

**Committee:** Executive  
**Date:** Monday 12 April 2010  
**Time:** 6.30 pm  
**Venue:** Bodicote House, Bodicote, Banbury, OX15 4AA

### **Membership**

<b>Councillor Barry Wood (Chairman)</b>	<b>Councillor G A Reynolds (Vice-Chairman)</b>
<b>Councillor Ken Atack</b>	<b>Councillor Norman Bolster</b>
<b>Councillor Michael Gibbard</b>	<b>Councillor James Macnamara</b>
<b>Councillor Kieron Mallon</b>	<b>Councillor Nigel Morris</b>
<b>Councillor D M Pickford</b>	<b>Councillor Nicholas Turner</b>

## **AGENDA**

**1. Apologies for Absence**

**2. Declarations of Interest**

Members are asked to declare any interest and the nature of that interest that they may have in any of the items under consideration at this meeting.

**3. Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

**4. Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

5. **Minutes** (Pages 1 - 6)

To confirm as a correct record the Minutes of the meeting held on 1 March 2010.

## **Strategy and Policy**

6. **Corporate Procurement Strategy and Action Plan** (Pages 7 - 48) **6.35 pm**

Report of Head of Finance

### **Summary**

This report brings forward for Members' approval, the procurement strategy for the council. The primary objective of the procurement strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.

### **Recommendations**

The Executive is recommended to:

- (1) Consider and approve the draft procurement strategy for the council which is attached at Appendix A.

## **Service Delivery and Innovation**

7. **Customer Access by Phone** (Pages 49 - 58) **6.45 pm**

Report of Head of Customer Service and Information Systems

### **Summary**

This report seeks approval for a new approach to using our contact centre and switchboard telephone systems to improve their resilience, make it quicker for customers to get the information they need, and improve the quality of information available to the Council about how calls are handled.

### **Recommendations**

The Executive is recommended to:

- (1) Approve the use of a short menu of options on some of the main customer contact numbers as illustrated at appendix 1.
- (2) Approve the use of recorded information on those lines where customer research has shown it to be helpful to the customer.
- (3) Note the improvement to telephony response and business continuity for customer contact brought about by these changes.
- (4) Approve development of a publicity campaign to help customers get the best number for their service requirements.

- (5) Approve the use of mystery shopping to measure the completeness of service delivered at first contact by phone.

## **Value for Money and Performance**

8. **Overview and Scrutiny: Report of Resources and Performance Scrutiny Board: Partnership Scrutiny - Oxfordshire Rural Community Council**  
(Pages 59 - 86) 6.55 pm

Report of Head of Legal and Democratic Services

### **Summary**

To consider the Resources and Performance Scrutiny Board report on the Council's partnership with Oxfordshire Rural Community Council.

A member of the Resources and Performance Scrutiny Board will attend the meeting to present the report.

### **Recommendations**

The Executive is recommended to:

- (1) Note the work of the Resources and Performance Scrutiny Board scrutiny review into the Council's partnership with Oxfordshire Rural Community Council.
- (2) Agree the Resources and Performance Scrutiny Board recommendations regarding the Council's partnership with Oxfordshire Rural Community Council as detailed below:

#### **Recommendation 1:**

That it be noted that the Council's partnership with Oxfordshire Rural Community Council is an important partnership which should continue and be regarded as critical to the delivery of the rural agenda.

#### **Recommendation 2:**

That a Service Level Agreement for the rural community development and community transport elements of the partnership be adopted.

#### **Recommendation 3:**

That an annual programme of aims/objectives (aligned to the Rural Strategy Action Plan and the Council's corporate priorities) be agreed with Oxfordshire Rural Community Council and regularly reviewed and monitored by officers, the elected Member representative from a rural ward and reported to the Portfolio Holder.

#### **Recommendation 4:**

That the role and involvement of elected Members (the representative from a rural ward and the Portfolio Holder) in the Council's partnership with Oxfordshire Rural Community Council be clarified and strengthened.

**Recommendation 5:**

That the elected Member representative from a rural ward should work closely with rural community development officers and community transport officers to provide overall steer and direction for the partnership.

**Recommendation 6:**

That the Resources and Performance Scrutiny Board should monitor progress against each of the above recommendations and review the situation, initially in September 2010.

**9. LGPS Pension Scheme Update (Pages 87 - 110)**

**7.10 pm**

Report of Head of Finance

**Summary**

This report sets out an overview of the current position on the funding of the pension scheme, the potential implications arising from the triennial review of the pension fund and a review of local discretions on the scheme.

**Recommendations**

The Executive is recommended to:

- (1) Note the contents of the report.
- (2) Ask officers to provide an analysis of the financing options available to the Council once the 2010 valuation is finalised including the impact on the Medium Term Financial Strategy.
- (3) Approve the changes to local pension discretions as detailed in Appendix 1.

**10. Performance Management Framework Corporate Scorecard, Performance and Risk Reporting in 2010/11 (Pages 111 - 128)**

**7.25 pm**

Report of Chief Executive and Community and Corporate Planning Manager

**Summary**

This report introduces the Corporate Scorecard and performance reporting arrangements for 2010/11. It includes the proposed format and content of the Corporate Scorecard and performance reports through which the Council will monitor and report its priority targets around strategic priorities, service delivery and organisational performance.

**Recommendations:**

The Executive is recommended to:

- (1) Agree the proposed scorecard, performance reports and performance monitoring arrangements for 2010/11.
- (2) Adopt the updated risk strategy for 2010/11 and agree the Risk Register comprising strategic, corporate and partnership risks for 2010/11.

## **Other Matters**

### **11. Constitution Update (Pages 129 - 164)**

**7.40 pm**

Report of Head of Legal and Democratic Services

#### **Summary**

To approve amendments and updates to the Council's constitution

#### **Recommendations**

The Executive is recommended to ask Council to approve the following:

- (1) To approve the changes to the scheme of delegation detailed in this report and to delegate to the Head of Legal and Democratic Services the detailed reallocation of powers reflecting the recent review of the Extended Management Team and the retirement of the Head of Safer Communities and Community Development.
- (2) To approve the revised Proper Officer provisions (Appendix 1).
- (3) To approve the changes to the Contract Procedure Rules detailed in this report.
- (4) To approve the revised and updated Finance Procedure Rules (Appendix 2).

## **Urgent Business**

### **12. Urgent Business**

Any other items which the Chairman has decided is urgent.

### **13. Exclusion of the Press and Public**

The following reports contain exempt information as defined in the following paragraphs of Part 1, Schedule 12A of Local Government Act 1972.

3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Members are reminded that whilst the following items have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Schedule 12A of that Act.”

**14. Value for Money Review of Finance (Pages 165 - 178) 7.45 pm**

Report of Chief Executive and Head of Finance

**15. Legal Action to Recover Icelandic Deposits (Pages 179 - 184) 7.55 pm**

Report of Head of Legal and Democratic Services and Head of Finance

**(Meeting scheduled to close at 8.05 pm)**

## **Information about this Agenda**

### **Apologies for Absence**

Apologies for absence should be notified to [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk) or (01295) 221587 prior to the start of the meeting.

### **Declarations of Interest**

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item. The definition of personal and prejudicial interests is set out in Part 5 Section A of the constitution. The Democratic Support Officer will have a copy available for inspection at all meetings.

**Personal Interest:** Members must declare the interest but may stay in the room, debate and vote on the issue.

**Prejudicial Interest:** Member must withdraw from the meeting room and should inform the Chairman accordingly.

With the exception of the some very specific circumstances, a Member with a personal interest also has a prejudicial interest if it is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest.

### **Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates**

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

## **Queries Regarding this Agenda**

Please contact James Doble, Legal and Democratic Services james.doble@cherwell-dc.gov.uk (01295) 221587

**Mary Harpley**  
**Chief Executive**

Published on Wednesday 31 March 2010

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# Agenda Item 5

## Cherwell District Council

### Executive

Minutes of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 1 March 2010 at 6.30 pm

Present: Councillor Barry Wood (Chairman)  
Councillor G A Reynolds (Vice-Chairman)

Councillor Ken Atack  
Councillor Norman Bolster  
Councillor Michael Gibbard  
Councillor James Macnamara  
Councillor Nigel Morris  
Councillor D M Pickford  
Councillor Nicholas Turner

Apologies  
for  
absence: Councillor Kieron Mallon

Officers: Mary Harpley, Chief Executive and Head of Paid Service  
Ian Davies, Strategic Director - Environment and Community  
John Hoad, Strategic Director - Planning, Housing and Economy  
Mike Carroll, Head of Improvement  
Phil O'Dell, Chief Finance Officer  
AnneMarie Scott, Head of Human Resources  
Ed Potter, Head of Environmental Services  
Tim Mills, Private Sector Housing Manager  
Jo Smith, Communications Manager  
Richard Hawtin, Team Leader Property & Contracts  
Gabi Kaiser, Cleaner Greener Development Manager  
Alexa Coates, Senior Democratic and Scrutiny Officer

#### 1 **Declarations of Interest**

There were no declarations of interest.

#### 2 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

#### 3 **Urgent Business**

The Chairman advised the Executive that he had agreed to admit an urgent item to the agenda relating to the progress of the pay and grading structure.

The item was considered urgent as any implications arising from the report needed to be dealt with before the next payroll deadline of 10 March 2010 and council not be delayed to the next meeting.

4 **Minutes**

The minutes of the meeting held on 1 February 2010 were agreed as a correct record and signed by the Chairman.

5 **Private Sector Housing Strategy 2010 - 2014**

The Head of Housing Services submitted a report which sought the adoption of the Private Sector Housing Strategy and endorsement of the associated Action Plan.

**Resolved**

- 1) That the Private Sector Housing Strategy is adopted.
- 2) That the Private Sector Housing Strategy action plan is endorsed.

**Reasons** - This strategy is an essential part of the District's response to the needs of our residents for suitable accommodation. It will play an important role in delivering the council's corporate objectives.

**Options**

- |                     |   |
|---------------------|---|
| <b>Option One</b>   | To adopt the Private Sector Housing Strategy and endorse the action plan  |
| <b>Option Two</b>   | To adopt the strategy and endorse the action plan with amendments.  |
| <b>Option Three</b> | Not to adopt the strategy or endorse the delivery plan, in which case an alternative strategy will need to be considered. |

6 **The Council's Response to Climate Change**

The Head of Environmental Services submitted a report which considered the progress of the Environmental Strategy for a Changing Climate and the overall progress of the Council in responding to climate change issues.

