. Service contracts are also operated to support technology systems such as Community Care Call Alarm Systems and Service User Record System.

**Children and Young People's Services** - In August 2004 a dedicated Contracts and Commissioning function was established within Children and Young People's Services. This was undertaken as recognition of the increasing importance of obtaining successful outcomes and ensuring service deliverables were met through the firming of relations.

The majority of the procurement within Children and Families Services is met by Service Providers within the voluntary and charity sector due to the nature of the social care services being procured.

The Contracts and Commissioning function has become an active member of the Regional Contracting Steering Group; this Steering Group has been working towards the establishment and maintaining of a Regional Provider List for residential care and residential school placements. The overall purpose is to support the welfare of children looked after by the participating authorities (as defined in Every Child Matters) but such a collaborative exercise will also increase our buying power, reduce the risks and improve quality.

In furtherance of resource savings through collaboration, we have recently acted as the lead Authority in the drafting, negotiation and placing of a contract with a large charitable organisation. This was a joint enterprise between Rotherham MBC, Doncaster MBC and Barnsley MBC. This has not only secured resources savings for the charitable organisation and ourselves but has improved relations between the represented Local Authorities.

In accordance with the requirements under the Children Act 2004 we are now entering a new phase with our counterparts in Education Services. The structural changes that will result provide a most exciting opportunity in the area of joint commissioning and procurement.



## **Structure**

The structure of the strategy will be based on the broad themes laid down in The National Procurement Strategy:

- 1. Processes and structures that provide leadership, effective management and build capacity**
- 2. Approaches to partnering, collaboration and the management of expenditure and the supply base**
- 3. Systems that allow business to be done electronically**
- 4. Processes that seek to stimulate markets and achieving community benefit**

For each of these themes the strategy will outline a position statement and a vision for the future. This will be followed by any actions that will be necessary in order to achieve that vision. Each of the actions will be related to one or more of the strategy's objectives which in turn can be mapped back to the Corporate Plan.

## **1. Leadership, Management and Capacity**

### **1.1 Leadership and Management**

#### **1.1.1 Current Situation**

The Council recognises that commitment from the top is necessary to realise the full potential of procurement to provide better public services.

This Procurement Strategy is owned by the Member responsible for Customer Services and Innovation who is supported by:

- His advisors
- **Scrutiny**
- The Executive Director of the Resources Programme Area, the Procurement Client and the wider Client Team, and the Procurement Champions forum
- A programme of regular Internal Audits
- Risk Management Process
- Performance Management Process
- Transparent Processes
- Separation of Duties

#### *Members*

The Cabinet Member for the portfolio of Customer Services and Innovation is responsible for procurement through RBT and for the development and implementation of the corporate procurement strategy ensuring its alignment with our corporate goals. It is his responsibility to:

- Oversee procurement activities to ensure VFM and efficiencies are achieved
- Monitor RBT's performance
- Make key decisions on major projects - such as the roll out of e-procurement
- Ensure that our procurement system contributes to the Corporate Plan's cross cutting themes of sustainable development and fairness.

The Cabinet Member for Economic and Development Services is responsible for procurement through the Rotherham Construction Partnership and Streetpride. It is his responsibility to:

- Oversee procurement activities to ensure VFM and efficiencies are achieved
- Monitor performance
- Ensure that our procurement system contributes to the Corporate Plan's cross cutting themes of sustainable development

PFI and PPP procurement is undertaken under the leadership of the relevant programme area cabinet member.

## *Scrutiny*

Scrutiny examines how services are delivered and may make recommendations for change. Partnership monitoring is regularly reported to Scrutiny which enables them to review performance and challenge progress.

## *The Executive Director of Resources*

The Executive Director of the Resources Programme Area has the lead responsibility for the strategic development, management and governance of the Council's key resources. Within this remit is the Partnerships and Governance Team which has been created to give Council-wide assistance in promoting partnership working and to assist in the procurement and delivery of such partnerships. The Executive Director of Resources fulfils the role of chief officer champion for procurement and ensures that procurement is seen as a strategic, rather than a narrowly based, technical issue.

## *The Executive Director of EDS*

The Executive Director of EDS has a wide ranging remit over a variety of services including responsibility for construction procurement on both building and engineering projects. The former projects are dealt with by the in-house building design consultancy and the projects and partnerships section of the Asset Management Service, and the latter projects are dealt with by the Streetpride Service. EDS staff also provide assistance to the PFI team in Resources and to 2010 Rotherham Ltd on construction related work.

## *The Client Team*

The Procurement Client (reporting directly to the Client Manager) is responsible for:

- Co-ordinating the Council's strategy for procurement of goods and services, and managing the delivery of this strategy through the Council's contractual relationship with its strategic partner RBT (Connect) Ltd.
- Providing advice and guidance to programme areas on procurement
- The negotiation, review and monitoring of SLAs and SIPs to ensure that RBT delivers value for money.
- Working where appropriate with local, regional and national partner agencies to ensure a collaborative approach to procurement.
- Ensuring that the Council's procurement of goods and services complies with the Council's Standing Orders and Financial Regulations and EC legislation on public procurement.
- Managing the procurement savings process, including the authorisation of savings initiatives and the verification of savings claims.

## *Procurement Champions*

Champions represent their Programme Area at monthly Champion meetings which monitor:

- Declarations of new savings initiatives and current savings initiative status
- Monthly performance to date of service measures and those forecasted for preceding months.

- Annual plan against actual, as well as forward projection over contract duration.
- Procurement Issues Log/Report
- Ongoing actions and risks

Other duties:

- To raise issues with the Client and /or Procurement Team on behalf of their PA and see through to resolution
- To manage effective general communication with their PA
- To actively participate in problem solving around procurement issues
- To actively participate in the escalation procedure for non-compliance with Standing Orders and Financial Regulations and / or general maverick procurement behaviour
- To be part of the user acceptance of new systems, procedures and documents
- To coordinate any activities between the Procurement Team and their PA

*Internal Audit*

Internal Audit manage a programme of audits that check and ensure that procurement activities comply with the agreed procedures regarding the requisitioning and approving of orders and invoices. Internal Audit will investigate any cases where there has been divergence from the agreed procedures. All staff should be aware that Procurement procedures are part of Financial Regulations and failure to comply will leave staff open to potential disciplinary action in accordance with Conditions of Service. All areas of procurement must be carried out in accordance with the Council's Financial Regulations and Standing Orders, and current EU Procurement Legislation and other UK legislation in relation to the tendering process.

*Risk Assessment*

The Council has a Risk Management Strategy and Policy that are reviewed annually as part of the Council's overall Internal Control Framework.

The risks associated with procurement are analysed in relation to the value of the goods or services being procured as part of the category management procedure which is described in full in the Partnership, Supplier management and Collaboration section. The high-value, high-risk requirements are strategically important and are treated accordingly. For these, a partnering approach is often used. A sound business case, option appraisal, proper planning and resourcing, effective project and risk management, a robust team based training plan and project management are key to the Council's approach to ensuring successful delivery. Risk Registers are produced for all major projects using the Council's well proven facilitated risk workshop approach.

In terms of managing risk, one of the key lessons learned has been to acknowledge the importance of undertaking risk transfer exercises at an early stage, leading to early clarity about ownership, responsibilities and budgetary provision. This is developed further in the Partnership Protocol.

The Council appreciates that the formation of Contracts, Obligations, Commitments and Agreements (COCA's) is a key moment in risk management as it is the first and best opportunity to manage and distribute risk. Contracts must be drawn up in consultation with the legal department and the question of risk, insurance and indemnity must be considered when contracts, obligations, commitments and agreements are being created, in order to mitigate the risk of post contract problems.

#### *Performance Management*

Performance is managed through a number of fora. Performance is reported on a monthly basis by RBT to the Client Officer Team and to the Cabinet Member for Customer Services and Innovation. On a quarterly basis, performance is reported at the Joint Service Review meeting and to the Performance and Scrutiny Overview Committee.

Regular audits are carried out against the work streams, systems audits by internal audit, and process audit against reported performance by the Resources Performance Manager. Performance Clinics are also held on a quarterly basis with Resources Heads of Service, and where appropriate, RBT performance is also considered within the clinic.

On a wider perspective - the Corporate Plan drives what the Council does - ie efficiencies through procurement. This is then measured against targets set within the Corporate Plan and therefore Service Plans. The Corporate Plan is reported against on a quarterly basis. Finally, Performance Managers meet at the Performance Management Group where any issues/new initiatives can be discussed.

RCP for example is managed by the management team and on a month by month basis and a board which consists of Directors our partner companies, senior council officers and the EDS Cabinet Member. There are eight working groups formed from representatives from all the partners – each chaired by a different partner. They are responsible for exploring best practice in their particular areas, identifying and setting up key performance indicators, and monitoring performance against these.

#### *Transparent processes*

The procurement process within RBT is held transparent by a number of measures:

- An annual plan is produced at the beginning of the financial year outlining projected savings for that year. Each saving needs the cooperation and sponsorship of members of the Council and the whole process is monitored by the procurement client.
- Service Level Agreements have been agreed by RBT and the Client and are reviewed on a regular basis. The Head of Procurement presents achievement against the targets at the Procurement Champions Meeting and they are published in regular reports to CMT and Cabinet Member for Customer Service and Innovation meetings.
- Service Improvement Plans are agreed between RBT and the Council and progress against them is monitored in regular Portfolio meetings. Issues and

delays are flagged up to the Resources Executive Director and the Procurement Champion Member.

These plans feed directly into the Council's:

- Annual Efficiency Statement
- IEG statement
- Use of Resources CPA score
- Delivery of the ODPM Priority Outcomes

#### *Separation of Duties*

As a minimum requirement and in accordance with the basic principles underlying the separation of duties concept, the Council believes that it is good practice for a minimum of two people to be responsible for the following key activities

- Identifying the need – including specification and budget
- Undertaking the procurement – sourcing and commitment
- Affecting the financial aspects such as authorising the payment of the invoice.

It is for this reason that the Council specifies through its Financial Regulations and Standing Orders that one transaction cannot be requisitioned and authorised by the same person. As our e-procurement system currently will not stop this happening if one person is set up on the system with both roles, it is protocol for a person to be set up as either requisitioner or authoriser – not both. Exceptions to this protocol will only be made where there is a sound business case, and Internal Audit will monitor spend profiles in these cases. A hierarchy of delegated powers has been developed setting expenditure limits against each authoriser and this list has been incorporated into the procurement system.

#### *Roles and Responsibilities*

So that officers are clear regarding their roles and responsibilities, it is clearly documented how the Council and RBT interact in the procuring of goods and services (see appendix C).

### **1.1.2 Vision for Leadership and Management**

**Rotherham will maintain its excellent record for lawful and transparent procurement. Due to robust governance frameworks and performance management, the performance of our partners will be excellent and achieve all targets resulting in win/win contracts and value for money. Risk Management will be fully employed during the formation of partnerships and contracts, with all stakeholders – from officers and members to partners - engaging in the process leading to well planned, successful contracts and partnerships. Communication between our partners and the Council will be concise and effective and all staff will have bought in to the advantages of the partnership. All procurement managers will contribute to, and take on the responsibility for driving the Corporate Procurement Strategy through in a standardised and efficient way. The role scrutiny plays in the procurement process will be increased and formalised.**

### 1.1.3 Key Areas of Development

The Council will form a Procurement Panel to contribute to and drive through this strategy. The panel will be chaired by the Cabinet Member for Customer Services and Innovation and will consist of procurement managers across the Council. The panel will agree on and develop a set of local performance indicators which will measure the effectiveness of the procurement function as a whole. The Council will review and develop as necessary all policies that exist to prevent fraud within procurement and the Council's Financial Regulations and Standing Orders. **The role of Scrutiny within procurement will be reviewed to ensure that their role is fully developed and incorporated into the procurement process wherever relevant.**

(Please see part 1 of the Action Plan in the Appendices for details of specific actions)

## 1.2 Capacity

A key task set by the National Procurement Strategy is to build the capacity and capability of the Council for a modern strategic approach to procurement.

### 1.2.1 Current Position

By forging the partnership with RBT the Council has developed both the capacity and capability within procurement. A centre of excellence has been established where best practice can be developed and efficiencies achieved. We have brought in procurement experts from outside the Council who have been tasked with instigating the process of skills transfer so that the necessary people, processes and technologies are in place.

Specialist expertise in Construction Procurement has always been available throughout the Council but in recent years this has developed along the lines of the Egan and Latham Reports (Rethinking Construction). As a result expertise has been developed in partnering and supply chain management and new forms of contract such as NEC 3.

The Council has achieved liP status seeing all officers involved in procurement provided with job descriptions, set standards and targets, and regular reviews within the Council's personal development framework.

### 1.2.2 Vision for Capacity

**Procurement within the Council is conducted by skilled and trained officers achieving value for money and community benefits within the constraints of the law and following Council processes. Procurement procedures will be based on best practice and will be written and reviewed to achieve continuous improvement.**

### **1.2.3 Key Areas of Development**

The Council will conduct a skills audit to ensure that everyone involved with procurement is sufficiently trained. Procurement Managers will ensure that written procedures are compiled so that best practice is enshrined and procedures can be audited.

(Please see part 1 of the Action Plan in the Appendices for details of specific actions)



## **2. Partnering, Collaboration and Supplier Management**

### **2.1 Partnering**

Strategic Partnerships are one of the main service delivery options available to local authorities in their quest for efficient and effective high quality services.

In his foreword to the report by the ODPM's Strategic Partnering Taskforce (March 2004), Nick Raynsford MP, the then Minister for Local and Regional Government, stated:

“Strategic Partnerships can bring about the radical improvements in service quality that are needed by combining the skills and expertise of diverse organisations. They can provide the means for new and innovative approaches. They can also secure economies of scale, access specialist skills and secure a more effective use of them and lever in new capital investment. They have the potential to deliver real and lasting benefits to local people through quality improvement and by increasing the type of services on offer and making them more responsive. We want to see more authorities adopting a partnership approach so that the benefits are derived more widely”.

#### **2.1.1 Current Position**

It is against this background that the Council has developed its own Strategic Partnering Protocol incorporating lessons learnt from experience so far with Partnerships.

The environment in which local services are delivered is a changing one and has also become a challenging one. Customer expectations of accessibility, responsiveness and improvement are higher than ever before, requiring changes to the traditional style of service delivery. The Council needs to respond positively to these changes.

Working together provides a key opportunity for the Council to demonstrate continuous improvement. In the context of new local government legislation, new cost-efficient delivery mechanisms can now be sought to underpin such improvement. For example, the Local Government Act 2003 provides new ways of financing change through prudential borrowing, rather than the former regulated structure, and constraints affecting local authority involvement in companies are being significantly reduced.

Working with others is not restricted to the private sector. Other public sector bodies and the voluntary sector can bring benefits to the Council, opening up a range of opportunities for new ways of working, while adding value and improvement to service delivery for the Council's customers.

### **2.1.2 Vision for Partnering**

**Partnerships and high value contracts will be the end result of a clearly developed business case and robust option appraisal along with effective project and risk management. All processes will be transparent to major stakeholders including elected members, the corporate management team, Council officers and all citizens of the borough.**

### **2.1.3 Key Areas of Development**

Procurement Managers will follow the guidance laid down in the Council's Strategic Partnering Protocol. The Council will standardise pre-qualification documents to allow the development of an approved supplier list across the Council. It will baseline and set targets to reduce the period of time from OJEU notice to contract award – in line with the National Procurement Strategy.

(Please see part 2 of the Action Plan in the Appendices for details of specific actions)

## **2.2 Collaboration**

### **2.2.1 Current Position**

Collaboration describes the various ways in which councils and other public bodies can work together to meet agendas, combine spend or share services leading to economies of scale or accelerated learning. If conducted effectively, it can result in increased performance and cost effectiveness.

This can be done through:

- Joint Procurement or Commissioning
- Shared Services
- Purchasing Consortia
- Open Framework Agreements
- E-Marketplaces

The Council currently makes intelligent use of Purchasing Consortia, and use framework agreements or contracts put into place by a number of public bodies such as OGC. Rotherham also works with the Regional Centre of Excellence and the South Yorkshire Procurement Forum.

There are a number of examples of joint procurement currently within the Council for example

- Breathing Space – a joint project on behalf of the Council, the Primary Care Trust and the Coalfields Regeneration Trust.
- The Junction Project – A Rotherham led joint contract run by the Children and Young People's Service along with Barnsley and Doncaster with Barnado's.

- Key membership of the Yorkshire and Humber Contracting Steering Group

Additionally, as Rotherham is classed as a Fair Council, we can now consider how best to use the powers to trade and charge presented by the Local Government Act, 2003. Councils in the top three CPA categories can establish companies for the purpose of trading. This enables stronger performing councils to jointly develop solutions for other local authorities, and provides new opportunities to achieve service improvement and better VFM.

### **2.2.2 Vision for Collaboration**

**Rotherham Council will continue to fully participate with initiatives, projects and schemes within the Regional Centre of Yorkshire and Humberside. We will seek ways in which to better disseminate good practice and share our successes and we will seek to achieve better VFM by incorporating the decision of whether to procure or commission collaboratively into our option appraisal processes. We will set a clear policy for using the new trading and charging powers**

### **2.2.3 Key Areas of Development**

The Council will develop a policy on its use of the Trading and Charging Powers and Duties for Local Authorities as required by the National Procurement Strategy and further opportunities for collaborative procurement and commissioning will be explored.

(Please see part 2 of the Action Plan in the Appendices for details of specific actions)

## **2.3 Managing Expenditure and the Supply Base**

### **2.3.1 Current Position**

Procurement projects go through the following key stages:

- Identifying the need and developing the project brief
- Making the Business Case – options appraisal and establishing VFM
- Defining the approach
- Supplier selection
- Tender evaluation
- Award and Implementation of Contract
- Managing the contract and assessing the outcomes
- Lessons Learnt

Competition will be used effectively and efficiently, with equity and transparency applying throughout the process. Contract award will be by reference to the most economically advantageous tender and will integrate price, quality and risk factors in determining whole life cost and overall value for money.

It is recognised that there are a number of methods available to the Council within this process by which to procure goods, services and works. However, the underlining consideration of the chosen option will be the total cost of acquisition to ensure that the Council receives Best Value for its money.

*Total cost of acquisition* is the whole cost of owning and using the goods, services and works and includes the process of identifying the need; the selection of the appropriate goods, services and works; the method of selecting the provider; the initial price; the support costs required to continue to gain benefits from the goods, services and works; the disposal costs and any subsequent replacement costs.

All these costs will be considered when making procurement decisions and they will be monitored and measured for future reference to enable the Council to become more effective in driving down the total cost of acquisition.

*Risk Value Analysis* - The table below introduces four commodity classes based on their strategic importance and overall financial value. Commodity management is made possible only after effective corporate spend analysis. Strategic importance is measured using three elements: the reliability of suppliers in the class, the importance of that class to the delivery of Council priorities and the ability of the Council to influence, control and replace suppliers as required. In broad terms the Council's procurement strategy is to approach the different classes of commodities as follows:

Commodity class	Commodity characteristic	Commodity management technique
Strategic	High risk, high value.	These are the most important commodities and often the most difficult to achieve value for money. Responsibility is best allocated to specialists in service departments. These lend themselves to a wide consideration of options for delivery including strategic partnerships and joint ventures, as well as innovative in-house delivery
Bottleneck	High risk, low value.	Less important commodities where risk is disproportionate to cost. Requires active management, either centrally or locally, to control and minimise risk, perhaps through dual sourcing or stocking.
Leverage	Low risk, high value.	Select the suppliers which present the greatest potential to achieve savings as there will normally be strong competition due to high values and greatest potential for commercial profits. It is in this area that framework contracts or consortia purchasing can be beneficial.
Routine	Low risk, low value.	The approach will be to minimise the administrative burden of procurement and streamline processes (eg call offs) or manage the expenditure out to the leverage category.

### 2.3.2 Vision for Managing Expenditure and the Supplier Base

**The Council will continue to achieve VFM by employing fair and transparent procurement processes that seek to reduce the total cost of acquisition. Through option appraisal and product analysis we will provide a mix of service provision.**

### 2.3.3 Key Areas of Development

The Council will create central data systems to better control contracts and approved supplier lists.

(Please see part 2 of the Action Plan in the Appendices for details of specific actions)

### **3. Systems that allow business to be done electronically**

#### **3.1 Current Position**

*ODPM Priority Outcomes* – As one response to the Efficiency Review, the Office of the Deputy Prime Minister (ODPM) and the Local Government Association have identified a set of priority areas for local authorities to address as we implement a step change towards e-enabling our systems in order to drive through efficiencies. Within those highlighted areas are a number of procurement processes which need to be focused on.

*BVPI 157* – the Best Value Performance Indicator 157 measures the percentage of e-enabled transactions that an authority can conduct. Along with all other local authorities, the Council has a target of achieving 100% by the end of 2005. It is therefore imperative that the procurement function is appropriately e-enabled.