**Resolved**

- 1) That the current progress relating to the Environmental Strategy for a Changing Climate and the performance relating to the four climate change national indicators is noted.

- 2) That the revised Environmental Strategy for a Changing Climate Change delivery plan and the continuing priority attached to it is approved.
- 3) That the reducing carbon emissions by improving the energy efficiency of corporate buildings and also reducing other sources of Council emissions by gaining support from the Carbon Trust Local Authority Carbon Management programme is supported.

**Reasons** - The key issue is one of considering the revised delivery plan which takes into account local priorities as measured by national indicators. Account should be taken of the good work and improved performance already achieved but despite this, there will be continued pressure to maintain a positive direction of travel specifically with ongoing CO2 emission reductions.

**Options**

<b>Option One</b>	To approve the proposed revised delivery plan.
<b>Option Two</b>	To reject the proposed delivery plan
<b>Option Three</b>	To ask officers to modify the proposed delivery plan

7 **Progress on Developing and Delivering the Equalities Work Programme**

The Chief Executive and Corporate Strategy and Performance Manager submitted a report which provided an overview of the achievements relating to the Council's equalities work in 2009/10 and outlined the work programme for 2010/11.

**Resolved**

- 4) That the Corporate Equality Action Plan for 2009-2012 is agreed
- 5) That the proposals to seek equality accreditation from the Improvement and Department Agency (IDeA) in November 2010 are agreed
- 6) That the refreshed equalities scheme and the three year equality impact assessment programme is agreed
- 7) That the equality achievements made during 2009/2010 are noted.

**Reason** - This report provides an overview of our equalities performance and our work programme for the future. It considers the impact of the new Equality Framework for Local Government and, as requested by Executive in April 2009, it proposes a timeframe for the inspection. This report also provides an overview of new equalities duties that are coming into effect and how Cherwell District Council is responding to these duties and reflecting them in our long term objectives.

- Option One** Agree recommendations as outlined above
- Option Two** Executive to identify additional actions or changes to proposed timeframe and accreditation.

8 **2010/11 Corporate Improvement Plan**

The Chief Executive and Head of Improvement submitted a report which presented the proposed Corporate Improvement Plan for 2010/11.

**Resolved**

That the Corporate Improvement Plan for 2010/11 and associated Value for Money Review Programme for 2010/11 is agreed.

**Reasons** - The purpose of the report is to agree the 2010/11 Corporate Improvement Plan and the associated Value for Money Programme.

**Options**

- Option One** To agree the organisational priorities for improvement and the content of the 2010/11 Corporate Improvement Plan as set out in this report.

At the conclusion of the item the Leader thanked Mike Carroll, Jo Smith, Phil O'Dell and Alexa Coates who would all be leaving the Council, for their hard work and efforts.

All Officers other than members of Corporate Management Team left the meeting.

9 **Exclusion of the Public and Press**

**Resolved**

That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Schedule 12A of that Act.

10 **Pay and Grading Structure Update**

The Chief Executive updated the Executive on the timetable and progress to date in implementing the new pay and grading structure by 1 April 2010. In light of the fast-approaching deadline the Executive considered the range of options available to the Council in case national sign off had not been achieved by 1 April 2010 and provided their views on these options.

**Resolved**

That the range of options as set out in the exempt report be noted and that the Chief Executive as Head of Paid Service be authorised to take action as required from the range of options in light of the view of the Executive and that any future action be formally delegated to the Chief Executive in consultation with the Leader of the Council.

The meeting ended at 7.40 pm

Chairman:

Date:

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## Executive

### Corporate Procurement Strategy and Action Plan

12 April 2010

### Report of Head of Finance

#### PURPOSE OF REPORT

This report brings forward for Members' approval, the procurement strategy for the council. The primary objective of the procurement strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.

This report is public

#### Recommendations

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The Executive is recommended:

- (1) to consider and approve the draft procurement strategy for the council which is attached at Appendix A.

#### Executive Summary

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##### **Purpose and objectives of the procurement strategy**

- 1.1 Cherwell District Council adopted its first formal Procurement Action Plan in 2007/08 and has refreshed it annually to cover the period to March 2010. The Council has exploited the benefits of contemporary procurement practice by investing in the formation of a Corporate Procurement Team in 2008 that operates under an innovative "invest to save" initiative, with annual targets ensuring the operation is both "self funding" and providing additional returns.
- 1.2 Procurement has a very strong link with finance, contract management, compliance and efficiencies and so the Council positioned the Corporate Procurement Team within finance under the direction of the Head of Finance.
- 1.3 The approach has secured cashable savings of £339k in 2008/9 against a target of £200k and an initial in-year investment of £121k. The savings secured to date result in the team being self funding for the future with the savings increasing year on year.

- 1.4 The target for ongoing cashable savings in 2009/10 is £200,000 and this has already been exceeded by £10,000. Non cashable savings of £35,000 have been achieved due to the roll out of Procurement Cards and the impact of the procurement process on our capital programme has reduced Council expenditure by circa £300,000.
- 1.5 Progress made in embedding strategic procurement in the Council has been recognised by the Audit Commission as part of the Council's Use of Resources assessment and a score of 3 has been awarded. In developing this strategy the Council has reviewed Councils that have achieved a top score of 4 for KLOE 2.1.
- 1.6 The purpose and objective of the procurement strategy is to communicate clearly to stakeholders, operational managers, procurement specialists and suppliers in the private and voluntary sectors, the council's vision for the procurement services, supplies and works so that each may play a meaningful role improving the procurement practices in the council.
- 1.7 The strategy sets out the key principles underpinning our approach to procurement. The primary objective of our Procurement Strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.
- 1.8 The strategy sets out the framework for all our procurement activity. It confirms the objectives that we should be aiming to achieve, the policies to be considered and followed and the mechanisms by which we will put in place the council's vision.

### **Cherwell's priorities**

- 1.9 The council recognises that procurement is a critical mechanism for delivering value for money and achieving sustainable outcomes for its local communities. This strategy aims to provide a clear framework for procurement to ensure a coordinated approach is adopted across the council that reflects our aims and objectives. As such, the strategy reflects the council's priorities identified in its corporate plan and sustainable community strategy.
- 1.10 Cherwell's sustainable community strategy, 'Our District, Our Future' sets out the vision for Cherwell for the next twenty years. It has been developed by the Cherwell local strategic partnership, through consultation with people in the community, residents in rural and urban settings, carers, parents, and a range of organisations working with different groups across Cherwell. The corporate plan is due to be refreshed during 2010/11 and as an outcome of this exercise we will produce a three year strategy for the period 2011/12 to 2014/15.

This initial one year strategy sets out how the council will 'achieve a balance between potentially, but not necessarily competing objectives' (creating strong, safe and prosperous communities, CLG) over the next year by:

- Delivering significant cost and efficiency savings;
- Improving options appraisal and planning methodology;
- Basing our procurement decisions on whole-life costs that achieve clearly evidenced sustainable outcomes;



- Enhancing collaboration with a wide range of partners to improve procurement outcomes in terms of quality and exploiting economies of scale;
- Promoting a mixed economy of service provision that engages with the private, public and voluntary sector organisations.

1.11 Achievement of the above objectives will achieve value for money, provide innovative solutions and demonstrate the Council's commitment to supporting wider social, economic and environmental objectives, in ways that offer real long-term sustainable benefits to the local area.

### **Conclusion**

1.12 The procurement strategy has been written as part of the recommendations of the National Procurement Strategy.

1.13 The full procurement strategy is set out as an Appendix. It also contains:

- Our sustainable procurement strategy which sets out a series of key areas for development, required action and responsibilities.
- The procurement performance indicators which are the key measures the council will collect and benchmark against other similar authorities.

### **Consultations**

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Various consultations with internal and external stakeholders. A review of best practice examples from other authorities who have obtained a high KLOE score in Use of Resources for KLOE 2.1.

### **Implications**

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<b>Financial:</b>	Financial Effects: There are no adverse financial effects on the Council by implementing the procurement strategy.  Comments checked by Karen Muir, Corporate Accountant, 01295 221559.
<b>Legal:</b>	Legal work very closely with procurement to ensure that our processes are compliant and not open to challenge  Comments checked by Liz Howlett, Head of Legal and Democratic Services/Monitoring Officer 01295 221686
<b>Risk Management:</b>	If the Council fails to continue to support the implementation of the programme of activities in respect of procurement, there is a risk efficiency savings will not be achieved. A number of the actions relate to developing good practice for the commissioning of goods and services, by implementing sophisticated procurement practices as well as using market intelligence the Council will be able to fully demonstrate it has strategies in place to consistently secure value for money.

Comments checked by Karen Muir, Corporate Accountant, 01295 221559.

**Wards Affected**

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All

**Corporate Plan Themes**

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An Accessible, Value for Money Council

**Executive Portfolio**

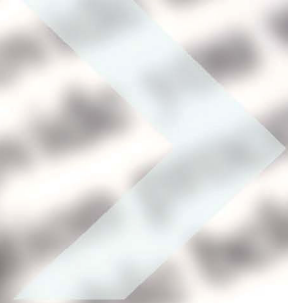
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**Councillor James Macnamara - Portfolio Holder for Resources and Organisational Development**

**Document Information**

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Draft Corporate Procurement Strategy and Action Plan 2010/11
<b>Background Papers</b>	
2009/10 Procurement Action Plan Cherwell's Sustainable Community Strategy, 'Our District, Our Future'	
<b>Report Author</b>	Karen Curtin, Head of Finance Viv Hichens, Corporate Strategic Procurement Manager
<b>Contact Information</b>	01295 221551 <a href="mailto:Karen.Curtin@cherwell-dc.gov.uk">Karen.Curtin@cherwell-dc.gov.uk</a> 01295 753747 <a href="mailto:Viv.Hichens@cherwell-dc.gov.uk">Viv.Hichens@cherwell-dc.gov.uk</a>



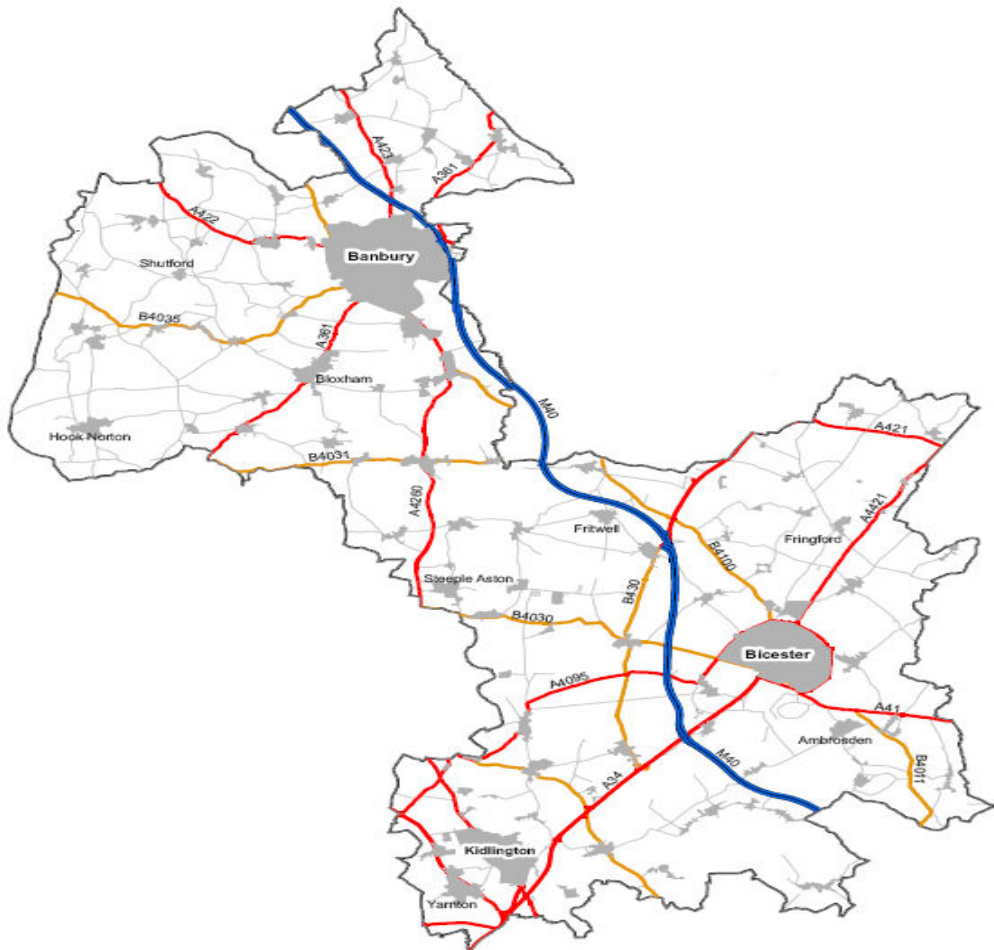
# Corporate Procurement Strategy and Action Plan 2010/11

## About Cherwell District Council

Cherwell is a rural district in north Oxfordshire, situated around the M40 motorway and the river Cherwell. Much of the area is farmland and 14 per cent lies within the Oxford Green Belt. The three main towns of Banbury, Bicester and Kidlington are home to about two-thirds of the 138,200 population with the rest of the district comprising of small villages.

Despite relatively high numbers of young people living in the area, the proportion of older people is growing faster than average and a 6.9% increase is expected by 2029. The ethnicity of the area is mostly white, with numbers of black and minority ethnic people below regional and national averages. With over 56,000 households, Cherwell has a higher than average home ownership and an average sized private rented market.

People's health is generally better than average but there are cases of inequality. For example, men living in the most deprived areas can expect to live 5 years less than those in the least deprived. Unemployment is relatively low but residents tend to have lower weekly wages than the rest of the South East.



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## Foreword

### Why have a procurement strategy?

In relation to effective procurement there are quite significant challenges for councils including: taking account of sustainable objectives (environmental, economic and social); achieving VFM, involving relevant parties in service design; and innovation (efficiency and service improvement agenda).

Gershon reported major skills shortages in local government for commissioning and procurement. Councils will need to assess the skills required particularly to support more innovative procurement options and effective options appraisal and contract management.

### Audit Commission – Use of Resources Guidance

Cherwell District Council recognises that procurement is a critical mechanism for delivering value for money and achieving sustainable outcomes for its local communities. This strategy aims to provide a clear framework for procurement to ensure a coordinated approach is adopted across the Council that reflects our aims and objectives. As such, the strategy reflects the Council's priorities identified in its Corporate Plan and Sustainable Community Strategy.

Cherwell's Sustainable Community Strategy, 'Our District, Our Future' sets out the vision for Cherwell for the next twenty years. It has been developed by the Cherwell Local Strategic Partnership, through consultation with people in the community, residents in rural and urban settings, carers, parents, and a range of organisations working with different groups across Cherwell. The corporate plan is due to be refreshed during 2010/11 and as an outcome of this exercise we will produce a three year strategy for the period 2011/12 to 2014/15.

This initial one year strategy sets out how the Council will 'achieve a balance between potentially, but not necessarily competing objectives' (Creating Strong, Safe and Prosperous Communities, CLG) over the next year by:

- Delivering significant cost and efficiency savings
- Improving options appraisal and planning methodology
- Basing our procurement decisions on whole-life costs that achieve clearly evidenced sustainable outcomes
- Enhancing collaboration with a wide range of partners to improve procurement outcomes in terms of quality and exploiting economies of scale
- Promoting a mixed economy of service provision that engages with the private, public and voluntary sector organisations.

Achievement of the above objectives will achieve value for money, provide innovative solutions and demonstrate the Council's commitment to supporting wider social, economic and environmental objectives, in ways that offer real long-term sustainable benefits to the local area.

Further development of procurement methodology will assist the Council in achieving its ambitions by realising best value from the way it procures and delivers its services, and uses its resources in an effective and sustainable way allowing savings to be redirected into front line services.

To facilitate this, the Council will build on the standards of competency in procurement already achieved and will take steps to ensure that officers and members receive the training and development they need to meet the challenges and deliver the action plan set out in this strategy document.

Councillor James Macnamara  
**Portfolio Holder for Resources**  
**Procurement Champion**

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# 1. Clear vision of expected outcomes

“The future for public procurement should be clear:

It should be a major driver in restoring public finances.

It should be on the top table.

It should be professionally managed.

It should provide full transparency of best value.

It should be networked right across the public sector.

It should provide true aggregation and volume commitment.

It should have massively reduced duplication in non strategic spend.

It should be as much about bottom up as top down.”

**Nigel Smith, Chief Executive, Office of Government Commerce**

- 1.1 The Council spends in the region of £18m per annum on procuring and commissioning goods and services with a diverse range of suppliers and it is of fundamental importance to the Council to have a clear vision of expected outcomes from its procurement activities by the implementation of a corporate, objectives based procurement strategy.
- 1.2 National initiatives and guidance on developing procurement have been provided in many forms and the Council needs to be able to respond positively. In forming our strategy the Council has given consideration to a number of reports and guidance including :
  - Procuring the Future
  - National procurement Strategy
  - Comprehensive Spending review
  - National Improvement and Efficiency Strategy
  - Roots Review
  - Glover Review
  - Varney Report
- 1.3 Cherwell District Council adopted its first formal Procurement Action Plan in 2007/08 and has refreshed it annually to cover the period to March 2010. The Council has exploited the benefits of contemporary procurement practice by investing in the formation of a Corporate Procurement Team in 2008 that operates under an innovative “invest to save” initiative, with annual targets ensuring the operation is both “self funding” and providing additional returns.
- 1.4 The approach has secured cashable savings of £339k in 2008/9 against a target of £200k and an initial in-year investment of £121k. The savings secured to date result in the team being self funding for the future with the savings increasing year on year.
- 1.5 The target for ongoing cashable savings in 2009/10 is £200,000 and this has already been exceeded by £10,000. Non cashable savings of £35,000 have been achieved due to the roll out of Procurement Cards and the impact of the procurement process on our capital programme has reduced Council expenditure by circa £300,000.
- 1.6 Procurement has a very strong link with finance, contract management, compliance and efficiencies and so the Council positioned the Corporate Procurement Team within finance under the direction of the Head of Finance.
- 1.7 It is vital that the Council continues to use effective procurement as a major opportunity to alleviate budget pressures. Research noted in the South East Regional Improvement and Efficiency Partnership’s ‘Smarter Procurement’ overview, published in September 2008, claimed that the cost of procuring goods and services outside of a contracted environment is up to 35% higher than those purchased as part of a strategy.

- 1.8** Progress made in embedding strategic procurement in the Council has been recognised by the Audit Commission as part of the Council's Use of Resources assessment and a score of 3. In developing this strategy the Council has reviewed Councils that have achieved a top score of 4 for KLOE 2.1. We have looked at the procurement strategies and websites of Kensington and Chelsea, City of Westminster and Stockton on Tees for good practice and innovative ideas to enhance our own strategic thinking. We have also been in contact with Milton Keynes Council who are also in the process of reviewing their strategy.
- 1.9** The Council's commissioning is shaped by a clear vision of improved services based upon sustainable principles with consideration given to full life-cycle costs. Effective planning and options appraisal has provided procurement with sound contract management principles that have directly supported improved service provision. An example is the successful approach to its commissioning, contract and project management of the £27m sports centre modernisation programme. The Council has engaged effectively with a range of stakeholders and service users to plan and commission services. It is building on its partnerships to deliver sustainable local outcomes and efficiencies and engage with small and medium-sized enterprises (SMEs).
- 1.10** The Council has a strong record of enabling access to services through technology. It has embraced e-procurement and is launching an interactive guide for procurement to raise awareness across the organisation. The Council engages with its communities in the design of services, e.g. the One Stop Shop, where it undertook Equality Impact Assessments as part of the design. The Council consults effectively with users, SMEs and partners and has a more informed understanding of the supply market.
- 1.11** Many benefits of improving the way goods and services are procured have been achieved by the Council, including considerable cost savings, nominations for awards and best practice and the introduction of electronic payment cards. The procurement strategy for 2010 – 2011 will build on the approach being taken to procurement of goods, services and works and detail the associated actions being taken in support of the Council's Corporate Plan and Medium Term Financial Plan.
- 1.12** The Council continues to build on its effective collaboration with a range of partners to leverage economies of scale, reduce administrative costs, improve the quality of service provision and provide innovative solutions for securing additional value for money. The Council was recently involved in a successful joint funding bid with the Oxfordshire Procurement Hub and Oxfordshire County Council to secure funding from the Milton Keynes Oxfordshire and Buckinghamshire Improvement Partnership for a project to secure further procurement efficiencies by encouraging the involvement of more organisations (including Primary Care Trusts, Schools, Universities, Third Sector and not for profit organisations) in locally based collaborative procurements and in securing prompt payment discounts from existing suppliers. To date the PCT have expressed an interest in being involved in the forthcoming countywide Agency re-tender and some £5000 of savings have been secured via suppliers signing up to prompt payment discounts.
- 1.13** This strategy aims to further develop a mixed economy of service delivery by working with public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness. To date, the Council has delivered a GP led health centre with associated clinical services in partnership with the PCT with the Council procuring the refurbishment of its former offices, funding, project managing and providing onward going facilities management services via a range of agreements. This has led to reduced Council overheads, a reduced council tax burden to local residents and increased access to healthcare services for local residents as part of our to our Safe and Health strategic priority.