*RBT SIP phase 3* - Prior to the contract with RBT, a Service Improvement Plan (SIP) was formulated. The first two phases of this - which have been completed - were concerned with the centralising of the procurement function, the introduction of category based procurement and the implementation of an e-procurement system. The third and final phase – “e-Purchase to Pay” - will look to further automate the purchase to pay cycle.

#### **3.2 Vision for the development of electronic systems**

**In meeting all e-targets set by the ODPM, Rotherham Council will maintain its progressive approach to implementing technology to provide up-to-the minute solutions in order to achieve greater efficiencies within its processes.**

#### **3.3 Key Areas for Development**

The Council will further e-enable the procurement function and introduce e-ordering, e-invoicing, e-tendering and evaluation, e-RFQs (requests for quotations), and e-auctions. The Council will introduce Open Framework agreements and procurement cards where they can provide efficiencies, and will investigate the opportunities for integrating the two computer systems – ROCC and CedAr.

\_(Please see part 2 of the Action Plan in the Appendices for details of specific actions)

## **4. Stimulating Markets and Achieving Community Benefits**

### **4.1 Background**

Local Authorities must procure their goods within the law. Current legislation is found in:

- EC Treaty Principles
- EC Procurement Directives (proposed amendments to come into force January 06)
- UK Procurement Legislation
- Government Procurement Agreement (GPA)

Legislation demands that all procurement is conducted on the basis of:

- No discrimination on the grounds of nationality
- Equal treatment of all potential bidders and suppliers
- Fair competition
- Proportionality
- Transparency
- Requirements of tenders must be relevant to the subject matter of the contract.

In addition to this all Goods, Works and Services must be bought on the basis of Best Value and the Government's Value for Money Policy. This means that procurement decisions must be based on an assessment of whole life costs and fitness for purpose rather than lowest price alone.

Procurement legislation and the requirement to purchase to best value principles are the main perceived barriers to achieving the wider community benefits prescribed by the National Procurement Strategy. However there are ways of achieving community benefits through the application of carefully considered procurement processes. The employment of these coupled with an active dialogue with potential and existing suppliers can result in significant VFM and community benefits being achieved. This strategy will set out an agenda for examining ways in which we might fully realise this potential.

The Sustainable Development Unit describe Sustainable Development as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'

According to the NHS Purchasing and Supply Agency it means meeting "four objectives at the same time:

- social progress which recognises the needs for everyone
- effective protection of the environment
- prudent use of natural resources
- maintenance of high and stable levels of economic growth and employment."

As the largest employer within the boundaries of Rotherham and with a corporate spend of approximately £140m a year, it is vital that the Council

procures its products responsibly and fully exploits its position to stimulate and promote Corporate Social Responsibility within its market.

**In this section we will consider:**

- **Environmentally Friendly Procurement**
- **Sustainable Communities -**
  - **Equality and Diversity Issues**
  - **Engaging with the Voluntary and Community Sector**
  - **Engaging with SMEs and Local Businesses**
  - **Fair Trade**

#### **4.1.1 Strategy Inputs**

- Corporate Plan – Rotherham Achieving and Proud, Sustainable Development and Fairness
- National Procurement Strategy
- IEMA (Institute of Environmental Management and Assessment) guidance – Environmental Purchasing in Practice
- The Corporate Environmental Policy
- RMBC Corporate Equality Strategy and Action Plan
- RMBC Race Equality Scheme 2
- Sustainable Procurement and Procurement Efficiency Implementation OGC Feb 05
- Procurement and the efficient use of material resources – Good Practice – WRAP May 05
- The Race Relations Code of Practice for the elimination of racial discrimination and the promotion of equality of opportunity in employment, as approved by Parliament in 1983
- Race Relations (Amendment) Act 2000
- CRE Guidance on Race Equality and Procurement in Local Government
- Public Procurement and Race Equality Guidelines for Local Government
- The Rotherham Compact January 2004
- Technical Companion for the Rotherham Compact
- The Council's Response to Consultation Questionnaire on Compact Plus
- Think Smart – Think Voluntary Sector
- [www.fairtrade.org.uk](http://www.fairtrade.org.uk)
- The SME Friendly Concordat and associated Good Practice Guidance
- Regeneration Strategy – Master Plan



## **4.2 Environmentally Friendly Procurement**

Sustainable procurement is seen as all “policy-through-procurement” issues where procurement is seen as a lever to achieve wider community objectives. The key to achieving this within the directives is to ensure that sustainable issues are taken into consideration right at the very beginning of the procurement process – in the initial business case and specification processes.

Issues such as renewable sources of energy and materials, recycling, waste and pollution are all high on the sustainable procurement agenda.

Areas of procurement to highlight for consideration are:

- Construction
- Highways
- Estate management
- Paper and print
- Food
- Energy

But this is by no means an exhaustive list.

## **4.3 Sustainable Communities**

### **4.3.1 Equality and Diversity**

The importance of promoting equality and diversity within the borough is recognised by the Council’s Community Strategy and Corporate Plan in the two themes of Rotherham Achieving and Rotherham Proud, and in its cross cutting themes of Fairness and Sustainable Development.

Further to this, the Council has set itself the target of achieving level 3 of the Equality Standard for Local Government by Dec 05, and level 5 by 2007, and Procurement is committed to helping the Council achieve this.

The amended Race Relations Act has important implications for local authorities, outlawing discrimination in all our functions including Procurement. It also gives a clear, more direct, positive legal duty to eliminate discrimination and to promote equality of opportunity and good race relations. The new legislation requires proactive steps to be taken to assess whether there is equality of opportunity for everyone: staff, the public, and the businesses who work for us – and to make changes where this is not the case.

We cannot “contract out” that duty, so we must ensure that race equality considerations are built into the procurement process.

Promoting equality through procurement matters. All groups in our community have a right to expect that public money is spent on local services which suit their needs – and that it is spent in a way which promotes equality of

opportunity, delivers high quality goods and services and benefits the local community. In turn this contributes to the Council's wider role of reducing inequalities and building a strong cohesive community in Rotherham.

As a major procurer within Rotherham, it is important that the Council is committed not only to managing and developing its own equalities and diversity policies, but also to encouraging its market to comply and improve its approach. Therefore it is essential that firstly we set systems in place to ensure that suppliers meet our standards and secondly to offer assistance to potential suppliers who may need to further develop their systems and policies. In addition, it is vital that we ensure that our partners fully accept their role in contributing to this activity. This is increasingly important as the Council moves ever further away from being a deliverer to being a commissioner.

#### **4.3.2 Engaging with the Voluntary and Community Sector**

Nationally, a Compact on relations between Government and the Voluntary sector was launched in 1998, followed by the 5 Codes of Good Practice. As a result, Local Authorities are expected to have in place a Compact in partnership with the voluntary and community sector. At the Rotherham Partnership Board meeting held on the 27<sup>th</sup> July 2005, it was agreed that compliance with Codes from all partners will take place with effect from the 1<sup>st</sup> April 2006.

The 5 Codes of Good Practice apply to the following named areas:

- Black and Minority Ethnic Voluntary and Community Organisations
- Community Groups
- Community Involvement / Consultation and Policy Appraisal
- Funding and Procurement
- Volunteering

Supporting the Voluntary and Community sectors through the procurement of their goods and services contributes to the local economy by keeping money local and providing an alternative means of sustainability for the sector outside of funding which can be sporadic and uncertain. In addition, voluntary and community sectors can often deliver personalised public services and in many cases are better placed to do so than the private sector. Working towards this Compact supports the Council's Community Strategy and Corporate Plan of Achieving, Sustainable Development and Fairness.

Advantages of working with the Voluntary and Community Sectors can include:

- Flexibility – an ability to reflect and respond to service user needs
- Innovative and flexible ways of delivering services
- Better access to hard to reach groups
- Added value in supporting other services delivered to local people

### 4.3.3 Engaging with SMEs and Local Businesses

The National Procurement Strategy asks Councils to seek to achieve community benefits through procurement by actively engaging with a diverse range of suppliers. Small and Medium-sized Enterprises (SMEs) are a powerful engine for economic growth and are a crucial part of the UK economy. The Council recognises that small businesses can provide best value in procurement and that is why we will seek to enable small businesses to engage with us directly or through subcontracts. We have signed up to the Small and Medium Enterprise Friendly Concordat and its associated guidelines in order to incorporate these principles into our standard processes. <http://www.rcoe.gov.uk/rce/aio/10230>

Small firms can offer real benefits to Local Authority clients, some of which are outlined below:

- They can often respond quickly and flexibly to customer needs.
- They can be a source of innovation, ideas and products.
- They can offer cash savings, improved quality, service and effectiveness.
- They are frequently close at hand.
- Some, like social enterprises and those operating in the voluntary and community sector, may have better access to hard to reach customer groups.
- They may attach more importance to doing business with a Local Authority.

Procurement legislation however will not allow us to favour small or local businesses over others. Our supplier selection and tender evaluation procedures must be transparent, non-discriminatory and based on Best Value. However this does enable sustainability and quality to be taken into account when service delivery options are being considered. For example, the consideration of whole life costs allows factors such as fuel efficiency and replacement cycles to be taken into account, as well as social (e.g. benefits to local people, good workforce management, community safety, diversity and fairness). Successful procurement activities should be based on whole life cost considerations that include subsequent revenue implications, and not simply the lowest initial tender price. The correct stage to address these issues is right at the beginning of the procurement process - during the formation of the business case and in the writing of the specification.

### 4.3.4 Fair Trade

The Fairtrade Foundation is an organisation which seeks to work with world farmers and producers in a non exploitive way. By buying direct from farmers at better prices, helping strengthen their organisations and marketing their produce directly through their own one world shops and catalogues, they aim to offer consumers the opportunity to buy goods which were bought on the basis of fair trade.

By purchasing Fairtrade products the consumer is actively taking part in the task to combat global poverty. In order to support the Corporate Plan's priority themes of Fairness and Sustainable Development, the Council recently made a commitment to become a Fairtrade Town.

In order to achieve this, five main criteria must be met:

- The local council must pass a resolution supporting Fairtrade, and serve Fairtrade coffee and tea at its meetings and in offices and canteens.
- A range of Fairtrade products must be readily available in the area's shops and served in local cafés and catering establishments (targets are set in relation to population).
- Fairtrade products must be used by a number of local work places (estate agents, hairdressers etc) and community organisations (churches, schools etc).
- The council must attract popular support for the campaign.
- A local Fairtrade steering group must be convened to ensure continued commitment to Fairtrade Town status.

#### **4.3.5 Vision for Stimulating Markets and Achieving Community Benefits**

**We will work in partnership with our contractors and suppliers to minimise the environmental impact of their goods and services. All tenders will be conducted by officers fully trained in sustainable procurement, leading to tenders that consider sustainable issues from the offset. Where practicable we will purchase goods and materials that can be manufactured and disposed of in an environmentally sound way. Rotherham will be an inclusive community where all businesses are equipped and able to compete for Council contracts. Council buyers engage with the market to actively reduce the barriers experienced by some businesses to competing. The Council operates a mixture of service provision, working with a range of entities from large JVC's to BME businesses, SMEs and the V&C Sector. The Council will be recognised as a Fairtrade Town.**

#### **4.4 Procurement Actions Required to achieve the vision for environmentally friendly procurement and sustainable communities.**

The Council will conduct a review to assess current procurement processes in order to develop robust policies to achieve real community and environmental benefits through procurement. Guidelines will be produced for procurement officers and suppliers or potential suppliers and the Council will hold workshops and Meet the Buyer events to encourage supplier engagement. Processes will be made more transparent and the information on the procurement pages of the intranet and internet will be improved upon. Details of contracts to be let in the medium term future will be made available to the Council's market place so that organisations are better able to manage their resources in order to bid successfully.

**Appendices**

- A Action Plan
- B Terms of reference for the Procurement Panel
- C Roles and Responsibilities: RBT Procurement and Council Officers
- D Consultation
- E **The Role of Scrutiny within Procurement**

## 1. Action Plan for achieving the vision for leadership, management and capacity

Action Plan Reference and Completion Date	Action	Action Owner	Resources Required	Update
APR1.01 March 2006	<p>Review and develop where necessary the Council's framework of policies to prevent fraud and corruption in procurement:</p> <ul style="list-style-type: none"> <li>• Gifts, Hospitality and Other Inducements;</li> <li>• Declaration of Interest;</li> <li>• Conflicts of Interest;</li> <li>• Private Transactions;</li> <li>• Fraud, Theft and Corruption;</li> <li>• Anti-competitive Behaviour;</li> <li>• Fair Dealing;</li> <li>• Confidential Information;</li> <li>• Offers of Employment; and</li> <li>• 'Whistleblowers'.</li> </ul> <p><i>Outcome –Legal Procurement</i></p>	Brian Leigh	Staff time for review, development and consultation.	
APR1.02 February 2006	<p>Review with Internal Audit the current Financial Regulations and Standing Orders to ensure that they are written in line with current arrangements such as e-procurement, the JVC with RBT, and the new EC Procurement Directives.</p> <p><i>Outcome –Legal Procurement</i></p>	Helen Leadley	Staff time for review, development and consultation	
APR1.03 February 2006	<p>Ensure that mechanisms are in place to monitor savings made against projections on the Annual Plan via the Champions Meetings.</p> <p><i>Outcome – VFM Achieved</i></p>	Helen Leadley	Staff time	
APR1.04 April 2006	<p>To increase and formalise the involvement of scrutiny within the procurement process (see appendix E)</p>	Helen Leadley	Staff time	

<p>APR1.05 April 2006</p>	<p>To develop an approach to complying with the Freedom of Information Act whilst maintaining commercial integrity.</p> <p><i>Outcome – Legal Procurement</i></p>	<p>Brian Leigh</p>	<p>Staff time</p>	
<p>APR1.06 November 2005</p>	<p>In order to contribute to and drive this procurement strategy through, form a Procurement Panel under the leadership of a Cabinet Member and made up of managers from those areas directly responsible for procuring or commissioning goods, works and services whilst periodically inviting managers from related areas of expertise such as Sustainable Development, The Voluntary and Community Sector, and Buy Local to provide help and advice. The procurement panel to take ownership of this strategy and allocate and monitor progress of (as a group) actions identified by this strategy and their agendas.</p> <p><i>Outcome – Strategy delivered</i></p>	<p>Helen Leadley</p>	<p>Ongoing staff and member time</p>	
<p>APR1.07 March 2006</p>	<p>Conduct a review of the volume and content of communication between the Council and RBT</p> <p><i>Outcome – Governance</i></p>	<p>RBT Transformation Team</p>	<p>Staff time</p>	
<p>APR1.08 March 2006</p>	<p>To develop a set of local indicators in order to measure the Council's procurement function in terms of delivery of the procurement strategy and day-to-day management of the procurement process based on a proven model such as 4Ps or IDeA. Benchmarking to be part of this process.</p> <p><i>Outcome – Strategy Delivered</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	
<p>APR1.09 May 2006</p>	<p>To strengthen the Council's arrangements for managing High Value / High Risk Procurement by reviewing:</p> <ul style="list-style-type: none"> <li>• <u>Consultation:</u> <ul style="list-style-type: none"> <li>○ A Self-Assessment Survey to be undertaken of Members, M4 and M3 Managers on Partnership Risk Management</li> </ul> </li> <li>• <u>Process:</u> <ul style="list-style-type: none"> <li>○ Formation of a Partnership and Contracts Register with Intranet access</li> <li>○ Review of clauses in contracts covering risk management arrangements</li> </ul> </li> <li>• <u>Communication / Training:</u></li> </ul>	<p>The Procurement Panel to work in alignment with the newly reviewed Council's Capital Project's Procedures.</p> <p>RBT Transformation to lead on the Contracts</p>	<p>Staff time</p> <p>Costs to be covered by Phase 3 of the RBT Service Improvement plan.</p>	

	<ul style="list-style-type: none"> <li>o Skills audit on risk management</li> <li>o Training on risk management where required</li> </ul> <p><i>Outcome - VFM Achieved</i></p>	Register.		
APR1.10 June 2006	<p>To set a minimum skills matrix for all personnel involved with procurement – members and officers. To conduct a skills audit against this matrix and address any gaps with a training plan.</p> <p><i>Outcome – Contributes to all objectives of this strategy</i></p>	All procurement Managers via the Procurement Panel.	Staff time and training costs to be met by the relevant programme area.	
APR1.11 October 2006	<p>Procurement Managers to compile written procedures for their officers covering all major processes. These procedures to be regularly reviewed and audited to check that they embody best practice and are in line with Financial Regulations and Standing Orders, EU Procurement Legislation and other UK legislation.</p> <p><i>Outcome – Legal Procurement and VFM Achieved</i></p>	All procurement Managers via the Procurement Panel. - Each manager to ensure procedures are written for their area.	Staff time	
APR1.12 October 2006	<p>To create a central and up to date "lessons learnt" page on the procurement pages of the intranet.</p> <p><i>Outcome – VFM achieved</i></p>	Helen Leadley	Staff time	
APR1.13 May 2006	<p>To review the system for ensuring procurement managers are familiar with and complying with external procurement rules.</p> <p><i>Outcome – Legal Procurement</i></p>	All Procurement managers via the Procurement Panel.	Staff time	



## 2. Action Plan for achieving the vision for partnering, collaboration and supplier management

Action Plan Reference and Completion Date	Action	Action Owner	Resources Required	Update
APR2.01 October 2006	To standardise pre-qualification documents to allow the development of an approved supplier list across the council. (See also APR4.06)  <i>Outcome – Sustainable Procurement Outcome – Stimulated Markets</i>	The Procurement Panel in conjunction with Jeff Wharfe from the LEGI Project.	Staff time	
APR2.02 March 2006	To ensure that continuous improvement is built into future contracts.  <i>Outcome – VFM achieved</i>	All procurement Managers via the Procurement Panel.	Staff time	
APR2.03 March 2006	To baseline and set targets to reduce the period of time from OJEU notice to contract award, in line with National Procurement Strategy  <i>Outcome – Stimulated Markets</i>	All Procurement Managers via the Procurement Panel	Staff time	
APR2.04 December 2006	To develop a policy on the Council's use of the Trading and Charging powers and duties for Local Authorities in the 2003 Local Govt Act. Considerations should include: <ul style="list-style-type: none"> <li>Financial and social objectives of trading and charging</li> <li>The candidates</li> <li>Market analysis</li> <li>Charging / tariff policy</li> <li>Is charging integrated into service management and budgeting process?</li> <li>Collection and recovery</li> <li>Exit strategy</li> </ul> <i>Outcome – Legal Procurement</i>	Procurement Panel (via a representative working party TBA)	Staff time	
APR2.05 April 2006	To develop a Commissioning Policy for care provision as stated by the 2005/06 Adult Services Service Plan. This policy to be extended to a Joint Commissioning Strategy with our Health Partners.	David Lisgo	Staff time	

	<i>Outcome – VFM Achieved</i>			
APR2.06 January 2007	The potential for regional or multi authority contracts for care provision to be investigated by Council representatives in the Regional Contracts Managers Group  <i>Outcome – VFM achieved</i>	Laura Townson	Staff time	
APR2.07 February 2007	To incorporate collaborative procurement / commissioning into the option appraisal process.  <i>Outcome – VFM achieved</i>	All Procurement Managers via the Procurement Panel	Staff time	
APR2.08 October 2006	To create one central contracts register for the Council, to enable the completion of the EU Statistical Returns requirements. (See also APR1.09)  <i>Outcome – Governance</i>	RBT Transformation Graeme Winton	Costs to be covered by Phase 3 of the RBT Service Improvement plan.	
APR2.09 October 2006	To create a central approved supplier list and a means of ensuring it remains up to date.  <i>Outcome – Governance</i> <i>Outcome – Stimulated Markets</i>	The Procurement Panel in conjunction with Jeff Wharfe from the LEGI Project.	Staff time	

### 3. Action Plan for achieving the vision for systems that allow business to be done electronically

Action Plan Reference and Completion Date	Action	Action Owner	Resources Required	Update
APR3.01 May 2006	To implement e-Invoicing within Cedar to accept XML invoices directly in the Cedar Application.  <i>Outcome – VFM achieved</i>	RBT Transformation Graeme Winton	Costs to be covered by Phase 3 of the RBT Service Improvement plan.	
APR3.02 May 2006	To implement e-Ordering to change the format of all purchase orders to XML which can readily be printed, faxed or sent by e-mail to XML-compliant high transaction volume/strategic suppliers.  <i>Outcome – VFM achieved</i>	RBT Transformation Graeme Winton	Costs to be covered by Phase 3 of the RBT Service Improvement plan.	
APR3.03 May 2006	To implement e-RFQ (Request for Quotation) as an automatic process to direct simple requests to P2P for competitive quotation.  <i>Outcome – VFM achieved</i>	RBT Transformation Graeme Winton	Costs to be covered by Phase 3 of the RBT Service Improvement plan.	
APR3.04 May 2006	To introduce Open Framework supplier agreements to achieve maximum discounts from non-catalogue spend with strategic suppliers.  <i>Outcome – VFM achieved</i>	RBT Transformation Graeme Winton	Costs to be covered by Phase 3 of the RBT Service Improvement plan.	
APR3.05 April 2006	To implement document imaging  <i>Outcome – VFM achieved</i> <i>Outcome – Governance</i>	Brian Leigh	Costs to be covered by RBT Procurement	
APR3.06 October 2006	To implement: <ul style="list-style-type: none"> <li>• ROCC and Cedar integration (dependant on the future plans of 20/10)</li> <li>• Procurement Cards where there is a business case</li> <li>• e-Auctions where there is a business case</li> <li>• e-Tenders and e-Evaluation via the collaborative Alito Roadmap</li> </ul> <i>Outcome – VFM achieved</i>	RBT Transformation Graeme Winton	Costs to be covered by Phase 3 of the RBT Service Improvement plan.	