**1.14** This strategy and action plan provides a procurement road map for tackling the challenges of achieving value for money and excellent services for the residents of Cherwell District Council over the next year. It will be a key driver for the delivery of the Council's Corporate Improvement Plan.

**1.15** The vision for procurement at Cherwell District Council is that by embedding high quality procurement and contract management processes throughout the Council will:

- Deliver significant cost and efficiency savings
- Improve options appraisal and planning methodology
- Base our procurement decisions on whole-life costs that achieve clearly evidenced sustainable outcomes
- Enhance collaboration with a wide range of partners to improve procurement outcomes in terms of quality and exploiting economies of scale
- Promote a mixed economy of service provision that engages with the private, public and voluntary sector organisations
- Be recognised as a leader in the procurement field within local government.

## **How to use the strategy:**

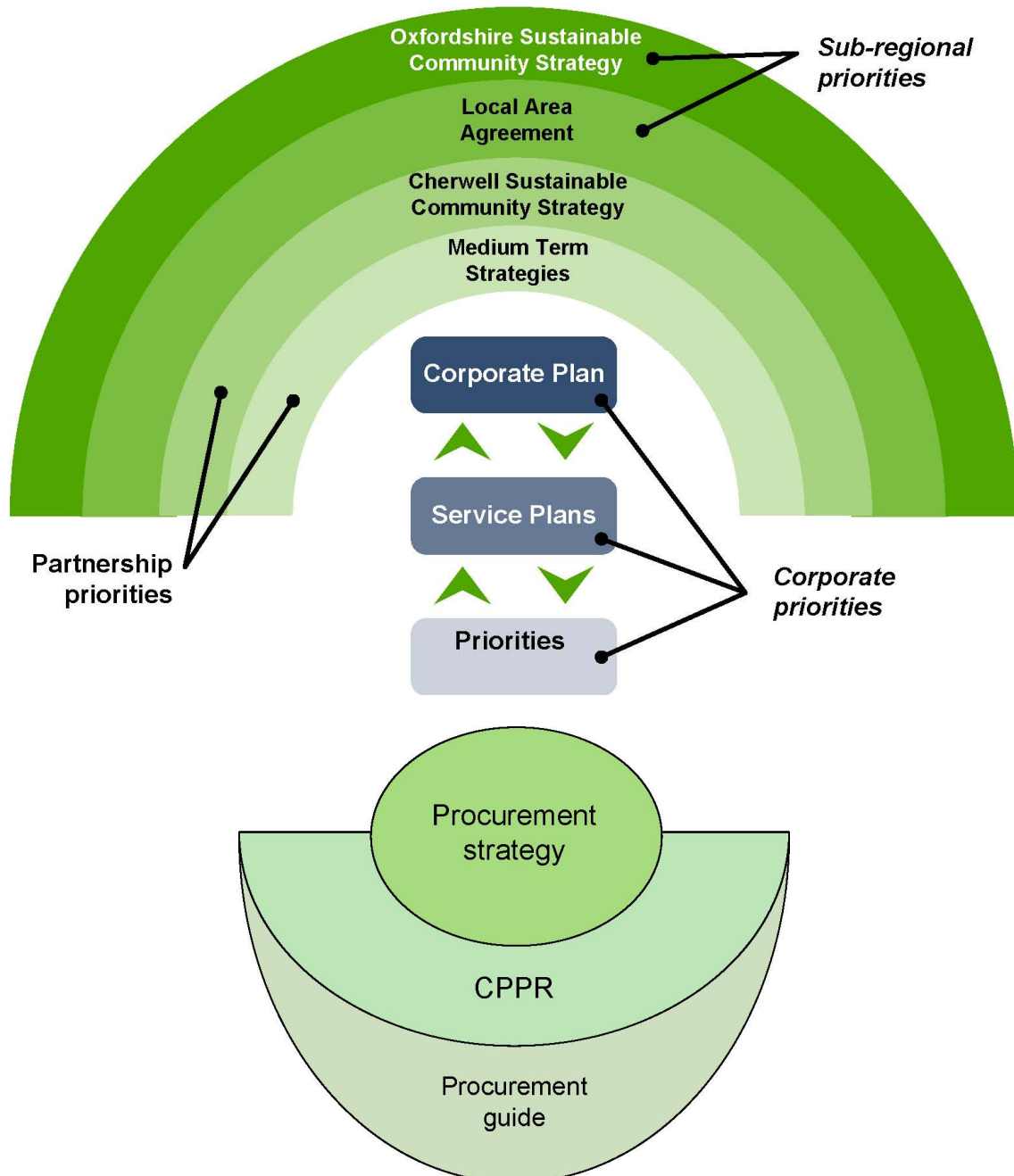
Section 1-7 of the strategy document is for use by all officers and members to understand the overall approach being taken in procuring goods and services at Cherwell District Council. It details the actions being undertaken to continue improvements in how the authority purchases goods and services over the lifetime of the strategy.

Section 8 refers to the tools available to officers including the procurement guide and to the principles behind the strategy and procurement practices. It assists officers to understand the rationale behind the framework that the authority operates for procurement of goods, services and works.

## 2. Strategic procurement

'Procurement is the business management function that ensures identification, sourcing, access and management of the external resources and assets that an organisation needs or may need to fulfil its strategic objectives. Achieving value for money through the acquisition of goods, services, assets and works over the lifetime of a contract is key.'

Office of Government Commerce 2010



### 2.1 Linking procurement to the council's corporate plan

- 2.1.1 The Council's approach to procurement should reflect sub-regional and local priorities as identified by the Oxfordshire Sustainable Community Strategy and the Cherwell Sustainable Community Strategy, which are in turn delivered via the Corporate Plan that is due to be refreshed in 2010/11. The above diagram outlines how the procurement strategy links into the Council's objectives and how the strategy itself promotes the effective governance laid out in the Council's Contract Procedure Rules and the best practice provided for in the procurement guide.

## **2.2 Why a corporate procurement resource?**

- 2.2.1 The key role of the Corporate Procurement Team is to work in co-operation with departments to ensure value for money (right time, place, quantity, quality and price) procurement practice – from options appraisal right through to the completion of the contract life cycle – is being exercised by departments and support them as necessary to promote best practice in line with the Corporate Procurement Procedure Rules. Essential to the success of this objective is the rigorous monitoring of an audit and compliance plan to enable contracts to be established for relevant aspects of the business and recorded on the corporate contracts register.
- 2.2.2 The scope of the Corporate Procurement Team within the Council has been clearly defined as the guardian of the Council's standing orders, the provider of tender and contract management assistance and advice and the manager of the corporate contracts register, ensuring that professional procurement processes are followed and recognised and a consistent approach applied to all projects.
- 2.2.3 The Corporate Procurement Team provides leadership and has already developed a good track record of managing successful procurement projects across the Council. As part of our service and financial planning we received positive feedback about our procurement service.
- 2.2.4 To date the team has provided savings and a robust contract management process that requires further embedding across all service areas.
- 2.2.5 The procurement network needs to be further developed to turn service managers responsible for procurement into procurement champions. A procurement guide is available to all managers and this will be supported by a training programme.

## **2.3 Embedding value for money**

- 2.3.1 The Council's drive for value for money should be linked to the Government's efficiency agenda and the Council's Medium Term Financial Strategy. These initiatives call for on-going cashable savings to be achieved in part through better procurement leading to overall cost reductions. The Council should continue to analyse its expenditure and target opportunities to save money, rationalise the supplier base, increase competition, enter joint contracts with other public bodies and contract more effectively.
- 2.3.2 The development of procurement as an effective tool to obtain value for money should be based on the assessment of whole life costs. Consideration of a balance of both quality and price is necessary and all analysis and evaluations should be conducted including, predetermined price/quality ratios. The introduction of procurement forward plans for the Council's annual procurement activities and the undertaking of comprehensive options appraisals lead to more effective planning with better implemented and managed contracts.
- 2.3.3 To determine value for money there needs to be a balance between whole life costs and matching customer requirements. In most instances, the Council will use 'most economically advantageous' as the criteria which will include economy, efficiency, effectiveness, equality and diversity, environment, health and safety, innovation and continuous improvement, management and organisation, sustainability and social impact.

## **2.4 A planned approach to procurement**

- 2.4.1 The development of this procurement strategy began with an analysis of spending patterns and the mapping of requirements in the authority's procurement portfolio. For it to be successful the procurement strategy must be owned from the Corporate Management Team right through to Officers implementing the procurement of a wide range of goods, services and works.
- 2.4.2 Strategic procurement relies on the coordination and oversight of all procurement activities being managed within a professional discipline. The Council requires sufficient visibility and control of procurement to be able to take decisions based on expert advice and guidance backed by extensive market intelligence.
- 2.4.3 Procurement involves considering options and making informed choices. To be most effective early engagement with end users is recommended so that standards and service requirements can be discussed and determined. The selection of appropriate procurement routes and relevant evaluation criteria will assist in making the most of market opportunities. The Corporate Procurement Team needs to be influential and proactive so that it can help coordinate spending across the whole Council. The procurement function of the Council is now situated within Corporate Finance in order to gain an insight into the purchasing and commissioning behaviours across all service areas.
- 2.4.4 Even the lowest value procurement activity should be subject to an options appraisal at the outset of the project to assess the full range of practical alternatives for service delivery, providing supporting evidence on risk assessment, service definition and market intelligence. Appropriate procurement procedures can be selected as part of the approval process and detailed planning and programmes can be developed.

## **2.5 Sustainable procurement and whole life costings**

- 2.5.1 The Local Government Act 2000 placed a duty on local authorities to prepare a community strategy for promoting or improving the economic, social and environmental wellbeing of their area and contributing to the achievement of sustainable development in the UK. The act gave authorities the power to do anything they consider is likely to achieve the promotion of the area's wellbeing, including the use of procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in the community plan.
- 2.5.2 Strategic Procurement by nature is responsible procurement and should include the consideration of factors other than cost in the assessment of value for money. Objectives in respect of sustainability (including socio-economic considerations), regeneration and other non-economic objectives will be supported by procurement activities.
- 2.5.3 Sustainability and quality can be taken into account when service delivery options are being considered. Legislation allows factors such as carbon footprint, replacement cycles and social benefits to be taken into consideration wherever it is appropriate to the contract. 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.

- 2.5.4 The Council is committed to sustainable procurement and will adopt the Flexible Framework as recommended in Procuring the Future, Sustainable Procurement National Action Plan produced by the government's Sustainable Procurement Taskforce. The Council's Sustainable Procurement Strategy (Appendix 1) is being rolled out across the Council during 2010/11 along with the Interactive Procurement Guide.
- 2.5.5 The Environmental Strategy Key Officers group are being engaged to assist with the aim of achieving "Level 3 Practice Level" of the Flexible Framework, from the National Procurement Strategy, in the first year of adopting this strategy.
- 2.5.6 The Council will strive to ensure that all staff engaged in procurement activity are aware of and adhere to the Chartered Institute of Purchasing & Supply's Code of Professional Ethics.
- 2.5.7 The Council should aim to maximise its options for purchasing from a diverse and competitive range of suppliers including minority businesses, voluntary and community sector groups, small and medium-sized firms and social enterprises. To date initiatives such as Tendering with the Public Sector workshops, a web-based guide to doing business with the Council, an online contracts register and participation in Meet the Buyer Events have led to effective engagement with SMEs. The Corporate Procurement Team are also encouraging officers to make provision for local businesses by looking at where projects can be broken down into lots and, where possible, inviting at least one local company to quote for any quotation exercise. Further work needs to be done to ensure that all officers involved in procurement are familiar with what the market can offer in terms of added value and this can only come about by regular dialogue and consultation with providers and potential providers.

## 2.6 Equalities

- 2.6.1 The Council has introduced pre-qualifying safeguards that ensure all work carried out on behalf of the Council by external contractors is compliant with the latest equalities legislation with each interested party providing evidence not only of the policy but how it is put into practice.
- 2.6.2 The equalities questionnaires aim to:
- Establish that all organisations applying for work with the Council have a genuine commitment to equality of opportunity and that this will be effectively applied in their service delivery
  - Encourage best practice with all organisations that work for the Council
  - Protect the Council from prosecution in failing to meet its own commitments to equal opportunities legislation.
- 2.6.3 An Equality Impact Assessment has been carried out on the Procurement Strategy and Action Plan in line with the requirements of the Equality Standard and of the Race Relations Amendment Act (2000) and is compliant.

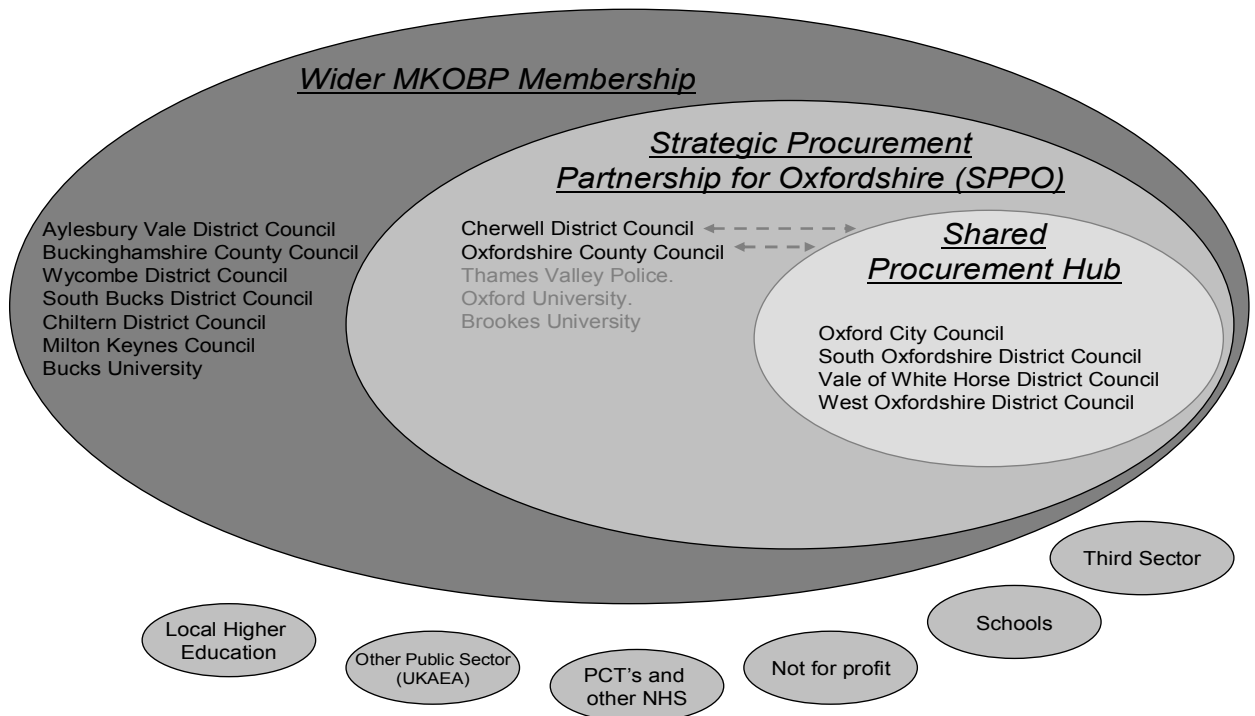
## 2.7 Collaboration

- 2.7.1 The Corporate Procurement Team has already demonstrated how effective collaboration with other public bodies and within partnering arrangements makes an essential contribution towards better strategic procurement with successful contracts in place for internal audit, advertising, agency staff, fuel, printing, stationery and vehicle parts. As well as the economies of scale and added leverage that combined spending volume provides there are a whole range of established frameworks that can be accessed easily and used, either as a direct contract or as the basis for a mini competition. In either case the reduction in timescale and the combined market influence could be attractive.
- 2.7.2 Collaboration can take many forms, partnering with a neighbouring authority or PCT, drawing down on frameworks offered by one of the five main professional buying organisations, such as the Office of Government Commerce, or via a host of collaborative groups and consortia set up in service based interest groups. There are also the regional centres of excellence that provide signposting services to common interest groups.
- 2.7.3 The Council has a number of collaborative arrangements for delivering services, as detailed within the diagram over the page:
- The Oxfordshire Shared Procurement Hub
  - The Strategic Procurement Partnership for Oxfordshire – which includes Oxfordshire County Council and the other district authorities within Oxfordshire with links to Thames Valley Police, Oxford University and Brookes University
  - the Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership
  - Town and Parish Councils.

At the recent Improvement and Efficiency South East Awards the Strategic Procurement Partnership for Oxfordshire was highly commended.

- 2.7.4 These partnerships work both ways and in some cases the contracts have been set up by other public bodies whereas with others Cherwell has set up the contract. Contracts set up under partnerships will normally remain as an arrangement between Cherwell and the relevant supplier.
- 2.7.5 These partnerships also involve strategic initiatives such as joint work on prompt payment discount schemes, supplier databases to aid the sourcing of pre-approved suppliers and seeking wider collaboration with other public bodies with particular areas of expenditure.

**Current Collaborative Procurement Arrangements in Oxfordshire**



Current Collaborative Procurement Arrangements in Oxfordshire

2.7.6 An alternative form of collaboration is a purchasing consortium. The use of purchasing consortia is well established with 67% of local authorities currently making use of them (BiP Solutions). Consortia tend to be used to:

- provide low-value, high-volume supplies, such as stationery and cleaning materials – often via catalogues
- act as agents in setting up/facilitating joint contracts for groups of public authorities
- supply goods and services, such as fuel and mobile telephones
- act as a forum for the exchange of information and learning regarding procurement and commissioning
- provide a source of procurement advice and guidance
- establish national or regional contracts.

2.7.7 The development of collaborative relationships requires both give and take and the Council should be prepared to commit resources to joint initiatives where necessary.

## 2.8 Developing a mixed economy

- 2.8.1 The Council is committed to the promotion of a mixed economy of service provision on the basis that this is most likely to deliver best value for the district. This entails working with the public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness.

### **Public Sector**

- 2.8.2 The Council continues to look for partnership opportunities with the public sector, building on the success of its partnership with the PCT in provision of a GP led Health Centre and associated services clinic in Banbury. Partnership options continue to be sought with other local authorities within the Strategic Procurement Partnership for Oxfordshire with a current programme to look at further engagement with other public sector partners, including the NHS, MOD and universities and colleges.

### **Small and Medium-Sized Enterprises (SMEs)**

- 2.8.3 The Council has a strong commitment to developing the local economy and has signed up to the Small Business Friendly Concordat. The Council has worked hard at providing opportunities for local businesses to engage with the Council by providing a Selling to the Council area on the website that includes a guide to working with the Council, a contracts register and a forward plan listing forthcoming projects for the current financial year.
- 2.8.4 The Council has also provided workshops on how to do business with the Council and as a result of participating in the Oxford City Council Meet the Buyer event and the follow up print framework workshops the Council have engaged local suppliers who had not previously tendered for public sector work.
- 2.8.5 The Council hosted its first Meet the Buyer event in Banbury in September 2009 with almost 100 suppliers seen by all the Oxfordshire local authorities and other public sector partners, such as the Ministry of Defence.
- 2.8.6 Our work with small businesses has earned us a regional award from the Federation of Small Business which recognises the vital role that local authorities play in supporting small businesses. We are now through to the regional finals.
- 2.8.7 The Council needs to move forward in developing a more effective two-way dialogue with the local business community and this will be achieved by initially emailing out a questionnaire to the businesses on the local business database that has been developed in conjunction with the Council's economic development team. We will continue to provide feedback where possible to help unsuccessful tenderers improve their procurement processes.