<p>APR3.07 March 2006</p>	<p>To encourage supplier take up and adoption of electronic systems via Meet the Buyer Events and similar methods. (See also APR4.08)  <i>Outcome – Stimulated markets</i></p>	<p>Procurement Panel</p>	<p>Staff Time Cost of events to be shared by the appropriate programme areas.</p>	
<p>APR3.08 August 2006</p>	<p>To update the Council's procurement section on the intranet and internet. (See also APR4.05)  <i>Outcome – VFM achieved Outcome – Stimulated Markets</i></p>	<p>Procurement Panel</p>	<p>Staff time</p>	

4. Action Plan for achieving the vision for stimulating markets and achieving community benefits				
Action Plan Reference and Completion Date	Action	Action Owner	Resources Required	Update
APR4.01 February 2006	<p>Review and assess how well our current procurement processes contribute to sustainable development - including:</p> <ul style="list-style-type: none"> <li>• Product Specification and eco labels</li> <li>• Tendering and Evaluation</li> <li>• Supplier Selection</li> <li>• Terms and Conditions</li> <li>• Contract Compliance</li> <li>• Promoting Sustainability within the Council's Market</li> <li>• Competency Framework for Procurement Officers</li> </ul> <p><i>Outcome – Sustainable procurement</i></p>	Procurement Panel (via a representative working party TBA)	Staff time	
APR4.02 February 2006	<p>Review and assess procurement activities across the Council in relation to:</p> <ul style="list-style-type: none"> <li>• The Race Relations (Amendment) Act using the Equality and Public Procurement in Local Government Guidelines</li> <li>• The SME Friendly Concordat</li> <li>• The Rotherham Compact with the Voluntary and Community Sector</li> </ul> <p>Procurement activities to be considered include:</p> <ul style="list-style-type: none"> <li>○ Developing the business case</li> <li>○ Writing the specification</li> <li>○ Standard Documents (pre-qualifications, tender documents, terms and conditions)</li> <li>○ Supplier selection process</li> <li>○ Contract delivery</li> <li>○ User satisfactions</li> <li>○ Promotion of Equality throughout the supply chain</li> <li>○ Training</li> <li>○ Consultation</li> <li>○ Impact Assessment</li> </ul>	Procurement Panel (via a representative working party TBA)	Staff time	

	<p><i>Outcome – Stimulated Markets</i></p> <p>Baseline (where applicable) and set targets for:</p> <ul style="list-style-type: none"> <li>• % of spend / contracts where sustainable procurement methods have been utilised</li> <li>• use of recycled and/or environmentally friendly products</li> <li>• reduction of use of resources</li> </ul> <p><i>Outcome – Sustainable procurement</i> <i>Outcome – Stimulated Markets</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	
<p>APR4.03 March 2006</p>	<p>Develop a Sustainable Procurement Policy which outlines how the Council will achieve the targets set above for achieving community benefits through procurement.</p> <p><i>Outcome – Stimulated Markets</i> <i>Outcome – Sustainable procurement</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	
<p>APR4.04 April 2006</p>	<p>Produce a "How to do Business with the Council" guide which clearly states the Council's standards including:</p> <ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Equality and Diversity Issues</li> <li>• Environmental standards</li> </ul> <p>This guide to be made available on the Council's website. (See also APR3.07)</p> <p><i>Outcome – Sustainable procurement</i> <i>Outcome – Stimulated Markets</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	
<p>APR4.05 August 2006</p>	<p>Create a standard pre-qualification form which encompasses the above standards. To develop a central register of pre-qualified suppliers and to investigate the opportunities for working with our neighbouring councils and other public bodies to standardise and share the registration mechanism across the region. (See also APR2.01)</p> <p><i>Outcome – Sustainable procurement</i> <i>Outcome – Stimulated markets</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	

<p>APR4.07 October 2006</p>	<p>To consider a sliding scale of compliance to our standards so that smaller organisations are better able to compete with larger organisations. <i>Outcome – Stimulated Markets</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	
<p>APR4.08 March 2006</p>	<p>To hold a Meet the Buyer Event every 18 months (first to be held in March 2006) in order to:</p> <ul style="list-style-type: none"> <li>• Educate potential and existing suppliers about our standards</li> <li>• Discover and remove barriers to competing</li> </ul> <p>(See also APR3.06) <i>Outcome – Stimulated Markets</i> <i>Outcome Sustainable Procurement</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	
<p>APR4.09 November 2005</p>	<p>To ensure that Fairtrade products are available on its e-procurement catalogue and highlighted as an option. <i>Outcome – Stimulated Markets</i> <i>Outcome – Sustainable procurement</i></p>	<p>Procurement Panel (via a representative working party TBA)</p>	<p>Staff time</p>	

## **Appendix B**

### **Procurement Panel Terms of Reference**

#### **1. Aims and objectives of the Group**

To drive through the Corporate Procurement Strategy in a way that achieves the Strategy's vision:

“Procuring goods, services and works by the most economic, efficient, effective, and sustainable means to ensure that the needs of the community are met, within a clear framework of accountability and responsibility. In doing so, the council will strive to become best in class by adopting world-class procurement practices and techniques“.

To ensure a corporate approach to procurement

To ensure consistency of actions across different programme areas where appropriate

To ensure that all policies developed as a result of the strategy are set within an over arching framework (Community Strategy, Corporate Plan, Corporate Procurement Strategy)

To identify barriers to delivery and find appropriate solutions

To contribute to efforts relating to achieving and maintaining Beacon Status in procurement and any other awards in procurement that the council may aim to achieve.

To work and liaise with the Procurement Champions where appropriate

To provide a focal point for dissemination of ideas both within the Council and relating to regional and national procurement work.

#### **2. Role of the Group**

To contribute to the Corporate Procurement Strategy

To ensure delivery of the strategy on budget and within timescales.

To contribute to regular strategy reviews.

To contribute to efforts relating to achieving and maintaining Beacon Status in procurement and any other awards in procurement that the council may aim to achieve.

To work and liaise with the Procurement Champions where appropriate



### **3. Membership of the Group**

Cllr Wyatt	Cabinet Member - Customer Services and Innovation
Cllr Smith	Cabinet Member - Economic Regeneration and Development Services
Keith Thompson	Acting Head of Partnerships and Governance – Resources
Ian Smith	Head of Asset Management Service – EDS
Simeon Leach	Economic Strategy Manager RIDO – EDS
Brian Leigh	Head of Procurement – RBT
Jill Dearing	Performance and Improvement Manager - RBT
Helen Leadley	Procurement Client – Resources
Sarah Whittle	Joint Deputy Director of Strategic Planning – Social Services
Laura Townson	Contracts Officer – Children and Families Services
David Lisgo	Commissioning and Contracting Manager – Adult Services
Michael Dobson	Business Support Manager – 2010
Matthew Gladstone	Head of Performance and Quality – Chief Executive’s Dept
David Rhodes	Property Environmental Manager - EDS
Carol Adamson	Equalities and Diversity Officer – Chief Executive’s Department
Waheed Akhtar	Partnership Officer – Chief Executive’s Department

### **4. Frequency of Meetings**

Monthly

### **5. Meeting Agendas**

Initial meetings to contribute to, and provide feedback for the procurement strategy.

Once the strategy is agreed and approved, meetings should establish a plan of action and assign owners of actions.

Consider themed meetings based on issues that need to be addressed throughout the implementation. These meetings could involve contributions from stakeholders such as the V&CS and the South Yorkshire Buy Local Partnership.

### **6. Roles**

Chair	Cllr K Wyatt
Admin Support	Richard Bellamy

## Appendix C

### *Roles and responsibilities*

#### *RBT Procurement*

On behalf of RMBC, RBT Procurement will buy in goods and services [BIGS] at best value, simultaneously protecting RMBC's commercial interests in appropriate purchase contracts [whether corporate agreements, contracts and/or purchase orders]

In particular:

- For Corporate Agreements [where no commitment is placed on RMBC budgets]
  - Review current agreements, contracts and working practices
  - Apply category process to determine appropriate procurement strategies
  - Schedule agreed activities in the Annual Plan
  - Manage savings initiatives identified in the Annual Plan
    - Establish RMBC sponsorship
    - Create cross-functional initiative team
    - Undertake competitive market enquiries
    - Appoint suppliers
    - Monitor and collate savings realised [normally both corporately and against budget holder usage]
  - Manage the relationship/ agreement with appointed suppliers including
    - Performance management including issue resolution
    - Scope and price variations[both increases and decreases]
  
- For Programme Area specific requirements [where there is a commitment made on RMBC budgets]
  - Offer help and guidance on best practice procurement
  - Undertake, where capacity exists, or support, where there is no spare capacity, competitive market enquiries on behalf of the programme area
  - Place orders and contracts in line with end-user specified requirements and available funds
  - Issue variation orders [scope and/or price] at the request of the end-User

## RMBC End-user

Engage with RBT fully on both Corporate Agreements and Programme Area specific requirements by providing resource, detailed requests and approved budgets for BIGS which meet their operational requirements and Council priorities, providing the maximum time scales for achieving Best Value.

In particular:

- For Corporate Agreements [where no commitment is placed on RMBC budgets]
  - Review activities scheduled in the Annual Plan [Procurement Champions]
  - Support savings initiatives identified in the Annual Plan by
    - Providing RMBC sponsorship
    - Resourcing cross-functional initiative teams
    - Defining RMBC needs in terms of non-discriminatory specifications
    - Evaluating competitive market enquiries [to ensure that offers meet RMBC requirements]
    - Recommending suppliers to RBT Procurement
    - Agree mechanism for monitoring and collating savings realised [Sponsor]
  - Manage the relationship with appointed suppliers by:
    - Resolving simple and non-recurring supplier issues
    - Identifying complex and/or recurring Performance issues
- For Programme Area specific requirements [where a commitment on RMBC budgets results]
  - Identify [specify] requirements via requisition or otherwise
  - Undertake, with RBT support, competitive activities when RBT has insufficient capacity to undertake the activity itself
  - Evaluating competitive market enquiries [to ensure that offers meet RMBC requirements]
  - Recommend suppliers to RBT Procurement
  - Place authorised requisitions and process acknowledged provision of goods and services as soon as is practicable
  - Manage the day-to-day relationship/ contract/ order/ receipt/ rejection with the appointed supplier as long as such management does not result in the need for a variation [scope and/ or price] to the contract/order

## **Appendix D**

### **Consultation**

Service Users, Procurement Officers and other stakeholders have been consulted throughout the development of this strategy. Their feedback has been sought and incorporated into the document.

IDeA

Trade Unions:

- GMB
- Unison
- T&G

Voluntary Action Rotherham

The Rotherham Partnership

Rotherham Chamber Construction Liaison Group

RBT Procurement and Transformation

Procurement Champions

Procurement Panel

Executive Director of Resources

Cllr Wyatt – Member for Customer Services and Innovation

Scrutiny – sent to Cath Saltis 17/11/05

CMT

## **Appendix E**

### **The Role of Scrutiny within Procurement**

#### **Proposals**

##### **1. The Corporate Procurement Strategy**

Scrutiny should be consulted about the strategy prior to (?) approval by Cabinet in order that they might:

- Ensure the strategy is aligned with the objectives of the council,
- Ensure that competing objectives are identified and correctly prioritised
- Ensure that appropriate resources are in place

Following the strategy's approval Scrutiny should monitor the delivery of the strategy perhaps via participation with the procurement panel.

##### **2. The Procurement Plan**

The Council intends to publish a 3yr rolling plan of contracts and procurement projects that it plans to renew or let. This plan will help the Council with its mid term financial plan and add to the efforts around better engagement with our local SMEs / BMEs / Voluntary and Community Sector.

Scrutiny should be provided the opportunity to examine this plan in order to

- Assess the potential impact on the public
- Assess how the procurement plan sits with financial plans
- Plan reviews on the procurement process associated with the letting of a contract

##### **3. Building Capacity**

In order that Scrutiny feel confident to participate in the procurement process, Scrutiny should embark on a programme of building capacity. This could be achieved via:

- Officer briefings
- Externally provided training
- Visits to other Local Authorities to learn how scrutiny works in procurement elsewhere

##### **4. Structure**

PSOC should be involved in high level analysis such as reviews of the strategy, examining the 3yr plan and assessing the effectiveness of the Council's procurement and commissioning partnerships.

Working Parties within Scrutiny should be involved with the procurement process of individual projects either via the gateway procedure or the Council's Capital Projects procedure.

## **RMBC STRATEGIC PARTNERING PROTOCOL**

### **1. Introduction**

#### **1.1 Background and Context**

This policy sits within the Corporate Procurement Strategy and as such is influenced by the same drivers. It is intended that adherence to this protocol will be monitored as part of the strategy and that the policy itself will be reviewed with the same frequency to ensure that it is kept up to date with current guidelines and legislation.

#### **1.2 Developing the Strategic Partnering Protocol**

This Strategic Partnering Protocol aims to

- Provide a framework for all Rotherham Metropolitan Borough Council staff involved in, or considering becoming involved in, partnership working.
- Help staff improve the efficiency and effectiveness with which they approach the procurement of a strategic partner.
- Stress the importance of determining the right service delivery option in any given case.
- Address some of the challenges involved in securing the right strategic partner and suggests ways in which these might be overcome.
- Make the Council's policy on strategic partnering transparent to all major stakeholders, including elected members, the corporate management team and all citizens of the Borough.

#### **1.3 Strategic Partnering and the Council's Corporate Vision**

This protocol sits beneath the Corporate Procurement Strategy which aims to uphold and contribute to the Council's Community Strategy and Corporate Plan's 5 priority themes:

Rotherham Learning  
Rotherham Alive  
Rotherham Proud  
Rotherham Safe  
Rotherham Achieving

And its 2 cross cutting themes:  
Sustainable Development  
Fairness

## **2. Developing the Protocol**

### **2.1 What is a Strategic Partnership?**

The following are the characteristics of a Strategic partnership – it:

- demonstrates alignment of goals between partners;
- emphasises the importance of relationships;
- involves the delivery of services by one body on behalf of another or through joint working;
- aspires to deliver more value than a traditional contract;
- incorporates sharing of risk and reward;
- expects a change in behaviour from partners;
- intends to be flexible and is able to change in scope and nature over its lifetime;
- demonstrates trust and good communication;
- focuses on outcomes rather than outputs;
- demonstrates joint working (planning, monitoring, problem-solving and decision-making through a joint strategic board) and sharing of ideas and resources;
- is based on openness and honesty (e.g. open-book accounting);
- supports continuous improvement in service delivery over its lifetime and captures corporate learning; and
- provides mutual benefit to all partners.

### **2.2 Why adopt a Strategic Partnering Approach?**

There are a number of reasons why the Council might adopt a strategic partnering approach:

- They can provide investment and address wider community objectives.
- They can add significantly to an authority's capacity to re-engineer service delivery.



- They help to secure a step-change in efficiency and remove cultural and organisational barriers to improvement.
- They provide impetus to refocusing service delivery on the service user.
- They can bring economies of scale that authorities cannot address in any other way.
- They engender constructive, collaborative relationships with service-delivery partners that provide flexibility for the future and innovation in approach.

## **2.3 What is the Council doing now?**

The Corporate Procurement Strategy outlines some of our main existing partnerships:

- Schools PFI
- RBT (Connect) Limited
- Rotherham Construction Partnership
- Leisure / JSC PFI
- Housing ALMO – 2010 Rotherham Limited
- Future projects which may benefit from partnerships
  - Bereavement Services
  - Waste Management

## **2.4 Benefits to the Council of partnering.**

### **2.4.1 Access to funding**

In order to part-fund the School's PFI contract with Transform Schools Rotherham Ltd (TRSL) the Authority has been allocated £71.4m worth of PFI credits which provides an annual revenue grant to the Authority. Two private sector funders, AXA and the European Investment Bank (EIB), provide the funding for TSRL's capital expenditure; the Council's revenue grant allows the Authority to meet the annual payment to TSRL, incorporating the cost of servicing these loans. Without this funding it would not have been possible for the Authority to finance a project which in capital expenditure terms is almost £100m, as this is well in excess of traditional capital funds available to the Authority, such as borrowing approvals or capital receipts. These funding arrangements apply to all PFI contracts, providing the opportunity to make large scale capital investments with government funding support.

In respect of RBT (Connect) Limited, the Authority is not receiving any government funding support for the contract, rather the annual contract payment

to RBT has been contained within the Council's Revenue Budget. However, the JV agreement has led to capital investment being made by BT on the Authority's IT infrastructure and Rotherham Connect in order to transform customer service delivery and create a one-stop shop. Therefore, the JV has provided funding for the Council which would otherwise have not been available. The risk on this investment is with BT whose Business Plan assumes the investment can be financed by staff and procurement savings, in addition to securing a return for the company.

## **2.4.2 Access to Private Sector Expertise**

The Council may not have the internal resources or the expertise to initiate the changes that are required to meet our strategic aims and objectives. It may be possible to buy in this expertise on a consultancy type arrangement, but this can be an expensive option, and it also requires both the political will and the organisational capacity to drive through the changes recommended by consultants. In many cases this can lead to failed attempts at change. Indeed it is often culture change within the Council that is required in order for service transformation to be achieved.

A Strategic Partnership is a tool to deliver this change, as it provides a source of expertise not just from within the partner company, but also offers access to a pool of sub-contractors, providing a resource bank of expertise that the Council can tap into. As such Strategic Partnerships are long-term in nature, the Council is able to obtain these consultants at reduced hourly rates, and in addition, the contract is more flexible so that we can access the right resource when we want it.

One of the areas that the RBT partnership is looking at is business transformation, carrying out a review of work practices and initiating improvements to streamline business processes, secure efficiency savings and improve the service to our customers. The JV has become the driver for cultural change within the workstreams that have transferred from the Council, and the Council as a whole will begin to learn and benefit from this radical new approach to the way we do business.

## **2.4.3 Risk Transfer and Payment and Performance Mechanisms**

One of the key drivers from the Government in developing Strategic Partnerships is to ensure that the risk in these contracts lies with the party best able to manage it. Fundamental to PFI is the requirement that the public sector transfers

enough risk to the private sector Provider in order to ensure that the asset(s) are not on the Public Sector's Balance Sheet, without this Government will not fund the scheme. For example, with regard to the PFI contract, built into the contract are a series of availability dates for the individual schools. If the Provider does not meet these dates they begin losing money, so that there is a clear incentive to deliver on time. In addition, the contract price is fixed at signature so that all the risk on cost over-runs, ground conditions, latent defects etc., lie with the private sector Provider. This gives the Council certainty. The only exception to this is where the Council requires changes to the contract.

Linked to the issue of risk transfer is the Payment and Performance Mechanism, whereby the payments to the Provider are linked to the availability of the assets and the performance of the Provider against a series of key performance indicators. Such a mechanism is in place for both the Schools PFI and the RBT contract. If a classroom or service is unavailable for a period of time, the Provider will not be paid that proportion of the service charge that relates to that space or activity. There is also the principle of a ratchet mechanism whereby repeated unavailability or poor performance incurs increased penalties.

### **3 Principles for the Way Forward**

#### **3.1 Option Appraisal**

Whilst strategic partnering is an attractive prospect for many of the Council's external acquisition of goods and services, it is not the only option for delivering major projects and must be considered as one of a number of potential responses to the Council's requirements

#### **3.2 Identifying the Business Need**

The first stage in the procurement project is to identify the business need. The Project must have a clear scope and specific long-term objectives. All key stakeholders must be consulted on these objectives to ensure that what is proposed to be delivered is in fact required. This should include members of the public, user-groups, employees and their representatives and internal technical staff. To justify the commencement of the project, the project manager should produce a formal business case. The business case is the justification for the project and the process itself is a useful discipline in constructing a strategic model and thinking through the key issues at the outset of the project. There is a good deal of evidence that the failure to construct a resilient business case at the outset of a project is the main cause of failure to achieve the objectives. The continuing resilience of the business case should be periodically tested at key point in the project process.

#### **3.3 Business case development**

The Business Case is the formal justification for the procurement project and should contain information covering five key aspects: strategic fit, options appraisal, commercial aspects, affordability and achievability. The following are the matters which should be addressed, at minimum:

- **Strategic fit**
  - Description of the business need and its contribution to the Council's corporate strategies and plans
  - Objectives of the project
  - Why it is needed now
  - Key benefits to be realised
  - Critical success factors and how they will be measured. (SMART: Specific, Measurable, Achievable, Realistic and Time specific)
- **Options appraisal**
  - High level cost/benefit analysis of (ideally) at least three options for meeting the requirement, typically in-house, outsource, and partnership of some sort
  - Include analysis of 'soft' benefits that cannot be quantified in financial terms
  - Identify preferred option and any trade-offs.
  - Justification for proposed option
- **Commercial aspects**

This section is applicable where there is an external procurement; this section outlines the potential deal. Most of this information will be produced for the outline business case.

- Proposed procurement option with rationale for its selection
  - Key features of proposed commercial arrangements (e.g. contract terms, contract length, payment mechanisms and performance incentives)
  - The proposed procurement process with supporting rationale.
- **Affordability**
    - Statement of available funding and 'ballpark' estimates of projected whole-life cost of the project

- Including approximate costs for external advisors etc., as appropriate
- **Achievability**
  - High level plan for achieving the desired outcome, with key milestones and major dependencies (e.g. interface with other projects)
  - Outline contingency plans e.g. addressing failure to deliver service on time
  - Major risks identified and outline plan for addressing them
  - Provider's plans for the same, as applicable, skills and experience required

### **3.4 Partnering Principles**

Partnerships should be characterised by their flexibility, and their ability to incorporate changes to service specifications whether customer or legislatively led. Given the long-term nature of the contract, in order to maximise its potential, it is vital that good working relationships develop between the parties. A model partnership should be characterised by clear, honest communication, shared goals and objectives and mutual trust and respect. Whilst it is inevitable that contentious issues will emerge, the Partnership should seek to solve these problems jointly and without recourse to the Contract.

### **3.5 Procurement Project Management**

#### **Project Management**

Project management is much more than the tasks carried out by a project manager. Project management is a combination of the roles and responsibilities of individuals assigned to the project, the organisational structure that sets out clear reporting arrangements and the set of processes to deliver the required outcome. It ensures that everyone involved knows what is expected of them and helps to keep cost, time and risk under control.

Experience has shown that projects are inherently at risk – through over-running on time and cost and/or failing to deliver a successful outcome. Such failures are almost invariably caused by:

- poor project definition, perhaps because of insufficient consultation with stakeholders or their failure to be specific about requirements and desired outcomes

- lack of ownership and personal accountability by senior management and members
- inadequately skilled and experienced project personnel
- inadequate reporting arrangements and decision-making
- inconsistent understanding of required project activities, roles and responsibilities.

Project management helps to reduce and manage risk. It puts in place an organisation where lines of accountability are short and the responsibilities of individuals are clearly defined. Its processes are clearly documented and repeatable, so that those involved in the project can learn from the experiences of others.

## ***Leadership***

Strong and consistent leadership is the foundation of a successful strategic partnership and work should not proceed unless this is in place. These partnerships are about securing community goals and their implementation is a strategic measure and not a technical function. In local government this necessitates determination, vision and commitment by elected members (particularly the leading members of all parties), the chief executive, and senior officers. The leadership needs to be supported by simple management structures to ensure that:

- objectives are clear and unambiguous and that their implications are fully understood by all partners;
- responsibilities are clear and are recognised at the highest level of partner organisations;
- the right skills are accessed at the right time;
- rapid action is possible when required; and
- decisions are properly made and are open to scrutiny.

## **Critical success factors**

- a well-defined scope and agreed understanding of intended outcome
- active management of risks, issues and timely decision-making supported by clear and short lines of reporting
- committed leadership at officer and member level

- a senior officer with personal accountability and overall responsibility for the successful outcome of the project
- an appropriately trained and experienced project team and in particular a project manager whose capabilities match the complexity of the project
- defined and visibly managed processes that are appropriate for the scale and complexity of the project.

The analysis of a Strategic Partnering Taskforce (March 2004) led by Nick Raynsford MP, the then Minister for Local and Regional Government, found that successful partnerships:

- identified and made available resources for a full-time project manager at an early stage and 'locked' this person in for the term;
- spent time planning processes to access funds through bids;
- prepared a realistic project plan identifying key stages;
- sought and paid for specialist advice when it mattered;
- increased project staff resources for workload peaks with a project team having suitable and skilled permanent staff as necessary;
- ensured communication was in place for 'gatekeepers' (members, chief executive/service directors, other people of influence at all levels), stakeholders, staff and customers;
- used best practice and sought advice from others working on similar projects, and built knowledge/experience into the project plan;
- put together a high-level risk assessment plan and acted on this (see also *Technical Note: Risk Management (ODPM 2003)*);
- talked to stakeholders to determine the scope of work and carried out (in the case of an external contract) soft market testing;
- carried out a skills gap analysis to ensure that the right person was selected to act as the 'intelligent client'; and
- recognised a need for in-house specialist staff for the project team.

## **Development of the project team**

All procurement projects should be conducted in accordance with the Council's Project Management Guide and Capital Projects Procedural Guide.

There will need to be a dedicated project manager, with appropriate and demonstrable skills and experience. Project Management is the key to successful delivery of any project and needs to be undertaken properly for the procurement of a partnership to be successful.

The project manager is responsible for identifying resource requirements for the project team, securing appropriate specialist support internally and externally, preparing the project plans, developing project documentation, and managing the process.

Arising from the experience of the Pathfinder projects, the Taskforce recommend that Councils should particularly attend to the following actions

- Identify a dedicated, full-time project manager at an early stage.
- Assess the processes needed to access public funds and plan accordingly.
- Secure funds that are sufficient to enable appropriate and timely expert advice.
- Increase staff resources working on the project at peaks in the project plan.
- Make regular progress reports to members and senior officers of the authority.
- Use published Best Practice advice and available local government experience.
- Assess risks at different stages of the project.
- In public/private PPPs, undertake soft market testing at an early stage before broadly defining the scope of the partnership.
- Carry out a skills gap analysis and employ expert advisers as appropriate.



### 3.6 Legal Options – partnership structures

There are different types of partnership and it is important at an early stage to consider the various options in order to ensure the maximum opportunity for meeting the respective objectives of all potential partners. In particular, the Council must be sure what it wants to get out of the proposed structure, to ensure that the chosen model is the one best able to meet the Council's needs.

This a complex area, and there are a wide range of potential structures with different attributes and varying implications in terms of governance, staff, funding, tax, trading and charging, and risk transfer, among others. The ODPM's Strategic Partnering Taskforce guidance on this subject - *Structures for Partnerships – Technical Notes* runs to over 100 pages. The following three paragraphs are an extract from the executive summary:

*“When considering Strategic Service Partnerships, or indeed partnerships of any kind, authorities need to have, or gain, an understanding of what can be done and the benefits of the alternatives. The complexities of the alternatives can make this process daunting and some will see it as a matter better left to solicitors and accountants. Such an approach, whilst understandable, is not appropriate as the choice of preferred structures needs to be supported by the stakeholders involved and be widely seen as the best route to deliver the objectives determined for the project.*

*The purpose of this publication is to provide an overview of the principal alternatives that can be used in partnership situations. It is designed to support and supplement other publications that the Strategic Partnering Taskforce are planning to issue. In particular, Rethinking Service Delivery through Strategic Service Partnerships – from inception to outline business case which suggests how local authorities might approach the question as to whether a Strategic Service Partnership is the right option in their specific circumstances. Details of the Taskforce's publications can be found on the website [www.odpm.gsi.gov.uk](http://www.odpm.gsi.gov.uk).*

*Structures for Partnerships – Technical Notes will be of most use to those officers and members contemplating partnerships with other public sector organisations, the voluntary sector and the private sector. It should be seen as a technical reference book rather than an overview of the subject. Inevitably its content considers legal and financial aspects of local government and the private sector. “*

The point here is well made. Where there is consideration of a strategic partnership, the structure will need to be considered. There are numerous variations on the theme of the following general models:

- Public Sector Consortium, Pooled Budget and Joint Commissioning
- Joint Ventures

- Partnering Contracts And Legal Partnerships
- Outsourcing
- Private Finance Initiative

Technical legal and financial advice will need to be sought, but the Council will need to take an active role. There is a wealth of guidance available that relevant officers will need to be aware of, and in particular, the rich output of the ODPM Strategic Partnering Taskforce.

### **3.7 Issues to Consider**

- Governance – this will to a degree be dependent on the vehicle of delivery, and the ownership and control implications. It will also need to consider the role of stakeholders. There will normally need to be a complexity of governance forums with differing roles. It is helpful to seek bidder proposals for suitable models and to develop the relationship model as the process unfolds.
- Management of the Post Contract Relationship - Post contract management is a critical element in the procurement life cycle though often the one which is most neglected. It is particularly important in a strategic partnership as both the relationship and service delivery will develop post contract. It is essential that this is attended to at the outset, as it will impact on the business case for the project. It also needs to ensure that those responsible for the management of the post contract relations are involved in the procurement process.

### **3.8 Staff**

The rights of staff who transfer under TUPE are protected by law. These laws apply by operation of law and not the intentions or wishes of the parties. The proper consideration of workforce issues is a legal responsibility for any authority that is likely to transfer staff to another employer. A new legal framework in relation to staff transfers and pensions was imposed following the enactment of the Local Government Act 2003.

The Code of Practice *Workforce Matters in Local Authority Service Contracts* (2003) was published as appendix D of Circular 3/2003. It is designed to secure Best Value and to ensure the fair treatment of those who are 'new joiners' in a contracting situation.

The Code states that contractors should:

- offer employment to new staff on fair and reasonable terms, and on conditions that are overall broadly comparable to those of the transferred employees,
- take into account the need to recruit and retain quality employees and conditions in local labour markets, and
- offer broadly comparable pension arrangements, (a range of options is set out).

## **3.9 External Consultants and Other Information Sources**

### **3.9.1 Use of External Advisers**

Whilst the Council has now developed its experience of strategic partnerships, it is still necessary to commission support from specialist external advisers on major projects. There are two reasons for this. The first is the injection of project support and the other to bring specialist technical skills to ensure that the Council's position is protected in very expensive projects.

In particular, projects of this nature will require legal advisers to deal with the complex contractual and negotiation issues, financial advisers to analyse the bidders financial models and advise on project affordability, technical advisers to advise on costings and risk quantification and insurance advisers, insurance being one of the more contentious areas of PFI/PPP schemes currently, which can put significant costs on these projects. Adviser fees can run into several hundreds of thousands of pounds over the procurement period, so budgetary provision must be made for this expenditure. In addition, both the Government if they are funding the scheme, and the private sector bidders will be looking to see that the Authority has recognised advisers on the Project, to give comfort that the Council can deliver and confidence that the timetable can be met.

The Authority has appointed PricewaterhouseCoopers as a framework preferred supplier for Financial Services. This is a 3 year agreement, with a potential 2 year extension. The scope of this agreement will include the provision of financial advice for PFI and PPP projects. Therefore, any Programme Area considering or developing proposals can utilise this Contract.

In respect of Legal, the Authority's Legal Services Section are currently considering a partnership arrangement with a legal firm. The scope of this contract is currently being developed, although potentially will include the provision of PFI/PPP advice.

In respect of Technical Services, Economic and Development Services have in place partnering agreements with E C Harris and W S Atkins. These companies are available to validate and benchmark capital and lifecycle costs on partnership contracts.

In addition, the Authority has access to an experienced Project Manager, Peter Ross, who has recently worked on an EU Procurement Project in China, and previously was involved in developing a number of partnerships at Kirklees MBC. He is currently working for the Authority as the Project Manager of the Leisure / JSC PFI, and worked for the Authority during the initial stages of the Schools PFI procurement process.

### 3.9.2 Sources of External Information

There is an abundance of guidance to support all aspects of public procurement. Any staff involved in developing strategic partnerships should refer to the relevant detailed guidance, some of which is referred to in this protocol, but which is far too extensive to be summarised in a single document. In addition to appointed external advisers various national bodies are available to advise local authorities on the procurement of PFI/PPP contracts.

- The ODPM Strategic Partnering Taskforce is probably the most comprehensive site for knowledge and guidance on partnerships. It is an excellent source of information and guidance, including detailed technical guidance.  
([www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/divisionhomepage/032063.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/divisionhomepage/032063.hcsp))
- The Public Private Partnership Programme (4Ps - [www.4ps.co.uk](http://www.4ps.co.uk)) is a national body that provides an advisory service to local authorities. This involves direct project support, the publication of guidance, case studies and sector specific procurement packs, local authority network groups, gateway reviews of complex projects, and conferences to allow authorities to exchange ideas and discuss issues.
- The Office of Government Commerce ([www.ogc.gov.uk](http://www.ogc.gov.uk)) is the government's procurement gateway responsible for public policy development, and good practice dissemination. Its role has been explicitly widened to include local authorities. Its web site is a rich source of guidance and information.
- Partnerships UK ([www.partnershipsuk.org.uk/](http://www.partnershipsuk.org.uk/)) issue PFI/PPP guidance and operate useful web-sites. PUK has a key role in the assessment of PFI Outline and Final Business Cases, particularly with the financial review of proposals.

- The Council has a Corporate subscription to **publicprivatefinance** ([www.publicprivatefinance.com](http://www.publicprivatefinance.com)), which combines a monthly magazine and online service providing news and technical information on PFI/PPPs.
- The IDeA has a section of its 'knowledge' website devoted to procurement. It includes some very helpful briefing papers for members and officers and theme based papers on various issues, such as skills development and sustainability ([www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk))

### **3.9.3 OGC Gateway Review**

As one of the approval conditions for the allocation of PFI Credits, all schemes must now be involved in a continuous external assessment process called a Gateway Review. This evolved as a tool to assess Central Government contracts but has now been rolled out to cover all public sector organisations. There are five OGC Gateway Reviews during the lifecycle of a project, three before contract award and two looking at service implementation and confirmation of the operational benefits. The Reviews are carried out by a small team of external assessors including a representative from the 4Ps, and representatives from other authorities who have completed PFI schemes. Authorities must act on the recommendations of the Review to enable them to proceed to the next procurement stage. Members of Partnerships and Governance are trained as Gateway Reviewers and are to carry out reviews at other local authorities, this could prove to be an invaluable source of information on procurement/PFI issues.

### **3.10 Affordability and Financial Viability**

One of the key issues in developing strategic partnership projects is the requirement to consider the affordability of the proposals. This needs to be done at the feasibility stage initially and needs to be continually revisited as proposals are developed. Project teams need to build into the calculations all available revenue budgets, and any additional funding that may be available whether in the form of revenue/capital grants or potential capital receipts.

However, project teams need to be aware that the nature of PFI/PPP contracts is such that in many cases an enhanced level of service is being requested. For example, in the case of the Schools PFI the buildings are being maintained to a high standard for the 30 years of the scheme.

In addition, project teams need to carefully examine the staffing levels that are likely to be required in order to meet their specification requirements, in particular if a higher specification is being asked for or a new service is being introduced.

In these cases it is likely that this will mean an increase in staff costs which will add to Affordability pressures. It goes without saying that the Project Board/Members need to be kept fully up to date with the revenue impact of the Project, ultimately any additional revenue costs will need to go to the appropriate Member decision making forums.

## **4 Control and Review**

### **4.1 Ownership of the Protocol**

Once the Strategic Partnering Protocol has been ratified by the Council following the wider Programme Area consultation, this document will become one of the key Council documents, feeding via the Corporate Procurement Strategy into the Community Strategy and Corporate Plan and providing a framework for 'working in partnership', to enable the Council to deliver on its 5 key priority themes. Any services that are contemplating entering into partnerships should only do so after having read and taken on board the recommendations in this document. This will ensure that the partnership procurement process is managed correctly to enable a successful outcome to be achieved.

### **4.2 Review of the Protocol**

Once formally adopted the Strategic Partnering protocol will need to be periodically revisited to ensure that it is kept up to date to incorporate, for example, legislative changes in the PFI/PPP environment, Council developments in this area and to incorporate lessons learnt from new and existing partnership projects. This will ensure that the document remains timely and relevant in a dynamic environment.

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<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1. Meeting:</b>	<b>PSOC</b>
<b>2. Date:</b>	<b>17<sup>th</sup> February 2006</b>
<b>3. Title:</b>	<b>Draft Final Submission - LAA</b>
<b>4. Programme Area:</b>	<b>ALL</b>

**5. Summary**

Rotherham has been successful in its bid to be one of the second wave Local Area Agreement authorities. The attached report describes further progress since the previous report in November 2005 and attaches for PSOC's consideration the current draft of what will be our final submission, which will need to be with GOYH by 24<sup>th</sup> February. Negotiation and refinement of targets is expected right up to the final signing date at the end of March.

**6. Recommendations**

- a) That PSOC notes progress to date
- b) That PSOC considers the attached draft LAA and makes comments on it
- c) That PSOC that the draft submission attached be agreed as a basis for progressing Rotherham's bid to be signed in March 2006.

## 7. Proposals and Details

As described in previous reports to PSOC, Rotherham MBC in conjunction with Partners is developing a Local Area Agreement. Our bid is in the “second wave” consisting of 66 local authority areas. All remaining authorities who have not agreed one will be required to enter an LAA bid in 2007. This demonstrates central government commitment to the LAA principle and the need for Rotherham to develop as good a LAA document and process as possible.

Attached is a draft of Rotherham’s 3<sup>rd</sup> Submission. This draft follows on from the 2<sup>nd</sup> submission that Government office for Yorkshire and the Humber required for 24<sup>th</sup> November 2005.

Since late December considerable feedback has been received from GOYH and central government departments covering the general direction and vision of the bid as well as detailed comments on each Block and targets.

Feedback and comments have been very positive, in particular the significant input from the Voluntary/community sector, (seen as a general weakness across the other LAA bids) and on the robustness of the Performance Management proposals. Since December officers and Partners have been working to develop the bid further both qualitatively and to respond to any queries or concerns expressed by GOYH, ODPM and/or Partners.

Some elements still need work on and there is a continuing dialogue with GOYH to address the issues especially around stretch targets, (see below) and Freedoms and Flexibilities. We have been advised that we should have robust reasons for requesting any Freedoms and Flexibilities. We have applied a “need” test so that requests are only being made for those that will materially help the delivery of the LAA. This approach has enhanced our credibility with GOYH and thus added weight to those Freedoms and Flexibilities we have actually asked for

Key freedoms and Flexibilities are within the LAA document but are shown at appendix 1 for clarification.

The completed submission will need to be finalised by the first week in February so that all Partners can approve it through their various structures. Our submission needs to with GOYH by 24<sup>th</sup> February. There will then be a period where clarification and some negotiation is conducted with GOYH and central government departments. GOYH have advised us that this process can go up to the actual date of signing on 24<sup>th</sup> March 2006. It will therefore be difficult to give a definitive draft prior to this. Members (and Partners) need to understand and agree for officers to undertake technical negotiations and agreements which can only later be ratified by partners, Cabinet and LSP governance arrangements.

PSOC should be aware that there is a growing pressure on all authorities to include central government department requirements in LAAs. For example, with the Safe Block the Home Office insisted on specific wordings and targets. Whilst pressures will be resisted it may mean that some objectives and targets reflect more national priorities than Rotherham ones. Our understanding is that advice to 3<sup>rd</sup> wave areas will be even more directive – limiting the scope for a “local” approach still further.



On 30<sup>th</sup> January there was a major local consultation event which mirrored the initial launch event in August last year. Comments from organisations and partners have been factored into the draft before members. However, comments reflecting views from other consultation events such as that with Town and Parish councils will need adding later. It is not expected that these will materially affect the main part of the LAA though some targets and/or target dates may need to be reconsidered. Given these provisos, attached to this report is a draft that is considered very close to the final agreement.

### **LPSA targets**

The LPSA2 reward element is being negotiated at the same time as an integral part of our LAA. Government guidance shows that if stretch targets cannot be agreed in time for the LAA launch then we would have to wait a further year before we could start that element.

In order to clarify the position on stretch targets, a meeting was held between GOYH, RMBC and Partners on 20<sup>th</sup> January. The outcome of this meeting was positive with a greater and clearer understanding as to which Targets would probably gain approval, which needed more work on them, and which needed reconsideration. Again work to finalise the Stretch Targets will continue up to signature date.

## **8. Finance**

The LAA in itself does not make any demands on budgets. However, over time there will be increased need to look at increasing partnership working as a result of objectives contained in it. This may affect the way in which budgets are constructed and how they are spent. Partners in the LAA have not attempted to increase “pooling” of budgets but rather stimulate “aligning” further across the life of the agreement. Again this may affect budgets in the medium and long term. Funding streams are outlined against each Block together with external funding streams linked to the LAA and paid in monthly instalments from April 06.

## **9. Risks and Uncertainties**

The key risk is that the LAA would be rejected by Government. Given comments made by GOYH so far this seems very unlikely. The other key risk is that there will be greater government demands being made to conform to directive advice, thus limiting the ability of the LAA to respond to local need and priorities. This could result in non-Public Sector Partners losing confidence and commitment to the LAA.