### **The Voluntary Sector**

- 2.8.8 The Council engages with the voluntary sector via a range of grant aided initiatives and is currently looking at developing the market in elderly leisure provision. This is an area for further development with the need to look at providing a framework for developing closer strategic and operational working relationships in an open and accountable way and to enhance collaboration.



## **2.9 Furthering skills development**

- 2.9.1 The Corporate Procurement Team provides skilled and experienced officers who are able to provide advice and guidance on all aspects of procurement and who have knowledge and expertise of how to apply best practice in obtaining value for money. The team will also require specialist knowledge when dealing with specialist expenditure and this can be provided from our legal services team and through our procurement partnerships.
- 2.9.2 The Council's membership of the Strategic Procurement Partnership for Oxfordshire and the wider Milton Keynes Oxfordshire and Buckinghamshire Procurement Partnership, as well its close alignment with the Oxfordshire Shared Procurement Hub provides a huge knowledge base which is backed up by both regional, Improve and Efficiency South East, and national, Office of Government Commerce, bodies that provide a wealth of up-to-minute guidance and support.

## **2.10 Governance and compliance**

- 2.10.1 All procurement activities must be conducted in compliance with the Council's Contract Procedure Rules (CPR) and the relevant EU procurement legislation. Additional guidance is provided in the Interactive Procurement Guide which provides easy access to the procurement process for the complete range of procurement procedures by contract value with templates to enable standardisation and ensure compliance.
- 2.10.2 Effective application of procurement across the Council will only be delivered through the active participation and strict compliance of all those who control budgets and authorise expenditure as well as those with appropriate technical expertise/service experience.
- 2.10.3 Once contracts or other procurement arrangements are in place, the Council needs to ensure ongoing compliance and for this purpose contract management responsibility should be clearly defined so that each contract has an 'owner'. Performance monitoring (against key performance indicators) is an essential function to ensure that value for money is being achieved. The working relationship between procurement officers and contract managers – be this the Corporate Contracts team or service based officers - is vital.
- 2.10.4 Reporting on procurement activities, requests for approval and contract management reports need to be handled within approved governance arrangements. The Procurement Steering Group provides a platform for the major value and high risk contracts to be discussed.

## **2.11 E commerce**

- 2.11.1 The application of 'electronic trading' for certain procurement activities are recognised as being beneficial in improving efficiency and streamlining processes and when used appropriately is considered to be best practice.
- 2.11.2 The Council aims to undertake an options appraisal to determine the cost benefits of an e tendering system to automate procurement functions and provide a faster and more efficient service dealing with sourcing, tendering, ordering, payment and reporting generally.

2.11.3 Our objective continues to be that we will implement any e-procurement measures that can provide demonstrable business benefits, in particular:

- Generating real cashable savings to ease budgetary pressures
- Reducing the resource cost inherent in procurement processes
- Facilitating our ability to secure best value for money
- Spreading best procurement practice.

## **2.12 Management information**

2.12.1 Collecting management information should be an essential feature of the Corporate Procurement Team and the analysis of the data and reporting process needs to become a feature of future reports.

2.12.2 An effective procurement strategy must be continually informed by analysis of management information (what, where and with whom money is being spent) and how well service requirements are being met. Much can be learned from the historic spending patterns of the Council and supplier/provider performance data.

2.12.3 The Council has previously used spend analysis systems provided by Spikes Cavell and is now participating in the Transform Partnership, a project covering all authorities in the South East and funded by the Improvement and Efficiency South East agency to recover duplicate payments to suppliers and identify cost reduction opportunities via identifying lower commodity prices.

2.12.4 The corporate team are responsible for maintaining the Council's contracts register, which aims to list all contracts with a lifetime value greater than £10,000.

2.12.5 The procurement function will be monitored against annual budget and service plan targets.

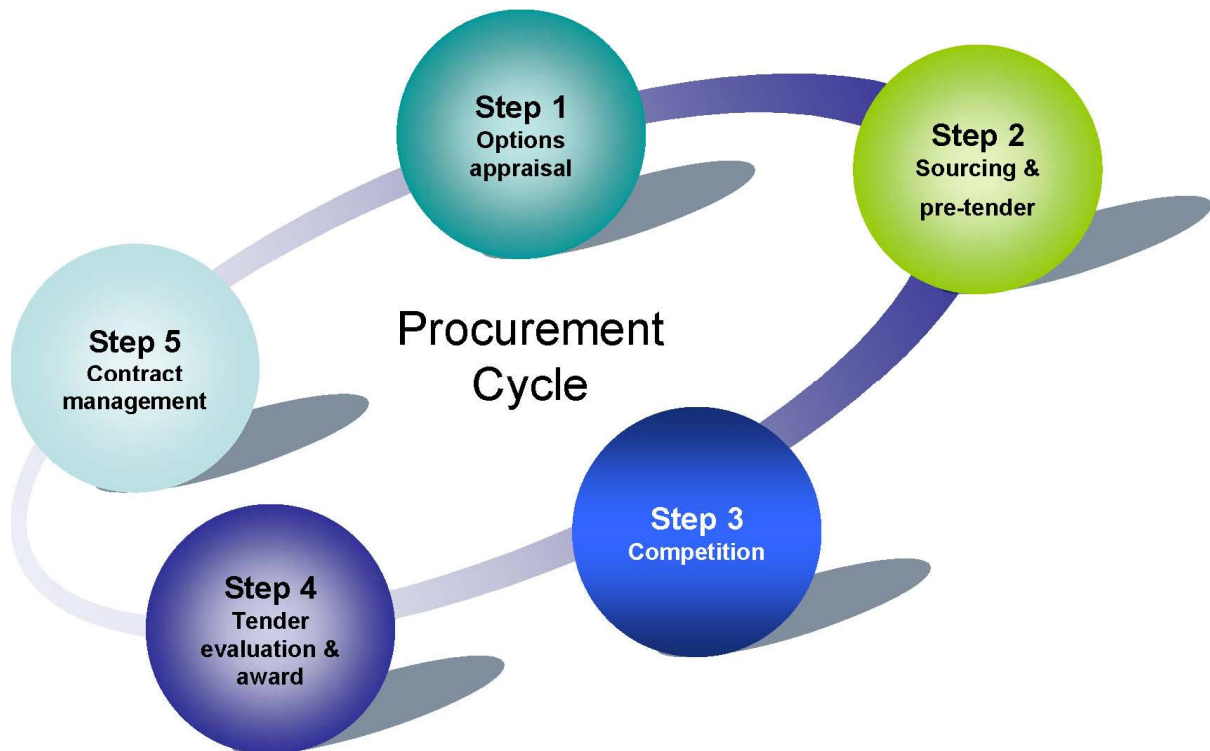
2.12.6 The outcomes from the procurement strategy will be considered in the medium term financial strategy scenario planning.

### 3. Improving Processes

'Procurement is the process of acquiring goods, services and works, covering both the 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'.

#### National Procurement Strategy for Local Government - October 2003

- 3.1 The scope of the procurement service has been determined by the Council and outlined within the Contract Procedure Rules so that clear roles and responsibilities can be allocated and owned – from the Corporate Management Team and the Strategic Procurement Group through to Heads of Service, Project Officers and the Corporate Procurement Team. To conduct a procurement exercise a combination of operational knowledge and specialist procurement expertise is required and how this is managed and by whom will contribute to the overall success of any project.
- 3.2 The diagram of basic procurement functions shown below highlights five major decision points at which the Council needs to have appropriate checks and balances in place to influence best practice. The processes involved in options appraisal and planning, sourcing via an effective pre-tender process, competition and tender administration, evaluation and award, and contract implementation and monitoring are all recognised as being within the scope of the procurement service.



- 3.3 The procurement process should therefore cover a full lifecycle of activities starting with the identification of needs, through sourcing, evaluation, selection, award, mobilisation and ongoing performance monitoring. This is sometimes referred to as 'cradle to grave' and the extent to which this process is managed/influenced by procurement staff varies in different organisations. If any of these stages become disjointed the integrity of the process is at risk and the chances of a successful outcome are reduced.

- 3.4** In the context of a procurement process, 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 does not necessarily mean selecting the lowest initial price option and the assessment of quality and the ongoing revenue/resource costs require thorough assessment as well as the initial capital investment. The Council needs to apply value for money principles in making all procurement decisions.
- 3.5** The Council can include social, environmental and other strategic objectives as part of its requirements and these must be defined at the earliest stages of the procurement cycle as they will form part of the decision making process. The way in which these requirements are expressed will influence the procurement exercise and there is an increasing trend towards the use of outcome based specifications which encourages more flexibility amongst providers to consider alternative and innovative options.
- 3.6** The methods used to ‘source’ suppliers, contractors and providers are vital as they become the first point of contact with the ‘market’ and will ultimately dictate which companies are selected to work with the Council. The opportunities presented by advertising requirements for contracts on the website should be fully promoted across the Council and there are many portals that can be used for lower value e.g. Supply 2 gov and IESE. The Council may also make use of market warming and market testing exercises to inform businesses cases.
- 3.7** In most circumstances the evidence required to prove value for money is obtained through competition. The regulations surrounding procurement are intended to promote ‘open and fair’ competitions and the way in which the Council is obliged to advertise its requirements and conduct procurement is prescribed by law. The Council has a duty to ensure that all such procurement activities are properly managed and should have appropriate measures in place to meet this obligation. Advice and guidance on compliance should be available from corporate procurement and an appropriate level of support should be provided for all forms of expenditure.
- 3.8** Evaluation can be a delicate process and needs to be controlled in accordance with specific conditions so that an impartial result can be relied upon and if necessary (under challenge) defended. A thorough evaluation is only possible when the tender documents have been well written and the evaluation criteria stated clearly. The controls necessary to conduct an evaluation should be explained as part of the procurement guide so that all staff and stakeholders involved can be fully informed of their responsibilities. We will adopt a fair and reasonable approach to all tender evaluations.
- 3.9** The final selection, recommendation and award stages should be managed in accordance with procurement guidance and the Council will set value thresholds to determine the reporting and approval routes for projects. Governance arrangements need to be stated within the constitution so that approvals can be obtained for the appropriate boards and there should be a clear line of reporting available for all procurement. Terms of reference may be required for each board so that the delegation of powers is formalised.