## **10. Policy and Performance Agenda Implications**

The LAA affects much of the council’s policy and performance agenda as it is aligned to the Community Strategy and, via that, to the Corporate Plan. Therefore many of the targets in the LAA are also Corporate Plan targets. The LAA Performance Management Framework was designed to ensure that systems are as compatible as possible with that of RMBC to avoid confusion or duplication of data catchment.

## 11. Background Papers and Consultation

Partner organisations including Rotherham MBC, have been fully involved in developing the LAA. All partners have been involved and or consulted at each step of the process.

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## **ROTHERHAM'S LAA MADE SIMPLE**

### **Your question and answer guide to Rotherham's Local Area Agreement**

#### **What is a Local Area Agreement (LAA)?**

A Local Area Agreement is a three-year agreement between national government, the local authority (in our case, Rotherham MBC) and partners – other organisations across the public, private, voluntary and community sectors which have a stake and a strong interest in Rotherham.

#### **What's the point of having an LAA? We're already working in partnership in Rotherham.**

Yes, we are indeed proud of how partnership working is already delivering benefits for the people of Rotherham. Partners have already identified how we will improve the quality of life in the borough through the development of a new vision, the agreement of our Community Strategy and our emerging Neighbourhood Renewal Strategy.

However, the purpose of the LAA is to accelerate the delivery of the vision and strategies by concentrating still further on key issues and priorities. It provides us with the flexibility to deliver against national policy, but at the same time to use local solutions to local problems. We will also use the LAA to determine how our spending should be prioritised.

The LAA will therefore further cement the partnership working that already exists, create new partnership opportunities and allow us to work even more closely with the Government Office for Yorkshire and the Humber, and other Government Departments. In turn this should provide us with greater access to freedoms and flexibilities, and greater potential to influence national and regional policy.

#### **So who are those partners and how have they contributed to the LAA?**

Contributions have been made in a variety of ways, including through working groups, presentations at Area Assembly meetings, seminars for elected members, a town and parish council event, and separate sessions involving voluntary and community groups and others. Those partners include:-

- Local businesses
- Colleges
- Elected Members
- Fire Service
- Local People and Communities
- Police
- Primary Care Trust and Foundation Trust
- Rotherham MBC
- Rotherham Partnership
- Town and Parish Councils
- Voluntary & Community Sectors

**Everyone's talking about stretch targets – what are they?**

All the people involved have identified their shared priorities, and also agreed “stretch” targets they want to aim for in improving performance.

The LAA will mean that money will be available to kickstart work towards those targets (known as pump-priming money) and that Rotherham will receive a final Reward Grant if the necessary “stretch” in performance is achieved. More detail about the stretch targets can be found in Appendix 2 of the LAA submission.

**So what are the key priorities, and most importantly, the outcomes and benefits that the LAA will help us to achieve here in Rotherham?**

In summary, the priorities are grouped into five Blocks:

- Economic Development and Enterprise
- Children and Young People
- Safer and Stronger Communities
- Healthier Communities and Older People
- Cross Cutting

More information about each of the blocks is given on the attached sheet.

**What happens next?**

- The final submission will be sent to Government Office on 22 February after which a period of negotiations will take place
- The LAA will then be signed by all partners on 24 March 2006

**How do I find out more?**

You can contact:

Lee Adams, Assistant Chief Executive, on 01709 822788

Colin Bulger, Head of Policy and Partnerships, on 01709 822737

### Economic Development and Enterprise

- To **increase the number of new-start businesses from the local community in the South Rotherham** area and to improve the survival rate for these businesses
- To assist those who are economically inactive, specifically on incapacity benefits, into work, **reducing the levels of economic inactivity** and increasing the employment rate for the Borough
- Strengthen retail offer in Rotherham Town Centre to provide **sustainable and quality employment opportunities** by creating appropriate interventions to support the **start and growth of businesses** specifically in those sectors primarily targeted around town centre
- Use the planning process to **connect local people and businesses to training, jobs and opportunities** created by (inward) investment and other regeneration initiatives.
- To use local procurement policies, developed in conjunction with the Voluntary/Community sector, **to develop and sustain enterprise, with an emphasis on the community/social sector**, within Rotherham. (Links to the Cross Cutting theme Block)

### Children and Young People

- Ensuring that children, young people and families in Rotherham have improved access to a wide range of knowledge, support and services, ranging from early intervention and prevention to specialist services, which promote **emotional and social well being and address mental health issues**
- **Raising the levels of attainment** for all children and young people in Rotherham with a particular focus on reducing the gap for groups such as Looked After Children, and children from Black and Minority Ethnic Groups
- **Maximising enterprise and economic opportunities** for all young people by providing high quality information, advice and guidance, enterprise skills and training
- Raising the aspirations and achievement levels of all children and young people by **increasing access to information, support and learning opportunities for families and communities.**

### Safer and Stronger Communities

- Achieving local and national targets in **reducing crime and anti-social behaviour and promoting the RESPECT agenda, particularly in areas of most deprivation**, reducing the harm caused by illegal drugs and alcohol, reassuring the public and reducing the fear of crime
- Improving **housing conditions and fire safety within the most disadvantaged areas** and achieving milestones on decent housing
- Improving the **quality of the local environment**, creating cleaner, greener, safer and better used public spaces (including Town and district and rural centres), reducing the gap on aspects of liveability between the worst neighbourhoods and the district as a whole.

### Healthier Communities and Older People

- **Addressing health inequalities and promoting positive health** and wellbeing for all Rotherham's residents
- **Improve access to health and social care**
- **Reduce poverty** by maximising income and to maintain in and enable people to enter employment
- **Promote independent living.**

### Crosscutting Themes

- Tackling and further **reducing inequalities** and continuing to tackle our **equalities and cohesion objectives**
- Increasing **community and service-user engagement and involvement**, supporting the development of volunteering, thus enabling greater local influence in decision making and service delivery
- Ensuring service improvements and other achievements are communicated to citizens and that **citizen and other satisfaction rates are increased**
- Improving the **quality of life for people in the most disadvantaged neighbourhoods and groups** and ensure service providers are more responsive to needs and improve delivery.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Performance &amp; Scrutiny Overview Committee</b>
<b>2.</b>	<b>Date:</b>	<b>17<sup>th</sup> February 2006</b>
<b>3.</b>	<b>Title:</b>	<b>Lyons Inquiry: Consultation Paper &amp; Interim Report</b>
<b>4.</b>	<b>Programme Area:</b>	<b>Chief Executive's Department</b>

## **5. Summary**

The Lyons Inquiry, established to take forward the findings of the Balance of Funding Review reported in July 2004, has produced a consultation paper and interim report. This report seeks the views of the Committee as part of producing a Council response to the consultation.

## **6. Recommendations**

**That the Committee:**

- a) **Considers the issues raised in the consultation and interim report.**
- b) **Comments on the proposed responses accordingly.**
- c) **Support the use of information gained from “Reachout”, the budget consultation process and the Community Strategy Visioning Exercises as evidence for the Council’s response**
- d) **Support the holding of seminars for both members and local partners to further examine the issues raised by the Lyons Inquiry, together with the Government’s “Local:vision” modernisation agenda and the LGA’s proposals for future relation between central and local government**

## 7. Proposals and Details

The Lyons Inquiry was established to take forward work that the Balance of Funding Review had reported on in July 2004. The inquiry was given a remit to consider in light of the Review, the detailed case for changes to the present system of local government funding; make recommendations on any changes that are necessary and how to implement them; and take evidence from stakeholders. In particular, the Inquiry was to make recommendations on how best to reform council tax, taking into account the forthcoming revaluation of domestic property; assess the case both for providing local authorities with increased flexibility to raise additional revenue and for making a significant shift in the current balance of funding; conduct thorough analysis of options other than council tax for local authorities to raise supplementary revenue, including local income tax, reform of non-domestic rates and other possible local taxes and charges, as well as the possible combination of such options; and consider the implications for the financing of possible elected regional assemblies. A target date for the report was set for the end of 2005.

The Government had set out its broader agenda for local government in its ten year vision "Local:vision". This has been followed by a series of consultation papers that are intended to lead into the publication of a Local Government White Paper, expected in the spring of this year. This will be the subject of a more detailed report.

A further impact on the Lyons Inquiry work has been the Government's announcement of its intention to postpone the revaluation of Council Tax bands, set to come into effect in April 2007. Legislation is currently before Parliament that would postpone any revaluation until after the next general election.

In light of the emerging "Local:vision" agenda, the LGA's manifesto, and discussions between the Government and Sir Michael Lyons addressing the strategic direction of the relationship between central and local government, the remit of the Inquiry was extended in September 2005. The new remit provides for, in addition to the work already being undertaken to:

- Consider the current and emerging strategic role of local government in the context of national and local priorities for local services; and the implications of this for accountability;
- Review how the Government's agenda for devolution and decentralisation, together with changes in decision making and funding, could improve local services, their responsiveness to users, and efficiency;
- In the light of the above, consider in particular: how improved accountability, clearer central-local relationships, or other interventions could help to manage pressures on local services; and changes to the funding system which will support improved local services; and
- Publish a report or reports, as appropriate, in time for the Comprehensive Spending Review 2007.

The arrangements for the extended remit and deadline also provided for the publication of an interim report, which was published in December 2005. This interim report, including a consultation seeks to address the broader agenda and aims to stimulate a public debate on what people want local government to do, and how that should be paid for. This is not a new debate. Issues and tensions between central and local government over functions and

funding go back over several decades and have been addressed by a variety of reports and Government actions including capping of local government expenditure. The last extensive inquiry concluded in the Layfield report in 1976. Lyons argues that Layfield's conclusions are still relevant, and lead to asking quite fundamental questions about the type of society we want. In light of this, the interim report sets out his direction on local government role and functions as well as funding. On role and function, he invites comments on a series of principles:

- That effective funding reforms must be based on a clear view of what is expected from local government;
- There is the need for a wider debate than just between central and local government. We need to know what the public want – as citizens, service users, and taxpayers;
- We want to see communities which are socially cohesive, economically vibrant, and able to celebrate their distinctiveness. Local government is not just about the provision of services. It has a major and unique role to play in helping to develop and deliver vision for its communities, making decisions and trade-offs on their behalf, and shaping a strategic view of the area and its future – a role we might refer to as ‘placeshaping’;
- The role requires local government to have the trust of its citizens, and effective structures and processes to support it. This includes local government having the capability to perform this role effectively into the future;
- There is a strong rationale for devolution and decentralisation to ensure a better fit with local needs and to allow local communities to exercise choice over priorities. This was recognised in the Government's Devolving Decision Making Review and elsewhere, but there is an ongoing debate about the appropriate balance between the need for devolution (which will produce diverse results and local choices), and the desire to see national standards for some services to avoid pronounced variations in service standards across the country;
- Changes to the performance management and inspection framework over recent years have clearly contributed to improvements in services. However, the current system of delivering to national standards, driven by central government in a variety of ways including targets, inspection and specific grants, appears to have some drawbacks in terms of confusion and complexity. This might hinder effective service delivery and choice at the local level, as well as producing inefficiencies. Such pressures may also divert local government from its strategic place-shaping role. What does the combined weight of central and local expectations add to significant pressures on local services;
- How we can strike the right balance between ensuring adequate national standards in service provision for all citizens, and allowing sufficient local variation to meet the diverse needs of local communities and to allow them to exercise choice over their own priorities.
- Discussion has to embrace the whole system – it cannot separate local government priorities from central government's concerns about the management and performance of the public sector as a whole, or from the contribution of other agencies involved in public service delivery, or from local people as service users and taxpayers. Changes to the local government system of funding, activities and structures, as well as those of other parts of the public sector such as the police and health, may all affect council tax bills. There is need for a disciplined discussion of potential reforms as part of a more effective approach to managing pressures; and
- Growing pressures and expectations on local government from a range of sources are likely to be unsustainable; there is the need to explore ways of managing these better



as part of the foundation for a more sustainable base for the future. However, this must include a debate about what people are willing to pay for.

In considering the local government funding aspect of the original remit, research has revealed that there is much confusion about what level of government (central or local) is responsible for specific service provision and how these services are funded (central -v- local taxation or charges), the balance of funding debate. Consideration has also been given to the method of local taxation.

The debate over rates for business premises has remained live with calls for the setting of these to be restored to local government. This is being considered as part of the Inquiry.

Several views have been expressed over the years about how the community contribution to the payment for local services should be set and collected. These range from property based to income tax based to a combination of the two. The Inquiry has also considered a form of land tax instead of property tax along with Tourist Tax and Local VAT. The various arguments seek to address fairness in the taxation system, ability to pay and ease of administration. Further points made have included the number of bands in the Council Tax valuation system, regional disparities and out of date bandings and valuations.

Following research, the Inquiry has come to a view that a re-valued Council Tax should be implemented with the same number of bands. Lyons' research suggests that the regional disparities brought about through revaluation would be minor and would not be problematic. He also suggests that extending the number of bands, either with higher or lower bands would impact on a limited number of households and would have little overall impact on any notion of fairness concerning the link between the property value and ability to pay. He further concludes that any issues concerning the ability to pay, especially in circumstances described as asset rich and cash poor could be addressed through a revised Council Tax Benefit system. It is this approach that is forming his recommendations. The Government have also indicated their preference to continue with the Council Tax system.

The specific questions being raised in the consultation are as follows. Suggested responses to each question are set out in *italics*:

### **The strategic role of local government**

- **What is the strategic role of local government? Is the report's description sufficient, or are there more elements to add?**

*We agree with the overall strategic role of local government as set out in the report. However, we feel that the significant role that local government plays as a direct provider is understated at a time when there is a movement in the broader public sector to move to commissioning and contracting.*

### **Which elements of this role should extend to services other than those for which local government is directly responsible, and how?**

*Local government is already proving overview of some other public services. This is the case with health scrutiny. In addition, the Police and Justice Bill currently before*

*parliament would extend the scrutiny role in relation to Community Safety Partnerships. The role of local government as “leaders” in Local Strategic Partnerships and the production of Community Strategies also needs to be taken into account. Importantly, the power and duty of well-being introduced by Part 1 of the Local Government Act 2000 theoretically provides competence of governance to provide for, direct or influence in relation to any local issue. In practice, because other public bodies are not under any statutory obligation to participate, the extent to which this is effective is dependant on the willingness of individuals rather than strategic approach.*

### **How does the strategic role vary between different types of councils?**

*Rotherham, as a Metropolitan Borough would not wish to comment on workings in areas with a different structure for local government. However, the strategic role of working across local government needs to incorporate regional and sub-regional working. This is particularly important in relation to Planning and Housing and also in the development of City Regions. Other changes in strategic management of public services at a regional level including health and police, alongside regional development will further impact on the strategic role of local authorities within their own boundaries.*

- **What tools do councils need to perform the strategic role more effectively?**

*This breaks down into two components; statutory and capacity.*

*Addressing the statutory issues, notwithstanding the power of well-being, local government and other public sector bodies all operate within a statutory framework. A key question arises, especially in relation to the “Local:vision” agenda, is the statutory framework fit for purpose?, especially in relation to other public bodies working in an environment of local governance.*

*Capacity is equally an issue in an environment of expectation of local government to co-ordinate what appears to be an expanding and complex set of relationships with other strategic public bodies and providers. It should be remembered that some of the partnership arrangements with other public bodies are for functions that used to be the direct responsibility of local government. Further Education is an example of this.*

*It is crucial that local government has both the proper statutory framework and sufficient capacity to be able to meet any agreed expectations made.*

### **What are the existing barriers to councils performing this role effectively?**

*Central government departmental PSA targets directly impact on the ability of public bodies, particularly central government ones, at the local level being able to determine priorities. This in turn affects the ability of local government to be able to influence local priorities within a local strategic framework. This is even the case where local government already has a statutory duty. Examples include the scrutiny of health, where priorities and targets are primarily set by the Department of Health and in Community Safety Partnerships where priorities and targets are primarily set by the Home Office.*

**In what circumstances does it work well and less well?**

*Local Area Agreements appear to offer a way to provide a framework for agreement of priorities and targets at the local level, shaping national priorities to local needs and provide flexibility to respond to Rotherham priorities. However, relatively small funding blocks with their own targets may have limited impact on the broad governance agenda. An example of this is where neighbourhood renewal was to change the mainstream through strategic direction, which in practice, and notwithstanding its successes, has not happened.*

**Are further improvements in performance, efficiency and accountability needed before local government can most effectively play the strategic role and be trusted to do so?**

*This question lies at the centre of the relationship between central and local government and consequently between local government and other public sector bodies. It also raises the question: who decides if performance, efficiency and accountability are adequate? and who is it that has to trust who? Constitutionally, given that all public sector functions and structures, including local government, are in the gift of parliament, this can make for something of a one way relationship of trust and judgement. There has to be a balance between the accountability and trust of local government to its electorate on the one hand and to statute and government targets on the other.*

**What are the key signs of success and failure?**

*Ultimately, successful local government should be elected on a mandate of priorities over which it has control and can be held to account for.*

- **How important is the fact that local government is elected in relation to its ability and legitimacy to perform this role?**

*Of all the public service bodies with local management structures, local government is the only body with directly elected representatives. This has two key impacts. The first is that local government needs to be able to govern to the expectations of its electorate. The second is that it needs to be clear how local government's governance relates to other public bodies and what the lines of accountability are for functions and services.*

**Devolution and decentralisation**

- **Which services (or parts of services) should meet national standards in all areas of the country? Which should meet minimum standards? Which should be entirely down to local choice?**

*The research undertaken to date as part of the Inquiry suggests that there are considerable differences of opinion over who should set standards, central or local, and who actually is responsible for the delivery of a variety of services. In practice, the*

*introduction of many central targets, Best Value Performance Indicators, Neighbourhood Renewal Floor Targets, league tables with quartiles and “shared priorities” all serve to direct to some degree what local standards and targets should be. Rather than be prescriptive of which service standards should be set at each level, we believe that an additional piece of work should be undertaken to assess the relevance of service targets compared to high level national priorities and those which require an absolute national standard. This would enable a serious discussion to be held on an objective basis.*

**Are there aspects (such as standard setting, funding or choice of delivery mechanisms) of individual services which should be nationally controlled or locally controlled?**

*This should be determined in the context of the objective discussion mentioned above. However, the question does make the link between standard setting and funding, which is important. There is an argument for a “who pays the piper calls the tune” approach. Currently, there is a lack of clarity about who sets the standard, central or local, who pays for it, central or local and who is accountable for what. In addition, the issue of inspectorates appointed by central government making judgements over local priorities would have to be addressed.*

**Are there services where greater local variation in standards would be acceptable if there was clearer accountability and consultation with local people?**

*Undoubtedly the answer to this question is yes. The issue is to create the statutory framework for this, especially if local government were able to vary local standards for other public services around local priorities.*

• **How has the Government’s approach to devolution and decentralisation affected your area and your local services?**

*It has enabled greater flexibility to respond to local needs and priorities, although its impact at this stage is hard to assess. We appreciate the reduction in the number of statutory plans but note that in many respects that this has not reduced the amount of statutory planning required. Much of the recent devolution has been to regional bodies, which arguably, especially in the case of planning has seen decision making power taken from local government. We are keen to see how the “Double Devolution” from central government to local government and from local government to neighbourhoods, recently promoted by the Government, develops.*

**Which aspects of the current system are helpful and unhelpful, and why?**

*Rotherham has good partnership working relationships at all levels which have been recognised through accreditations. In addition, the partnership is currently negotiating its first Local Area Agreement. However, the process of reaching agreement, which requires local government to be the lynchpin between partners at the local level and central government departments, is complex and time consuming. We would*

*recommend that this should be simplified, along the lines being promoted by the LGA for streamlined negotiations with government.*

**Have changes based on central government priorities differed from those that might have been driven by local pressure and opinion?**

*Given the range of social and economic issues being addressed in Rotherham, there has been a strong relationship between the high level objectives of the Government and locally identified priorities in recent years.*

**Managing pressures on local services**

• **How can pressures on local services be managed more effectively?**

*There needs to be a clearer understanding of how pressures on local services are generated, who generates them and what the impacts are, resources and capacity to respond.*

**What are the main types of pressures faced by local services and how are they currently managed?**

*There are two principal sources of pressures on local services. The first is new statutory provision and the required level of resources. We note that the Government has instructed its departments to ensure that new local government functions are fully funded; however, the LGA claims that there is a significant funding gap for new functions. The second is locally generated demand for local services. This can be around local neighbourhood issues and calls for action, or periodically for specific service provision. In addition, other externally generated budget pressures can impact on the ability to either fully plan or respond to local service needs. The medium term finance strategy is a good tool for planning for known pressures.*

**Which are the most difficult to manage and why?**

*Both types of pressures referred to above are difficult to manage, however a specific service example is where social care functions can provide significant pressures for local government and result in overspends. This is an example of a service area, partly funded through specific grants from government, required to meet with national standards and inter-relate to other public services where budget pressures can result in local priorities taking second place to national standards.*

**Would greater devolution of responsibility enable pressures to be managed more effectively?**

*Greater devolution of responsibility needs to be accompanied by devolution of the ability to set priorities if it is to be effective. However, this could result in varying standards where a national standard is required.*

**Does confusion about responsibility and duplication of effort contribute to pressures?**

*In short, yes. This is why a clear statutory framework is required.*

**Would greater public understanding of the actual cost of public services help to manage expectations and pressures?**

*This is unlikely. Evidence suggests that people do not relate to spend in millions of pounds. Additionally, most people are interested in services that they use and not the others. Every service is used by someone, which will be a priority to them. The local authority has to strike the balance.*

**How can we ensure that the system provides the proper incentives and rewards for using resources efficiently?**

*A key issue with this question is who decides what efficiency is? The current approach to efficiency is that set out in the Gershon report, suggesting that 2.5% efficiency can be made year on year in the medium term through releasing resources to the front line from the back office. In the past it has been driving down costs through competitive tendering. Value for money is often measured by placement in a relative quartile. Efficiency can also be measured through prioritisation, ensuring that resources are aligned to priority actions, however this is subjective as one person's priority money well spent can be another's waste of money. We believe that efficiency and value should be linked to local priority and accountability, with resources clearly allocated to measurable outcomes.*

**Scope for a new agreement**

- **How could responsibility for local services be made clearer between local government, central government and other agencies?**

*We need a clear statutory framework for local government to provide democratic governance. This would provide for a clear understanding of the role of other public bodies in local partnership working and local accountability -v- accountability to government departments. The statutory framework should also provide for clear and transparent funding streams from central government providing how they should be applied to achieving national standards and be demonstrably sufficient for the service to meet those standards. The framework should also make provision for local authorities to be able to genuinely determine the finances of local priorities through local taxation.*

**What might this mean for the current performance management framework?**

*The LGA has already expressed its view on the future of inspection, most notably CPA. We would support their view of moving towards a quality regime, conducted within the family of local government.*

**Would a more contractual approach for a small number of key central priorities help to achieve this?**

*This could be explored as part of defining what should be set centrally and how it should be paid for, creating a demarcation between such service standards and local priorities. Such an approach may also be able to address disparities between areas, such as deprivation impact etc, in a better and more transparent way than is achieved through the current Relative Needs Formula based Revenue Support Grant.*

Responses are invited to be received by 13<sup>th</sup> March 2006.