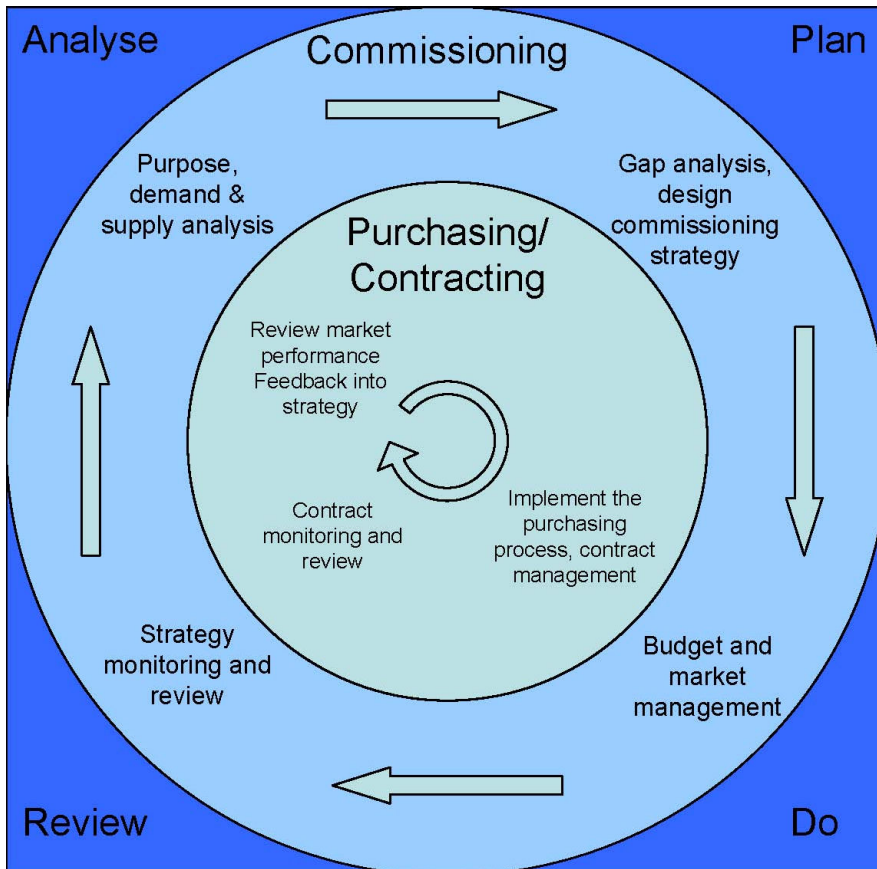
### **Contract Management**

- 3.10** Contract management is often overlooked after the contract has been let. The ongoing management and interaction with the successful contractor is critical to the smooth running of the contract and over time the way in which the agreement matures will be largely a result of the interchange. The most successful contracts are regularly being revised and updated showing that both parties are flexible in their approach and willing to work together to continuously improve the service provided. This is often encapsulated as a ‘partnering’ type agreement where better understanding and closer working relations should lead to greater emphasis on achieving service outcomes and more efficient delivery mechanisms.

- 3.11** Each major contract should be owned by a named expert Officer within the Council. Where the contract covers more than one department, an expert Officer should be nominated by each department with leadership of the group by majority expenditure or election. Contracts should contain identifiable deliverables with agreed dates and/or key performance indicators against which progress can be monitored on a regular basis, normally quarterly. Where appropriate, contracts should contain clear escalation procedures should there be performance issues.
- 3.12** The development of the Council's service assurance function which has been initially established to manage the revenues and benefits outsourced contract will assist in improving the contract management function. This function will be merged with procurement during 2010/11.

**Commissioning Services**

- 3.13** There are likely to be debates about what constitutes 'procurement' and what is 'commissioning'. The Cabinet Office defines commissioning as 'the cycle of assessing needs of people in an area, designing and then securing appropriate service.' Commissioning is, therefore, the set of linked activities required to assess the needs of the population, specify the services required to meet those needs within a strategic framework, secure those services, monitor and evaluate outcomes. For the purposes of this strategy procurement is regarded as any contractual arrangement the Council enters into that involves spending money. There should be reference made to grant funding which is allocated to third sector providers as in many cases this will be ring fenced and not be subject to open competition.
- 3.14** The Council regards the 'purchasing and contracting' activities to be part of the procurement process whilst the surrounding commissioning activities are regarded as a separate but complimentary function. The Institute of Public Care (IPC) links the procurement and commissioning cycles into a single model as shown in the following diagram.



## 4. Roles and Responsibilities

“All business depends upon men fulfilling their responsibilities.”

Mahatma Gandhi

### 4.1 Ownership and Governance

Successful procurement requires an awareness of wider business issues such as culture change, communication, people skills and multi-stakeholder requirements, all of which must be addressed to ensure that changes are successfully implemented and contribute positively to Council policy.

This strategy is owned by the Head of Finance and will be updated annually in accordance with progress to date. The strategy and action plan will be reviewed quarterly at the Procurement Steering Group forum.

The Head of Finance has professional responsibility for the corporate strategic procurement function and discharges this responsibility through the Corporate Strategic Procurement Manager.

The Corporate Strategic Procurement Manager also has day to day responsibility for:

- taking a lead in the development, implementation and monitoring of the procurement strategy, reporting progress to the member champion for procurement
- managing the Contracts Register
- administering meetings of the Procurement Steering Group
- organising any tender process
- co-ordinating any pre-qualification process
- providing support, guidance and advice on procurement practice and assistance on major procurement exercises to all of the Council's service units
- Becoming a focal point for sharing good practice across the Council
- Providing procurement training
- Undertaking an onward going cycle of spend analysis on the Council's expenditure to highlight areas for potential savings/benefits to the authority.

The Corporate Procurement Team will set and maintain standards and provide a range of training opportunities that lead skills development for all officers regularly involved with procurement.

### 4.2 Procurement Steering Group

The Procurement Steering Group comprises a Core Group of:

- The Monitoring Officer (as Chair)
- The Section 151 Officer
- The Head of Finance (if not represented as the Section 151 Officer) and
- The Resources Portfolio Holder (on a case by case basis at his/her election)

or their nominees and a Strategy Group comprising:

- The PSG - Core Group and
- The Heads for the time being of Environmental Services, Urban and Rural Development and Estates and Economic Development

or their nominees.

The PSG core group meets whenever there is business to discuss and the Strategy Group meets quarterly.

The function of the PSG Core Group is to:

- Consider and, if appropriate, authorise the undertaking of any procurement between £150,000 and £500,000 in estimated value or amount, and
- Consider and, if appropriate, approve the award of all Contracts between £150,000 and £500,000 in value or amount.

The function of the PSG Strategy Group is to:

- Perform a strategic and scrutiny role in relation to the Council's commissioning programme and all matters relating to the Council's contracting policy
- Provide a forum for Project Officers to discuss policy development, seek strategic advice and raise questions, issues and problems with Contract policy
- Define and spread best-practice as it relates to contracting and Contract management and monitoring
- Provide advice to Officers as appropriate on contracting issues
- Advise Members and the Chief Executive on the need for any revision to the Contract Procedure Rules, including changes to financial thresholds.

#### **4.3 Strategic Directors**

- Oversee procurement activity within their Directorate
- Ensure the requirements of the CPR are upheld at all times; and

#### **4.4 Heads of Service**

- Ensure there is sufficient budget available for the works, services and/or supplies to be acquired by their Project Officer
- Ensure that the procurement proceeds in all respects in conformity with the CPR
- Authorise procurement projects and Contract awards affecting their service with a value below £150,000
- Record on the Council's Contracts Register the detail of all Contracts exceeding £10,000 that are awarded in connection with their service area
- Manage all Contracts within their service area
- Waive the call for competition (in accordance with the procedure prescribed in section 17 of the CPR) in relation to procurements below £10,000
- Sign Contracts below £100,000 on the Council's behalf
- Produce half yearly Contract management reports to the PSG Strategy Group
- Review, in conjunction with the Strategic Procurement Manager, any Approved Supplier List created by the Council for their service area in accordance with section 26 of the CPR.

#### **4.5 Project Officers**

- Plan and co-ordinate specific procurement projects
- Obtain all necessary authorisations (whether from their Head of Service, the PSG Core Group or the Executive) prior to progressing any stage of a procurement project
- Draw up or revise Contract specifications
- Ensure the Contract forms chosen for use in connection with the procurement are appropriate for their intended purpose
- Collate and assemble all tender documentation
- Undertake competitive processes, particularly bid evaluations, in such a way as to ensure all bidders are treated fairly and equally
- Prepare reports to the Executive, the PSG Core Group, the PSG Strategy Group or Service Heads as appropriate

## Corporate Procurement Strategy and Action Plan 2010/11

- Ensure all necessary permissions are concluded before their Contract begins
- Administer and monitor their Contracts on a day to day basis to ensure compliance with the specified standards
- Ensure prompt payment to suppliers for work done to the required standard so as to further the Council's Economic Development Strategy objectives
- Ensure on a bi-monthly basis that information held on the Contracts Register is fully up-to-date; and
- Manage and maintain any Approved Supplier List created by the Council for their service area in conjunction with the Corporate Strategic Procurement Manager.



## 5. Objectives and Outcomes

“Action is the foundational key to all success”.

**Pablo Picasso**

### 5.1 Objectives

In order to achieve our vision for procurement we will need to aim for a number of objectives.

- Provide a corporate led focus on strategic procurement, with greater visibility and understanding of management information to help coordinate all procurement activity in conjunction with procurement champions from all services
- Develop procurement skills and adopt a structured approach to education, training, and development for all staff and Council members with procurement responsibilities
- Ensure that procurement strategy, planning and practice supports the Council's core values, corporate aims and objectives. Encourage long-term thinking and commitment to strategic procurement issues
- Factor in sustainability, local economic development and equality and diversity objectives throughout all procurement activities
- Utilise e-commerce to achieve transactional efficiency and provide accurate management information, making best use of information and communications technology to improve efficiency and effectiveness
- Support the delivery of services to end users, ensuring stakeholder involvement and customer satisfaction surveys are routinely included. Ensure that consultation with service users and the local community drives our actions in commissioning and procurement
- Ensure all operational procurement and contract management activity complies with standing orders and statutory regulations
- Measure procurement performance using benchmarking and promote innovation to achieve continuous improvement of procurement activity across the Council
- Achieve and evidence value for money in all procurement arrangements, capture and record the benefits. Continue partnership working to achieve value for money across the region
- Develop procurement collaboration with other public bodies through a mixed economy approach and encourage partnering
- Merge the activities of the procurement and service assurance team in order to enhance the procurement and contract management processes.