In addition to the Consultation Paper and Interim Report, Sir Michael Lyons has also written to all local authority chief executives asking for details of what and how evidence has been collected and what consultation research has been undertaken to arrive at the views being expressed. He is also interested to know what further actions local authorities intend to take to further discussion on the issues raised and potentially the broader local government modernisation agenda.

It is proposed that evidence gained through “Reachout” surveys, the budget consultation process and the Community Strategy Visioning Exercises be used to evidence the Council’s views being expressed in the recommended responses. In addition it is proposed that seminars be held for both members and local partners to further examine the issues raised by the Lyons Inquiry together with the Government’s “Local:vision” modernisation agenda and the LGA’s proposals for future relation between central and local government

## **8. Finance**

There are no direct financial implications arising from this report, however, among other strategic issues, the Lyons Inquiry is addressing the future of local government finance, which may have a significant impact on the Council.

## **9. Risks and Uncertainties**

It is not at this stage known the detail of the recommendations that the Lyons Inquiry will produce, or how the Government will respond to them. Further reports will need to be submitted to members as part of the broader development of the Government’s Local:vision agenda.

## **10. Policy and Performance Agenda Implications**

The Lyons Inquiry, in examining the strategic relationship between central and local government includes measuring performance.

## **11. Background Papers and Consultation**

Source document: Lyons Inquiry into Local Government: Consultation Paper and Interim Report.

The Committee is being consulted for its views on the questions raised by Lyons as part of formulating a response from the Council.

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**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

1.	<b>Meeting:</b>	<b>Performance &amp; Scrutiny Overview Committee</b>
2.	<b>Date:</b>	<b>17<sup>th</sup> February 2006</b>
3.	<b>Title:</b>	<b>Policy review progress and Policy Framework Map</b>
4.	<b>Programme Area:</b>	<b>Chief Executive's Department</b>

**5. Summary**

Further to previous reports to the Committee detailing the implementation of Policy Reviews 3 and 4, this report provides an update of progress including forecast dates for policy review completions and presentation to members. In addition the first phase of policy framework mapping has been completed and is presented to the Committee for comment.

**6. Recommendations**

**That the Committee:**

- a) **Receives the progress to date on policy development and refresh in the current year.**
- b) **Considers the Policy Framework Map and comments accordingly.**

## 7. Proposals and Details

The Committee has previously received a series of reports on the development of a policy review process that will achieve an alignment of Council policies to the thematic priorities set out in the Community Strategy and Corporate Plan.

To date, the process has produced revised Community Strategy and Corporate Plan that are fit for purpose, SMART and can be performance managed. Policy Review 3 established a review of high level and cross-cutting policies and strategies resulting in a programme of policy refreshes. This is supplemented by new policy development contained within the Year Ahead Statement. Significant progress has been made on this stage of policy refresh. Most policies included in the policy refresh and development process for the current year are on target for completion within the anticipated timescale. There has been some slippage relating to policies that were scheduled to be completed by the end of December, however, these policies are set to be completed before the end of March. A summary of progress and forecast completion is as follows:

External Funding Strategy:	Interim External Funding Strategy approved by Cabinet November 2005. To be finalised by March
Medium Term Financial Strategy:	To be finalised for March 2006.
People & Service First (Customer Access to Services Strategy):	Approved November for aspects relating to customer service centres. Further work to be undertaken by end of March.
Procurement:	Completed and approved
Scrutiny Forward Plan:	Completed and approved
Cohesive Communities Partnership: Strategic Framework for Action 2004 – 2010:	The Council's contribution is complete and has been submitted to the Partnership.
Community Involvement & Consultation Strategy:	Currently out to consultation. Expected to be finalised in February.
Cultural Strategy:	Planned to be presented for approval by end of February
Environment Action Strategy:	Forecast for completion be end of March
Neighbourhood Renewal Strategy:	Strategy agreed by RMBC and the Rotherham Partnership. Action plans to be completed by March
Regeneration Plan:	Final draft completed. Expected to be presented in February

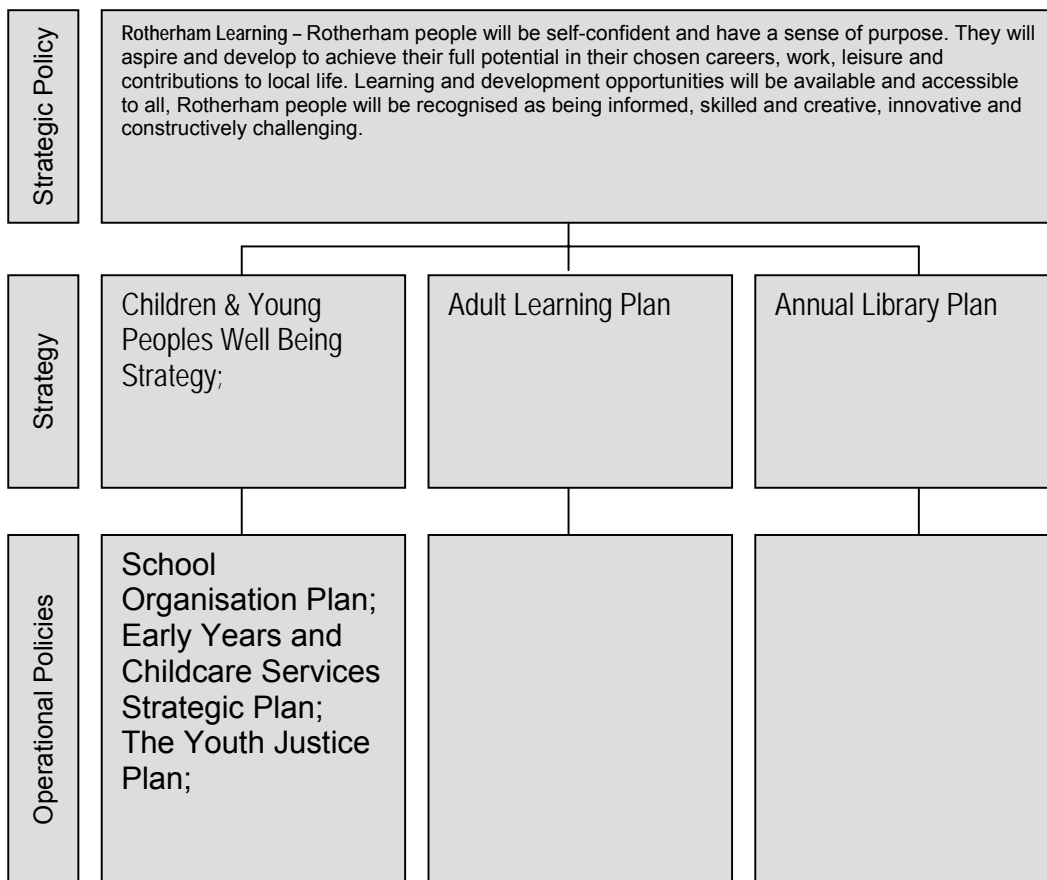
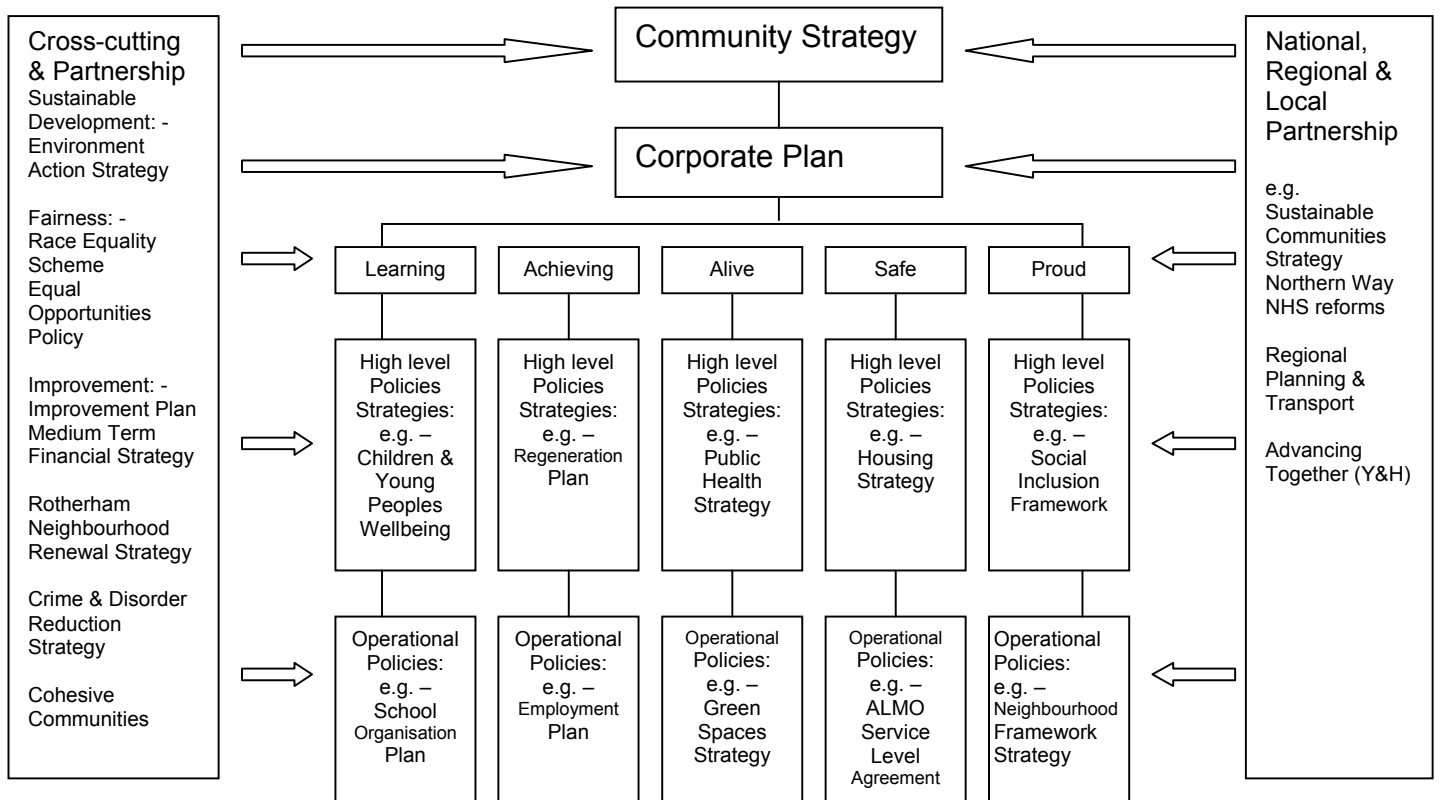
Risk Management Strategy:	Refresh Completed. Annual refresh required - next review March 2006.
Workforce Development Strategy:	In process. To be presented by end of March
Framework for Sustainable Development: Local Development Framework:	Nearly completed. To be finalised by March The latest milestone was the Statement of Community Involvement, which was completed and submitted in August. Work on the Core Strategy is on-going. Progress subject to Government guidance.
ICT Strategy:	Strategy completed and approved by Cabinet.
Joint Children's and Young Peoples well-being Strategy:	Timetabled to be approved in March for implementation from April onwards.
Older Persons well-being Strategy:	Draft produced - full approval expected by March
Public Health Strategy:	Timetabled to be fully approved by March
Rural Framework (Strategy):	Preparatory work scheduled for current year completed. Further report in May.
Social and Environmental Strategy for the Town Centre:	Expected to be presented full approval by March
Capital and Asset Management Strategy:	Approved by Cabinet and Council
Race Equality Scheme:	Completed and approved
Enviro-Crime Strategy:	Draft to be considered in February. To be presented for full approval in March
Enforcement Strategy for traffic / parking:	Decriminalised Parking Enforcement – Implemented
Neighbourhood Charters:	To be completed by end of March
Corporate Equality Strategy:	Completed and approved
Corporate Improvement Plan:	Completed and approved

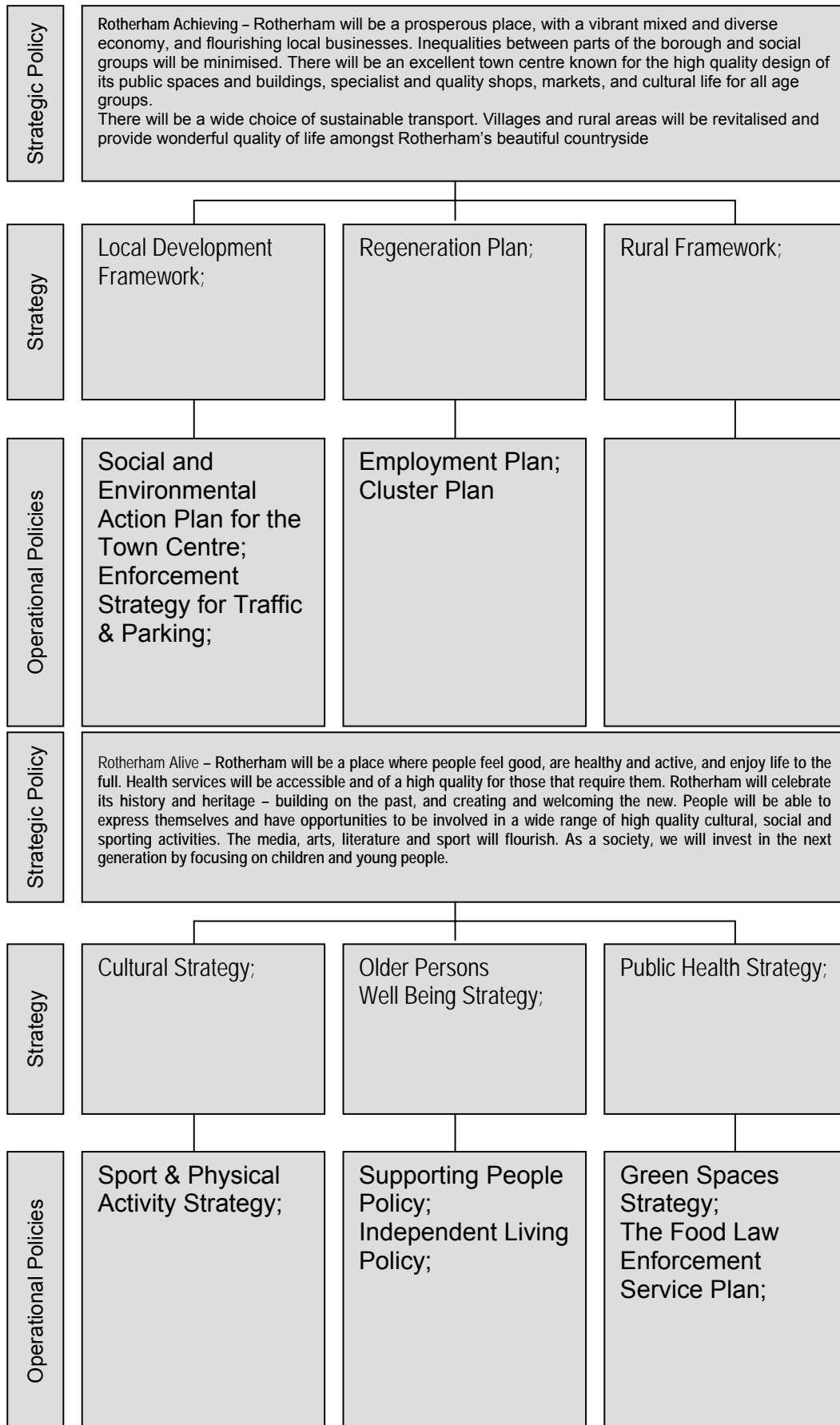
Overall, the refresh process has achieved alignment to the Council's thematic priorities with policies generally fit for purpose. However, on assessment, lessons can be learnt, especially in relation to performance management and resource implications aspects of the new and refreshed policies. To this end, a Quality Assessment model is being used, which provides a test of new and refreshed policies. The Quality Assessment, to be undertaken by officers in the Chief Executive's Department is intended to be a reasonably light touch, whilst ensuring that all of the essential components required to make the policy fit for purpose are in place. The Quality Assessment template is attached as an appendix. At its meeting on 9<sup>th</sup> December 2005, the Committee considered the involvement of scrutiny at the quality assessment stage (minute 107 (3) refers). Arrangements are in hand for scrutiny members to contribute to the QA process

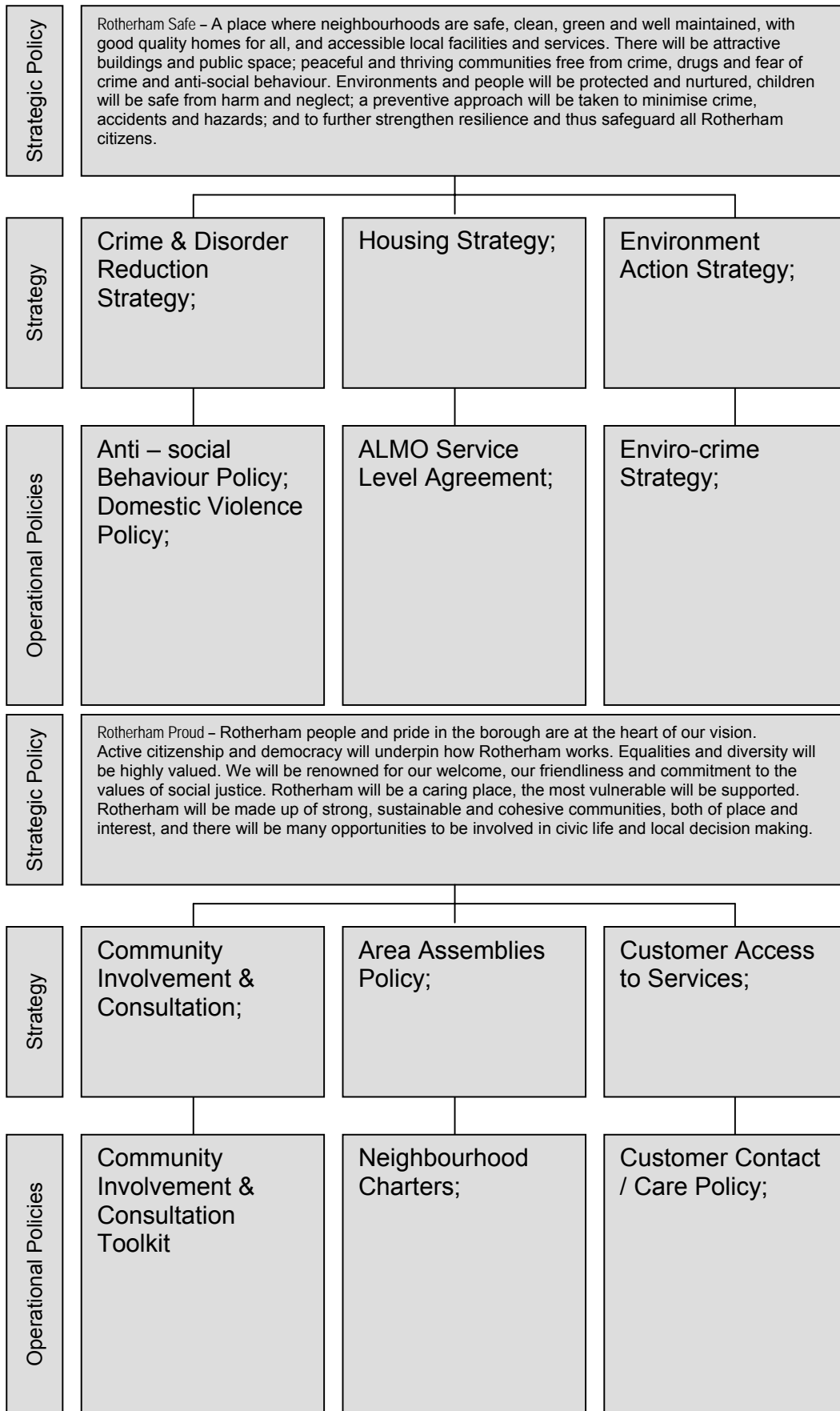
Supporting the delivery of the Council's high level and cross-cutting strategic policies are a range of service policies developed and implemented by the respective Programme Areas. The Committee considered the review of this level of policies at its meeting on 9<sup>th</sup> December 2005, as part of the Policy Review 4 process. Further reports will be presented to the Committee as assessments are completed.

The Committee has been keen to see the development of a Policy Framework Map to set out in a visual form how the Council's policies interrelate and align to the Corporate Plan priorities. The first phase of a map has been completed for the Committee's comment. The map at this stage is a series of diagrams. The first provides an overall context, including showing the Council's policies in relation to external factors. Further diagrams set out the Council's policies within the themes of the Corporate Plan. Whilst many of the policies deliver towards more than one of the Corporate Plan priority themes, policies have been included in the map aligned to the theme to which they have the greatest relevance to. Policies have been set out at both strategic and operational levels and include policies included in both Policy Review 3 and 4 processes. The map will be revised as policies are reviewed and refreshed, taking account of opportunities to rationalise the overall number of policies.

The maps currently show all policies included in the Policy Review 3 process and a selection of Policies included in Policy Review 4.







Sustainable Development - Rotherham will be a place where the conditions are right to sustain economic growth, the well-being of its citizens is prioritised and there is a high quality living environment sustained through minimising harm from development. Rotherham will be recognised locally, nationally and internationally for the positive impact of all organisations being excellent in sustainable development best practice.

Framework for Sustainable Development

Fairness - All individuals in Rotherham will have equality of opportunity and choice. Rotherham will provide open and accessible services. We will treat each other with fairness and respect, and our diverse needs and strengths will be understood and valued. Rotherham will actively challenge all forms of prejudice and discrimination and ensure that all the priorities encompass an equalities approach.

Equal Opportunities Policy

Race Equality Scheme

Social Inclusion Framework

Community Cohesion Plan

Excellent Council – Corporate cross cutting policies and procedures to drive the performance of the Council

Corporate Improvement Plan

Workforce Development Strategy

Medium Term Financial Strategy

External Funding Strategy

ICT Strategy

Risk Management Strategy

Procurement Strategy

Capital & Asset Management



## **8. Finance**

There are no direct financial implications arising from this report, however, the policy refresh process does require policies to align to the Medium Term Financial Strategy and build the recent Base Budget Review findings.

## **9. Risks and Uncertainties**

The development of a robust corporate policy framework is critical to effective corporate governance.

The Key Lines of Enquiry of the forthcoming CPA Corporate Assessment will need to be evidenced by a robust policy framework.

## **10. Policy and Performance Agenda Implications**

The policy review and refresh process sets out to achieve a coherent, fit for purpose policy framework aligned to corporate thematic priorities. Target setting and performance management are an integral component of this.

## **11. Background Papers and Consultation**

Consultation is a core component of the corporate policy standards. The Quality Assessment model specifically tests new and refreshed policies against consultation criteria.

### **Contact Names:**

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**ROTHERHAM METROPOLITAN BOROUGH COUNCIL**

**POLICY DEVELOPMENT QUALITY ASSESSMENT**

NAME OF POLICY: .....

PROGRAMME AREA: .....

LEAD OFFICER: .....

REVIEWING OFFICER: .....

DATE: .....

**Q1 – STRATEGIC ALIGNMENT:**

Q1a - Which corporate plan / community strategy theme priority does the policy address?

Q1b – Is there alignment with the cross-cutting themes of fairness and sustainable development

Q1c - Is this clearly stated?

Q1d - What other policies does this policy support and is this clearly stated and aligned?

**Q2 – EVIDENCE BASE:**

Q2a - Is there an evidence base demonstrating the need for the policy?

Q2b - Is there a statutory requirement for the policy?

**Q3 – OBJECTIVES:**

Q3a - Does the Policy have clearly stated SMART objectives? Is it clear what the policy aims to achieve and what its intended impact will be for the Council and for residents?

Q3b - Are the objectives of the Policy clearly aligned to the Corporate Plan / Corporate Improvement Plan priorities?

**Q4 – PERFORMANCE MANAGEMENT:**

Q4a - Does the Policy have an action plan to show how it will be delivered? Does it contain SMART targets?

Q4b - Do the targets of the Policy ensure the delivery of improvement in performance, such as BVPI targets?

Q4c - Is there a clear performance management framework, which shows how the policy and its objectives / targets will be monitored and reported upon?

**Q5 – RISK ASSESSMENT:**

Have risks been identified in either the policy document or cover report?

**Q6 – CONSULTATION:**

Q6a - Is evidence provided of consultation as part of developing the policy or identifying the need for the policy?

Q6b – Has the appropriate scrutiny panel been consulted or involved in developing the policy?

**Q7 – RESOURCES:**

Q7a - Are resources available / identified for the delivery of the policy?

Q7b - Do the resource implications link to the council's medium term financial strategy?

Q7c – Is succession addressed for time limited resources?

Q7d – Are there other resource or capacity to deliver issues?

**Q8 – EQUALITIES:**

Q8a - Has an equalities impact assessment been undertaken and the results addressed?

Q8b - Has a copy of the equalities impact assessment summary been attached to the report for CMT?

**NOTES**

All policy reports should be quality assessed before presentation to CMT.

The primary purpose of quality assessment is to ensure that all policies comply with key corporate requirements, alignment, performance management etc. It is not therefore, a requirement to challenge the service priorities of the policy.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO PSOC</b>
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<b>1.</b>	<b>Meeting:</b>	Performance and Overview Scrutiny Committee
<b>2.</b>	<b>Date:</b>	17 <sup>th</sup> February 2006
<b>3.</b>	<b>Title:</b>	Robustness of risk registers, risk reporting and progress on controlling insurance claims.
<b>4.</b>	<b>Programme Area:</b>	Chief Executive

### 5. Summary

The report addresses PSOC's interest in the capacity of the Council to manage its significant business risks and control insurance claims.

### 6. Recommendations

- **To note that in line with best practice, the Corporate Risk Register has been completely refreshed with a new two part Corporate Risk Register that is aligned to the new Corporate Plan Themes and the Excellent Council / Corporate Improvement Plan.**
- **To note the progress made in implementing risk management actions in the Corporate Risk Register.**
- **To note progress in ensuring accountability for reporting risk.**
- **To note the work being done with Programme Areas aimed at preventing, minimising and controlling insurance claims.**

## 7. Proposals and Details

### 7.1 Corporate Risk Register

#### 7.1.1 The new Two-Part Model

In line with good practice, the Corporate Risk Register has been aligned with the new Corporate Plan. The model adopted is a two part risk register. Part one covers each of the seven themes in the new corporate plan (Rotherham Alive etc). Part two covers issues around the Corporate Improvement Plan / Excellent Council. Rotherham's risk management system 'RISGEN' has been used to capture, analyse and assess the corporate risks identified. The risk assessments are summarised in the two tables below :

**Table 1 : Corporate Risk Register Part 1 - Corporate Plan Themes**

Risk Title Or Description	Risk Manager	Current Risk Assessment						Target Risk Assessment					
		Phase 2			Phase 3			Phase 4			Phase 4		
		Prob	Cost	Serv Deliv/Reputation	Legal	Assessment	R.M. Actions No.	Prob	Cost	Serv Deliv/Reputation	Legal	Assessment	
Rotherham Learning	Sonia Sharp	M	H	H	M	2	16	L	M	M	M	5	
Rotherham Achieving	Adam Wilkinson	M	H	H	M	2	13	L	H	M	M	3	
Rotherham Alive	John Gomersall	M	H	H	M	2	10	L	H	M	M	3	
Rotherham Safe	Tom Cray	M	H	H	M	2	8	L	H	M	M	3	
Rotherham Proud	Lee Adams	M	H	M	M	2	10	L	H	M	M	3	
Sustainable Development	Lee Adams	M	H	H	M	2	9	L	H	M	H	3	
Fairness	Lee Adams	M	H	M	M	2	7	L	H	M	M	3	

Table 2 : Corporate Risk Register Part 2 – Corporate Improvement Plan / Excellent Council

Risk Title Or Description	Risk Manager	Current Risk Assessment						R.M. Actions				Target Risk Assessment							
		Phase 2						Phase 3				Phase 4							
		Prob	Cost	Serv.Deliv	Reputation	Legal	Assessment	No.	Prob	Cost	Serv.Deliv	Reputation	Legal	Assessment	Prob	Cost	Serv.Deliv	Reputation	Legal
Working in Partnership	Mills/Cray	M	H	M	H	L	2	L	H	M	H	L	2	L	H	M	H	L	3
Community Leadership/Member Development	Cath Saltis	L	L	M	H	L	3	L	L	M	3	L	L	L	M	M	M	L	5
Policy - Strategy Framework	Lee Adams	L	H	H	H	M	3	L	M	M	3	L	M	M	M	M	M	M	5
Performance Management	Lee Adams	M	H	H	H	L	2	L	H	L	2	L	H	H	H	H	H	L	3
Use Of Resources/VFM	Andrew Bedford	M	H	H	H	L	2	L	H	L	2	L	H	H	M	M	M	L	3
CPA	Lee Adams	M	H	H	H	L	2	L	H	L	2	L	H	H	H	H	H	L	3
Procurement	Carol Mills	H	H	M	M	L	1	M	M	L	1	M	M	M	M	M	M	L	4
Governance/Scrutiny	Carol Mills	L	M	L	H	M	3	L	L	M	3	L	M	M	M	M	M	M	5
Access to Quality of Service/Complaints	Carol Mills	M	L	H	H	L	2	L	H	L	2	L	L	L	M	M	M	L	5
Communications/Marketing	Lee Adams	L	M	M	H	M	3	L	M	M	3	L	M	M	M	M	M	L	5
National Workforce Agenda	Carol Mills	M	H	M	H	H	2	L	M	H	2	L	M	M	M	M	L	L	5

Each risk has been assigned a risk manager and has been assessed in terms of Probability and Impact. Four types of impact have been evaluated:

- Cost / budget
- Service Delivery
- Reputation
- Legal / Compliance / Regulatory

A matrix showing criteria to help assess probability and impacts in terms of high (red), medium (amber) and low (green) is attached at **Appendix A**

The RISGEN system combines all these factors for each risk to produce a composite assessment of Red – High Risk (numbered 1 or 2), Amber – Medium Risk (3 or 4), or Green – Low Risk (5 or 6).

Each risk has been assessed twice :

- Firstly, as of 'today', based on the current control measures in place (this is the Phase 2 assessment in the above tables)
- Secondly, at a time in the 'future', assuming a series of proposed risk management actions have been put in place. This is sometimes referred to as the 'target' risk assessment, as this is where we are aiming to be following implementation of risk mitigation actions (this is the Phase 4 assessment in the above tables)

The tables show the 'target' risk assessments to be Amber (medium risk) or Green (low risk), compared to 'today's' assessments which are Red (high risk) or Amber (medium risk). This demonstrates that the risks can be managed. The means of achieving the 'target' risk assessments is set out in the Risk Management Action Plan.

### **7.1.2 Corporate Risk Management Action Plan**

One of the most important parts of the risk management process is to identify risk management actions that will help us reach the target risk assessments. Phase 3 in the tables above shows the number of risk management actions that are being undertaken to mitigate each risk. Each of these risk management actions is detailed in **Appendix B(i) and B(ii)** together with the extent of the progress made in implementing them. The Completion Dates shown in the appendices are either final end dates, which in some cases (e.g. Rotherham Learning) can be several years down the line, or financial year end dates when risk managers have particularly asked to review their risks at the year end. These appendices will be updated and reported on quarterly to CMT.

### **7.1.3 Emerging Risks**

Risks are constantly changing, for example through political, social, economic and legislative influences. CMT is responsible for helping to identify emerging risks as they arise, for capturing on the risk register. A useful prompt for identifying emerging risks is attached at **Appendix C**. Risks may also be identified arising out of Internal Audit or External Audit Reports.

## **7.2 Accountability for Reporting Risk**

The Audit Commission, in its Performance Audit Follow Up Report dated 6/12/05 commented that corporate risk items regularly appear on CMT and Cabinet agendas. It also noted that these reports identify the key risks, the actions taken and any subsequent reporting requirements. The Audit Commission report went on to record that key individuals (primary and secondary contacts) have now been named as risk management champions for each programme area.

Risk management responsibilities have been formerly incorporated into the job descriptions of M1, M2, M3 and M4 managers.

Notwithstanding those observations there is still room for programme areas to improve the reporting of risk in terms of :

- Regularity (i.e. minimum quarterly)
- focussing on red risks (i.e. emphasis on priorities)
- reporting to Cabinet Portfolio Holders (i.e. to keep Members informed)
- identifying resource implications (i.e. of risk mitigation actions)

### **7.3 Controlling Insurance Claims**

Best practice requires the Council to initiate risk management action in order to continually drive down both the numbers and costs of claims.

To address this, an insurance claims handling report went on 1/8/05 to CMT which recommended:

*“that the report be considered in detail by each Programme Area Management Team, together with their Risk Managers, and the Risk Managers report back to CMT showing how their plans for targeted risk management actions aimed at preventing, minimising and controlling claims are to be achieved”.*

To support this exercise, Programme Areas have been supplied with comprehensive claims management information from the new claims handling system. The analysis shows that there are some issues around Footpaths, Highways and Driver Training. An update report is scheduled to go to CMT on 13/2/06.

## **8. Finance**

The Council has formulated a new Corporate Plan, new Service Plans and associated budgets which are focused on achieving the Council's objectives.

It has now produced a revised Corporate Risk Register aimed at mitigating the risks associated with the achievement of those objectives. Executive Directors have been asked to align Programme Area, Service Area and Major Project risk registers to the new corporate plan.

A key principle is that risks should inform resource allocation. When the new budget for 2006/07 is constructed, the Executive Director of Finance will review any costs associated with risk management actions. In this connection it should be noted that the risk management actions should be broadly finance neutral as they are largely down to good management. However, some may not be entirely without cost, and equally in the event of any slippage in risk management actions, this may trigger one or more of the following financial responses :

- Reallocation of resources
- Use of Balances / Reserves
- Use of the Risk Management Fund.



## 9. Risks and Uncertainties

Rotherham has the opportunity to achieve 4 star / excellent status in 2006. The key issue to achieving that status is for the Council to proactively manage its significant risks. The new Corporate Risk Register, which is aligned to the new Corporate Plan, will specifically help deliver this. Further, the risk register will be actively managed, regularly updated and reported on. These control procedures should enable the Council to enhance its reputation with the Audit Commission and all its stakeholders.

However, to further build on the CPA score, attention needs to be maintained on :

- keeping Programme / Service Area and major project risk registers up to date
- reporting on them to SMT's
- the reporting back to CMT of actions taken in programme areas to control insurance claims

## 10. Policy and Performance Agenda Implications

Risk Management is part of Good Governance and is wholly related to the achievement of the objectives in the Council's Corporate Plan.

## 11. Background Papers and Consultation

Corporate Plan 2005-10

Risk Management Strategy 2005

Local Code of Corporate Governance 2005

Statement of Internal Control 2004/05

Audit Committee Terms of Reference 2006

CMT Minute 431/05 1/8/05

Audit Commission Performance Audit Follow Up Report 6/12/05

Report to CMT 16/1/2006

### Contact Names:

*Steve Merriman, Governance & Risk Manager, x2087*

### Appendices

**A Criteria to help assess Probability and Impacts**

**B(i) Corporate Plan Themes Risk Management Action Plan**

**B(ii) Corporate Improvement Plan/Excellent Council Risk Management Action Plan**

**C Prompt Model for identifying Emerging Risks**

**Criteria to help assess Probability and Impacts**

	<b>Nil</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>PROBABILITY</b>	Remote	Unlikely	Possible	Probable
<b>IMPACT :</b>				
<b>Cost</b>	Negligible	Some deviation from budget	Considerable deviation	Major deviation
<b>Service Delivery</b>	No service issues	Seen to fully meet all important objectives	Seen to fail to meet a critical objective	Seen to fail to meet a number of critical objectives
<b>Reputation</b>	No impact	Local press involvement, easily contained	National press involvement, specialist skills to contain	National Press and Parliamentary questions
<b>Legal/ Regulatory/ Compliance</b>	Negligible	Cuts bruises /"Hard to justify" complaints	Broken limbs /Local agitation/Audit issues	Fatality/ Major audit issues

## Corporate Plan Themes Risk Management Action Plan

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Rotherham Learning	STANDARDS - Raise results for all Key Stages up to national average	50	31-03-10	Catharine Kinsella	Sonia Sharp
Rotherham Learning	STANDARDS - Increase number of Looked After Children who achieve 1 GCSE or equivalent	70	31-10-06	Helen Longland	Sonia Sharp
Rotherham Learning	STANDARDS - Provide innovative out-of-hours learning opportunities for young people aged 5-18	50	31-03-10	Sue Shelley	Sonia Sharp
Rotherham Learning	STANDARDS - Raise standards in early years education	30	31-03-10	Sue Walker	Sonia Sharp
Rotherham Learning	STANDARDS - Give Parents access to family learning opportunities at key points throughout their child's school years	40	31-03-10	Helen Longland	Sonia Sharp
Rotherham Learning	QUALITY - Reduce no. of schools in special measures	50	30-09-06	Catharine Kinsella	Sonia Sharp
Rotherham Learning	QUALITY - Provide a better learning environment	60	31-12-06	Graham Sinclair	Sonia Sharp
Rotherham Learning	QUALITY - Develop a programme of extended schools to develop learning for children, young people and adults	20	30-09-10	Catharine Kinsella	Sonia Sharp
Rotherham Learning	QUALITY - Increase the number of secondary schools which are designated specialist schools	80	31-07-07	Catharine Kinsella	Sonia Sharp
Rotherham Learning	ECONOMIC WELL BEING - Reduce the number of 16-18 year olds not in education, training or employment	60	31-10-06	Catharine Kinsella	Sonia Sharp
Rotherham Learning	ECONOMIC WELL BEING - Increase opportunities to participate in outcomes from lifelong learning opportunities for young people	30	31-10-07	Helen Longland	Sonia Sharp
Rotherham Learning	ECONOMIC WELL BEING - Increase skills and develop opportunities across the borough workforce	10	31-12-06	Catharine Kinsella	Sonia Sharp
Rotherham Learning	ECONOMIC WELL BEING - Increase participation in lifelong learning opportunities for adults, primarily targeting those with qualifications below level 2	10	31-12-06	Helen Longland	Sonia Sharp
Rotherham Learning	ECONOMIC WELL BEING - Raise levels of attainment in literacy and numeracy amongst the adult population	10	31-10-10	Helen Longland	Sonia Sharp
Rotherham Learning	ECONOMIC WELL BEING - Increase the number of young people who are benefiting from Business Enterprise activities	50	30-09-06	Catharine Kinsella	Sonia Sharp
Rotherham Learning	Actively engage Citizens in the Scrutiny Process	50	31-03-06	Cath Salits	Sonia Sharp
Fairness	Implement Plan to achieve Levels 3 - 4 of Equality Standard for Local Government	80	31-05-06	Colin Bulger	Lee Adams

## Corporate Plan Themes Risk Management Action Plan

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Fairness	Implement Community Cohesion Strategy	100	30-11-05	Collin Bulger	Lee Adams
Fairness	Actively engage Citizens in the Scrutiny Process	50	31-03-06	Cath Salits	Lee Adams
Fairness	Quarterly reports to CMT on racial incidents	80	31-03-06	Zafar Saleem	Lee Adams
Fairness	Year Ahead Target - quarterly monitoring	80	31-03-06	Zafar Saleem	Lee Adams
Fairness	Ongoing - Tension Monitoring- and regular dialogue with SY Police and Community activists	70	31-03-06	Zafar Saleem	Lee Adams
Fairness	Develop Specialist Services for Communities of Interest	30	31-12-07	David Hamilton	Lee Adams
Rotherham Achieving	Undertake research on deprivation, report - develop baselines	100	31-12-05	Lee Adams	Mike Cuff
Rotherham Achieving	Deliver Neighbourhood Renewal Strategy with all ED-s	90	31-03-06	Lee Adams	Mike Cuff
Rotherham Achieving	target economic inactivity	30	31-03-06	Tom Cray	Mike Cuff
Rotherham Achieving	Deliver NRS targets, refresh NRS	90	31-03-06	Lee Adams	Mike Cuff
Rotherham Achieving	Develop Social - Env well-being strategy for town centre	50	31-03-06	Lee Adams	Mike Cuff
Rotherham Achieving	Develop Rural Strategy	40	31-03-06	Lee Adams	Mike Cuff
Rotherham Achieving	Deliver Public Health Strategy	70	31-03-06	Lee Adams	Mike Cuff
Rotherham Achieving	Deliver Inward Investment Plan	80	31-03-06	Richard Poundford	Mike Cuff
Rotherham Achieving	Deliver Town Centre Master plan	40	31-03-06	Richard Poundford	Mike Cuff
Rotherham Achieving	Deliver Workforce Development Strategy	30	31-03-06	Richard Poundford	Mike Cuff
Rotherham Achieving	Reprioritise Resources / Review Resource Allocation	40	31-03-06	Mike Cuff	Mike Cuff

**Corporate Plan Themes Risk Management Action Plan**

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Rotherham Achieving	External Funding Review	100	31-12-05	Lee Adams	Mike Cuff
Rotherham Achieving	Actively engage Citizens in the Scrutiny Process	50	31-03-06	Cath Salits	Mike Cuff
Rotherham Proud	Improving communications and marketing	60	31-03-06	Tracy Holmes	Tom Cray
Rotherham Proud	Increasing support to Town - Parish Councils	50	31-03-06	Tom Cray	Tom Cray
Rotherham Proud	Developing Area Assemblies - Local Partnerships	40	31-03-06	Tom Cray	Tom Cray
Rotherham Proud	Monitor SLA with VAR	70	31-03-06	Colin Bulger	Tom Cray
Rotherham Proud	Volunteer Strategy for Council	20	31-03-06	Carol Mills	Tom Cray
Rotherham Proud	Community Involvement Strategy	100	31-12-05	Colin Bulger	Tom Cray
Rotherham Proud	Map Communities of Interest - develop ways forward	80	31-03-06	Colin Bulger	Tom Cray
Rotherham Proud	Publish Annual Report for Consultation	100	30-11-05	Colin Bulger	Tom Cray
Rotherham Proud	Develop Consultation Strategy	100	31-12-05	Colin Bulger	Tom Cray
Rotherham Proud	Actively engage Citizens in the Scrutiny Process	50	31-03-06	Cath Salits	Tom Cray
Sustainable Development	Produce Sustainable Development Framework	100	30-11-05	Colin Bulger	Lee Adams
Sustainable Development	Develop Integrated Appraisal Tool	20	31-03-06	Adam Wilkinson	Lee Adams
Sustainable Development	Revise Procurement Strategy	100	30-11-05	Carol Mills	Lee Adams
Sustainable Development	Develop CSR Statement	0	31-03-06	Colin Bulger	Lee Adams
Sustainable Development	Introduce Fair Trade Programme	90	31-01-06	Colin Bulger	Lee Adams

**Corporate Plan Themes Risk Management Action Plan**

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Sustainable Development	Implement Social Inclusion Framework	70	31-03-06	Andrew Fellowes	Lee Adams
Sustainable Development	Restrict permission for development on greenfield sites	90	31-03-06	Adam Wilkinson	Lee Adams
Sustainable Development	Ensure all allocations on LDF are on brownfield land	60	31-03-06	Adam Wilkinson	Lee Adams
Sustainable Development	Actively engage Citizens in the Scrutiny Process	50	31-03-06	Cath Salitis	Lee Adams
Rotherham Alive	Put in place clear project management	40	31-03-06	John Harding	John Gomersall
Rotherham Alive	Bid for external funding for Extra Care Housing	70	30-04-06	John Harding	John Gomersall
Rotherham Alive	Improve Joint Working with PCT in relation to Older Peoples Services	50	01-04-07	David Hamilton	John Gomersall
Rotherham Alive	Development of a Joint Workforce Strategy with PCT	30	31-05-06	Cath Sullivan	John Gomersall
Rotherham Alive	Review and modernise Sheltered Accommodation for older people.	30	30-08-06	John Harding	John Gomersall
Rotherham Alive	Develop a Joint Strategy for Assistive Technology	70	28-02-06	David Hamilton	John Gomersall
Rotherham Alive	Review arrangements for Improved Adaptations Service	60	28-02-06	David Hamilton	John Gomersall
Rotherham Alive	Actively engage Citizens in the Scrutiny Process	50	31-03-06	Cath Salitis	John Gomersall
Rotherham Alive	Heritage Lottery Fund bid for major park regeneration under preparation.	100	31-12-05	Phil Rogers	John Gomersall
Rotherham Alive	Preparation for new Library at Wickersley	50	31-03-06	Phil Rogers	John Gomersall
Rotherham Safe	Deliver Emergency Planning, Service Continuity and Health and Safety Strategies	80	31-03-06	Adam Wilkinson	Tom Cray
Rotherham Safe	Deliver Waste Management Strategy	20	31-03-20	Bob Crosby	Tom Cray
Rotherham Safe	ALMO to achieve the Decent Homes standard for all Council Properties by 2010	30	31-12-10	Jim McAusland	Tom Cray

**Corporate Plan Themes Risk Management Action Plan**

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Rotherham Safe	Preparation and support for ALMO to achieve 2 Stars	100	31-01-08	Jim McAusland	Tom Cray
Rotherham Safe	ALMO to deliver Neighbourhood Management Agenda	50	31-12-08	Simon Bunker	Tom Cray
Rotherham Safe	ALMO to deliver VFM Repairs and Maintenance Service	50	31-03-08	Jim McAusland	Tom Cray
Rotherham Safe	Actively engage Citizens in the Scrutiny Process	50	31-03-08	Cath Salits	Tom Cray
Rotherham Safe	Raise profile and awareness of Adult Protection issues.	80	31-12-08	David Hamilton	Tom Cray

## Corporate Improvement Plan/Excellent Council Risk Management Action Plan

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Performance Management	Continuing to undertake data quality checks	60	01-05-06	Matthew Gladstone	Lee Adams
Performance Management	Continuous update / review of PM framework	70	17-02-06	Matthew Gladstone	Lee Adams
Performance Management	Develop a PM framework for LAA, drawing upon best practice and the existing LSP framework.	30	17-03-06	Matthew Gladstone	Lee Adams
Community Leadership/Member Development	Annual PDR-s for Members (following 2006 elections)	0	30-06-06	Cath Salitis	Cath Salitis
Community Leadership/Member Development	Induction for new Members (following 2006 elections)	0	31-03-06	Cath Salitis	Cath Salitis
Community Leadership/Member Development	Achieve Y - H accreditation	50	30-04-06	Cath Salitis	Cath Salitis
Policy - Strategy Framework	Completion of Policy Refresh in line with CS/CP	80	31-03-06	Colin Bulger	Lee Adams
Policy - Strategy Framework	Monitor - Evaluate effectiveness of Corporate Policy Framework on an annual basis	80	31-03-06	Colin Bulger	Lee Adams
Policy - Strategy Framework	80% of all key policies/strategies evaluated by Scrutiny	50	01-10-08	Cath Salitis	Lee Adams
Access to Quality of Service/Complaint	Regular reporting on progress to CMT - Members	60	31-03-06	Keith Thompson	Carol Mills
Access to Quality of Service/Complaint	Project Board meetings to monitor progress	60	31-03-06	Keith Thompson	Carol Mills
Procurement	CMT to monitor savings as part of efficiency programme	80	31-03-06	Keith Thompson	Carol Mills
National Workforce Agenda	Reporting to Staffing Committee	70	31-03-06	Alan Swann	Carol Mills
National Workforce Agenda	Progress at JCC	70	31-03-06	Alan Swann	Carol Mills
National Workforce Agenda	Regular networking with other local authorities	70	31-03-06	Alan Swann	Carol Mills
Communications/Marketing	Dissemination, presentations, briefings to staff	80	31-03-06	Tracy Holmes	Lee Adams
Communications/Marketing	Dissemination to Public and other Stakeholders incl Internet--	50	31-03-06	Tracy Holmes	Lee Adams



## Corporate Improvement Plan/Excellent Council Risk Management Action Plan

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Communications/Marketing	Dissemination, presentations, briefings to Members	40	31-03-06	Tracy Holmes	Lee Adams
Communications/Marketing	Implement Communications - Marketing Strategy Action Plan	40	31-03-06	Tracy Holmes	Lee Adams
CPA	Deliver Corporate Improvement Plan	100	30-11-05	Matthew Gladstone	Lee Adams
CPA	Prepare - deliver improvements for Joint Area Review	50	30-04-06	Sonia Sharp	Lee Adams
CPA	Achieve minimum 3 on Use of Resources in 2006	90	30-06-06	Andrew Bedford	Lee Adams
CPA	Achieve minimum 3 on Culture Block in 2006	40	31-03-06	Carol Mills	Lee Adams
CPA	Maintain 3 for the rest in 2006	40	30-06-06	Mike Cuff	Lee Adams
Working in Partnership	Revisiting SLA-s including Benchmarking	70	31-03-06	Keith Thompson	Mills/Cray
Working in Partnership	New Member - BT meeting to discuss concerns	100	31-12-05	Keith Thompson	Mills/Cray
Use Of Resources/VFM	Establishing a corporate efficiency programme to manage the achievement of -Gersh targets	70	31-03-06	Chris Boid	Andrew Bedford
Use Of Resources/VFM	Completing improvement plans around corporate governance to ensure best practice	70	30-06-06	Steve Merriman	Andrew Bedford
Use Of Resources/VFM	Reviewing the level of resources / reserves held by the Authority to ensure their appropriateness	70	31-03-06	Chris Boid	Andrew Bedford
Use Of Resources/VFM	Reviewing the risks associated with changes in external funding	70	31-03-06	Chris Boid	Andrew Bedford
Use Of Resources/VFM	Completing a new Capital Strategy (with EDS), establishing monitoring arrangements links to the MTFs--	70	31-03-06	Chris Boid	Andrew Bedford
Use Of Resources/VFM	Completing a review of the MTFs to produce an improved process - plan	70	31-03-06	Chris Boid	Andrew Bedford
Use Of Resources/VFM	Carrying out a review of the annual budget process, taking account of the move to 3 year budget settlements / planning	80	31-03-06	Chris Boid	Andrew Bedford
Use Of Resources/VFM	Completing the base budget review started in 2004/05, with reports - strategy for future change	100	31-10-05	Chris Boid	Andrew Bedford

## Corporate Improvement Plan/Excellent Council Risk Management Action Plan

Corporate Plan Theme	Risk Management Action	% Complete	Target Completion or Review Date	Action Manager	CMT Manager
Governance/Scrutiny	Annual Review of Code of Corporate Governance	40	31-03-06	Steve Merriman	Andrew Bedford
Governance/Scrutiny	Annual Review of Corporate Governance Framework including Statement of Internal Control--	40	31-03-06	Steve Merriman	Andrew Bedford
Governance/Scrutiny	Environmental scanning for CG developments	50	28-02-06	Steve Merriman	Andrew Bedford
Governance/Scrutiny	Environmental scanning for Scrutiny developments	30	31-07-06	Cath Sallis	Andrew Bedford
Governance/Scrutiny	Quarterly reporting to Audit Committee	30	31-03-06	Steve Merriman	Andrew Bedford
Governance/Scrutiny	Quarterly reporting to PSOC	60	31-03-06	Cath Sallis	Andrew Bedford
Governance/Scrutiny	Produce Annual Scrutiny Report 2004/05- Forward Plan 2005/06	100	30-09-05	Cath Sallis	Andrew Bedford
Governance/Scrutiny	Produce Annual Scrutiny Report 2005/06- Forward Plan 2006/07	0	30-09-06	Cath Sallis	Andrew Bedford

**Prompt Model for identifying Emerging Risks**



**PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE**  
**20th January, 2006**

Present:- Councillor Stonebridge (in the Chair); The Mayor (Councillor Jack), Councillors Barron, Clarke, Doyle, Hall, Hussain, G. A. Russell, R. S. Russell, Sangster and Whelbourn.

An apology for absence was received from Councillor P. A. Russell.

**122.       DECLARATIONS OF INTEREST**

There were no declarations of interest made at this meeting.

**123.       QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS**

There were no questions from members of the public or press.

**124.       NEIGHBOURHOOD RENEWAL FUND (NRF) COMMISSIONING  
2006/07 AND 2007/08**

Lee Adams, Assistant Chief Executive, presented the submitted report relating to the above. The report indicated proposals for commissioning within the new round of NRF for 2006/07 and 2007/08 and sought support for the draft NRF Commissioning Framework.

The report outlined a process to ensure that funding was used strategically and to commission specific projects/pieces of work. This was designed to minimise the risk of local partners building up a further dependency on NRF funding and creating a future sustainability problem.

The report covered :-

- background situation
- Steering Group
- Area Assembly Fund and allocation breakdown
- Community Chest
- Resources, timescales and next steps
- Existing project funding-reminder
- Finance

Also submitted was the draft Commissioning Framework.

It was noted that the report had been considered by Cabinet at its meeting on 11th January, 2006 and the proposals were supported.

A question and answer session ensued and the following issues were covered :

- affordability
- sustainability

- exit strategies
- spend by locality and focus on deprivation
- impact of change in the Council on NRF
- coherent grant aid and commissioning strategy
- communities of interest
- need to show spend and outputs/outcomes
- working with partners
- role of steering group and approval mechanism
- executive responsibility
- local Members : conflict of interest
- governance
- need to avoid duplication of work
- concern re bureaucracy
- need for clearer links to community strategy
- need to ensure area assemblies and local members are working with the steering group

The general view was that involvement be welcomed as long as it was sustainable.

**125. ACTION PLAN TO PROMOTE SOCIAL AND ECONOMIC WELL-BEING IN THE TOWN CENTRE**

Further to Minute No. B163(2) of Cabinet held on 30th November, 2005, the Committee considered the submitted report, presented by Lee Adams, Assistant Chief Executive, relating to the above.

The report invited the Committee to consider the context, purpose and vision for developing a social and environmental well-being action plan to complement the Town centre Renaissance Programme. Further, it proposed a timescale for development, including consultation with Members, the public and key partners.

The report covered :-

- The Town Centre Renaissance Programme
- The National and Regional Context
- Local Context and Vision
- Local Needs and Possible Areas for Focus
- Developing the Action Plan
- Timescales
- Consultation

Discussion and a question and answer session ensued and the following issues were covered:-

- extent of footfall
- next steps
- elected Member input
- consultation and need to consult with communities

- Forge Island
- architecture
- level of ward member input
- Police and Chamber of Commerce impact on business siting
- deprivation in immediate vicinity of town centre
- intermediate labour market
- health deprivation profile
- target group wanting to live in the town centre
- Housing accommodation and allocations to key workers and low income families
- profile of day and night economies
- hotel accommodation
- transport
- town centre renaissance impact on spend per footfall
- how to address 'trickle down' regarding Rotherham

The Chairman concluded the discussion and, in conclusion, highlighted the following issues :-

- whether the night economy was positive or negative
- need to know more regarding the size of the day and night economies, including a breakdown of age groups and gender
- health impact and actions
- need for elected member voice in appropriate arenas
- impact of the Police and Chamber of Commerce in determining the siting of businesses
- need to involve Ward Members

Resolved:- (1) That the information be noted and proposals be supported.

(2) That a progress report be submitted to a future meeting regarding the Town Centre Renaissance Programme.

## **126. CPA AND USE OF RESOURCES**

Further to Minute No. B195(4) of Cabinet held on 11th January, 2006, the Committee considered the submitted report, as presented by Michael Walker, Performance and Quality Manager, relating to the above.

The report indicated that the new CPA use of resources judgement assessed how well the Council managed and use its financial resources. The assessment covered financial reporting, financial management, financial standing, internal control and value for money. This year, the Council had achieved a score of 3 (performing well) for use of resources, as shown in the attached draft report from the Audit Commission. The

result had helped to ensure receipt of a 3 star CPA rating in December, 2005. Also submitted was a draft action plan.

Michael Walker gave a presentation covering :-

- CPA Use of Resources
- CPA The Harder Test
- Use of Resources CPA : Financial Reporting  
Financial Management  
Financial Standing  
Internal Controls  
Value for Money
- The way forward to the next level

Discussion and a question and answer session ensued and the following issues were covered :-

- current position and impact on scores
- how much progress needed to move from level 3 to level 4
- quality of estimates
- quality processes to enable continuous improvement
- sustainability
- reviewing key lines of enquiry (KLOE)
- budget monitoring arrangements
- ownership and management of budgets
- need to identify budget holders and policy holders linked to the budget
- nested compliance : need to ensure overarching priorities and themes are translated clearly into budget and work priorities
- policy compliance
- procurement boards

Resolved:- (1) That the content of the draft report from the Audit Commission and the overall scores for each category be noted and welcomed.

(2) That the action plan, now submitted, to address the areas for improvement, be approved as far as this Committee is concerned.

(3) That this Committee commends the linking of budget and policy ownership including the identification of Cabinet Members to lead and drive policies.

(4) That Cath Saltis and Matthew Gladstone liaise with a view to all key lines of enquiry being reviewed by the end of March, 2006.

(5) That the Committee places on record its thanks to Michael Walker for

his services to the Council and he be wished every future success in his new post at Wigan Metropolitan Borough Council.

**127. TIME OUT SESSION**

Resolved:- That Members inform the scrutiny office of their availability in respect of the proposed dates.

**128. MINUTES**

Resolved:- That the minutes of the meeting held on 21st December, 2005 be approved as a correct record for signature by the Chairman.

**129. MEMBERS CONSULTATION ADVISORY GROUP**

Resolved:- That the minutes of the meeting of the Members Consultation Advisory Group held on 1st December, 2005 be received.

**130. WORK IN PROGRESS**

Members of the Committee reported on the following issues :-

(a) Councillors Whelbourn and Doyle referred to work regarding quality of report writing and plain English initiatives.

(b) Councillor Barron reported that a review was to take place regarding bullying policies in schools

(c) Councillor Hall reported that the full investigation inspection report of housing in the ownership of the Council was awaited. An interim report on gas appliances in OAP bungalows had been considered.

(d) Councillor Stonebridge reminded Members to indicate their preferred dates for the time out session and suggested possible items for discussion including :

- commissioning of reports by external auditors
- Cabinet reporting annually on adoption of scrutiny recommendations
- self assessment scrutiny working
- plain English initiatives

**131. CALL-IN ISSUES**

There were no formal call in requests.



**PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE**  
**3rd February, 2006**

Present:- Councillor Stonebridge (in the Chair); The Mayor (Councillor Jack); Councillors Clarke, Doyle, Hall, Hussain, G. A. Russell, P. A. Russell, R. S. Russell, Sangster and Whelbourn.

**132.       DECLARATIONS OF INTEREST**

There were no declarations of interest made at this meeting.

**133.       QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS**

There were no questions from members of the public or press.

**134.       EXCLUSION OF THE PRESS AND PUBLIC**

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 8 of Part I of Schedule 12A to the Local Government Act 1972 (financial matters).

**135.       BUDGET**

Andrew Bedford, Executive Director of Finance, gave a powerpoint presentation on the update position with regard to the Medium Term Financial Strategy (MTFS) and the Budget.

The presentation covered :

- Aims
- Present Policies Budget : Current Assumptions
- Budget Issues
- General Fund : January, 2006
- Bridging the Gap
- Prioritising Budget Issue Papers
- Other Funding Streams

Discussion and a question and answer session ensued and the following issues were covered :-

- income targets

- sale of assets
- 'windfall' monies
- use of capital receipts
- efficiency savings
- fees and charges
- contingency fund. Use and management of and compliance reporting
- waste management
- culture and leisure : swimming pool provision
- Base Budget Review 2 and scrutiny input
- virement
- vacancy management
- spending pressures
- the 'so what' test
- impact on the public
- targeting budget to areas of high deprivation
- budget monitoring, estimating processes and recording information
- role of performance clinics in budget process
- relationship with, and financial assistance to, the voluntary sector – need for clearer strategy and approach to work with voluntary sector based on output and supporting output rather than process
- procurement strategy
- budget information and priority listings
- budget timetable
- central establishment charges
- information to be provided to scrutiny panels as part of the budgetary process including priority listings, changes to listings, information that can be critically challenged

Resolved:- (1) That the information be noted.

(2) That this Committee supports the principle of Base Budget Review 2006 and the following issues should be prioritised for consideration :

- (a) Adult Services
- (b) Culture and Leisure Services
- (c) Waste Management
- (d) voluntary sector
- (e) central establishment charges

(3) That scrutiny panels look at proposals from the citizen point of view and consider actions taken to mitigate the impact on the public.

By virtue of paragraph(s) 11 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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