The specific actions associated with these objectives are outlined in Section 7.

## 5.2 Outcomes

Achieving the objectives laid out in this strategy will:

- Deliver a procurement strategy aligned with the Council's sustainable community strategy and corporate plan
- Deliver significant cost and efficiency savings
- Give clear visibility of off-contract spend to enable action to be taken and possible cost savings identified
- Improve options appraisal and planning methodology
- Base our procurement decisions on whole-life costs that achieve clearly evidenced sustainable outcomes
- Support the authority's aim of meeting the 'achieving' standard in the new equalities framework for local government. We are currently self assessed at Level 3 under the old inspection regime
- It is intended for the Council to achieve "Level 3 Practice Level" of the Flexible Framework, from the National Procurement Strategy in the first year of adopting our sustainable procurement policy
- Continue to make it easier for local businesses to trade with us and implement a two-way dialogue process via online questionnaires and focus groups
- Use suppliers with the capacity and capability to effectively deliver front line services at the right price
- Enhance collaboration with a wide range of partners to improve procurement outcomes in terms of quality and exploiting economies of scale
- Promote a mixed economy of service provision that engages with the private, public and voluntary sector organisations
- Seek to involve service users, local communities and front line staff in the commissioning process
- Secure procurement champions in all Council services
- Support the authority in achieving high scores in the Use of Resources assessment
- The corporate procurement function should remain as a self funded team
- Ensure that UK & EU Procurement Regulations are satisfied
- Be recognised as a leader in the procurement field within local government.

## 6. How will we know how we are doing?

'The Council's procurement and contract management functions have improved strongly. Its rigorous value for money approach and service planning process link effectively to the Procurement Forward Plan. The procurement discipline clearly supports the delivery of the Council's wider objectives. It has supported the reduction in net costs over recent years, enabling resources to be reallocated to front line services, delivering demonstrable beneficial outcomes to the community. Although the Council does not have an up to date procurement strategy, it is procuring strategically.'

### Annual Audit Letter 2008/09 – Audit Commission

- 6.1** The Corporate Strategic Procurement Manager reports to the Head of Finance on a regular basis on the following:
- Progress against the targets set out in the procurement strategy action plan
  - Opportunities for major collaborative ventures
  - Reports on specific procurement exercises.
- 6.2** The Corporate Strategic Procurement Manager is also responsible for reviewing training needs and the implementation of the Interactive Procurement Guide.
- 6.3** The Corporate Procurement Team also seeks feedback from our internal and external customers on a project by project basis.
- 6.4** The Corporate Procurement Team also undertakes benchmarking against expenditure by other local authorities and public bodies to evidence value for money within all contracts.
- 6.5** The Procurement Steering Group will oversee the implementation of this procurement strategy and the delivery of the action plan.
- 6.6** The Procurement Steering Group will meet quarterly and be responsible for the achievement of the corporate efficiency and savings targets; to programme manage projects especially the large savings areas; to identify non-contract spend and schedule actions on the procurement plan, and to undertake a scrutiny role to ensure that contracts are effectively managed and to ensure that projected savings are monitored and delivered.
- 6.7** In addition, there is currently a Local Business Liaison focus group and plans to put in place a Sustainable Procurement group linked to the Environmental Strategy Key Officers group. Annual reviews of the CPR are undertaken by a focus group comprising Legal Services and the Corporate Procurement Team.
- 6.8** The Council has a member champion for procurement, the Portfolio for Resources holder, whose role is to:
- Promote procurement at Executive and raise the profile of procurement with members
  - Receive quarterly updates of the procurement action plan to monitor progress on its implementation
  - Make recommendations to Executive for changes in strategy, policy or corporate resources.

### **6.9 Key Performance Indicators**

In October 2008, the Government published the "Procurement value for money indicators". These indicators are grouped under 4 headings: strategy, major projects, purchasing (including e-procurement) and equalities and competition.

The Council will report quarterly on the indicators listed in Appendix 2.

## 7. Draft action plan and timescales

### 7.1 Deliver the Council's procurement strategy ensuring that the key objectives are understood and embedded across the Council

Action	Target Date /Who
<ul style="list-style-type: none"> <li>• Rollout the Procurement Strategy in conjunction with the Procurement Guide via workshops and on project training:               <ul style="list-style-type: none"> <li>• Hold three overview workshops by end June 2010 with follow-ups in between October and December 2010 with focus on:                   <ul style="list-style-type: none"> <li>• Options appraisals</li> <li>• Price/quality ratios and evaluation criteria</li> <li>• Sustainability considerations and calculating full lifetime costs</li> <li>• Specification writing</li> <li>• Key performance indicators and contract management</li> <li>• Nomination of Procurement Champions by service.</li> </ul> </li> </ul> </li> </ul>	Wave 1: end June 2010 – Procurement Team Wave 2: end December 2010 – Procurement Team
<ul style="list-style-type: none"> <li>• Improve procurement options appraisal process via further development of stakeholder questionnaires by end May, ensuring their use for all procurement exercises at project commencement, recording project objectives for meeting Procurement KPIs.</li> </ul>	End May 2010: Procurement Team
<ul style="list-style-type: none"> <li>• Introduce price/quality ratios into project planning to ensure evaluation criteria other than price are given due consideration.</li> </ul>	September 2010: Procurement Manager
<ul style="list-style-type: none"> <li>• Train officers in the calculation of whole life costing, including the initial purchase cost, operating, management and disposal costs.</li> </ul>	March 2011: Procurement Team
<ul style="list-style-type: none"> <li>• Ensure full lifetime cost calculations carried out on all projects.</li> </ul>	Onward going: Procurement Team
<ul style="list-style-type: none"> <li>• Provide specification writing training for key projects.</li> </ul>	Onward going: Procurement Team
<ul style="list-style-type: none"> <li>• Promote consideration of key performance indicators and contract management consideration at project planning stage.</li> </ul>	Onward going: Procurement Team
<ul style="list-style-type: none"> <li>• Develop and make available a first wave of training modules in conjunction with the Improvement and Efficiency South East agency to meet identified procurement knowledge needs by end of March 2011.</li> </ul>	March 2011: Procurement Manager

### 7.2 Governance and compliance

Action	Target Date /Who
<ul style="list-style-type: none"> <li>• Ensure all operational procurement and contract management activity complies with the Council's Contract Procedure Rules and statutory regulations by:               <ul style="list-style-type: none"> <li>• Providing a checklist for retention in the project file for use on all projects by July 2010.</li> </ul> </li> </ul>	July 2010: Procurement Manager
<ul style="list-style-type: none"> <li>• Enhance the scrutiny and policy development role of the Procurement Steering Group Strategy Group by:               <ul style="list-style-type: none"> <li>• Holding first quarterly meeting by the end of September 2010 with agreement on areas for focus and meeting dates for remainder of 2010/11</li> </ul> </li> </ul>	End of September 2010: Procurement Manager

<ul style="list-style-type: none"> <li>• Monitor procurement indicators with an agreed recording mechanism in place by December 2010.</li> <li>• A “No Purchase Order No Pay” policy is proposed whereby all expenditure is approved before it is committed. Retrospective Purchase Orders i.e. those raised after the commitment has been made should be discouraged and in due course sanctions should be considered for non compliance.</li> <li>• Any tendering and contract management should be managed using a robust project plan, with responsibilities clearly outlined and clearly laid out targets, milestones, timescales and identification of resources. Such a project plan should be monitored regularly by the project team and failure to achieve timescales rectified immediately. (This applies not only to formal tendering processes but also to the performance of the contract once in place to ensure the desired outcomes are achieved and the Council’s objectives are met.) Templates to be made available by October 2010.</li> </ul>	<p>December 2010: Procurement Team</p> <p>December 2010: Head of Finance</p> <p>October 2010: Procurement Manager</p>
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**7.3 Achieve greater efficiency and demonstrate improved value for money**

Action	Target Date /Who
<ul style="list-style-type: none"> <li>• Deliver VFM savings associated with best practice procurement for all categories with a lifetime contract value of more than £10,000 per annum with records maintained for anticipated and actual savings.</li> </ul>	<p>Onward going: Procurement Team</p>
<ul style="list-style-type: none"> <li>• Further develop additional savings strategies such as prompt payment discounts and retrospective discounts for additional expenditure on existing and contracts with bi-monthly updates on progress.</li> </ul>	<p>Onward going: Procurement Team</p>
<ul style="list-style-type: none"> <li>• Further develop spend analysis and category management analysis via participation in the Transform Partnership, a project covering all authorities in the South East and funded by the Improvement and Efficiency South East agency, to recover duplicate payments to suppliers and identify cost reduction opportunities via identifying lower commodity prices. Aim to identify efficiencies by October 2010.</li> </ul>	<p>October 2010: Procurement Team</p>
<ul style="list-style-type: none"> <li>• Continue supplier rationalisation and elimination of spend with non-approved suppliers via data from the Transform Partnership project. Reduce number of third party suppliers, currently approximately 1200, by 5% - i.e. 60 suppliers - with a particular focus on property maintenance.</li> </ul>	<p>March 2011: Procurement Team</p>

**7.4 Understand the contract management requirements of the Council and identify ways to streamline the process and promote best practice**

Action	Target Date /Who
<ul style="list-style-type: none"> <li>• Maintain a Council wide register of all contracts/agreements for all significant contracts (over £10K) and monitor procurement performance and activity, including savings and benefits tracking.</li> </ul>	<p>Onward going: Corporate Contracts Officer</p>
<ul style="list-style-type: none"> <li>• Clarify the contract management role for the Council and the resources required for effective monitoring:                         <ul style="list-style-type: none"> <li>• Form focus group</li> <li>• Undertake review investigating the performance measurement of existing contracts, how they are reviewed, variations, risk levels. Identify areas for improvement and disseminate findings</li> <li>• Present findings to PSG and CMT.</li> </ul> </li> </ul>	<p>Procurement &amp; Assured Services: Focus Group: July Reviews: October</p> <p>Findings: January 11</p>

<ul style="list-style-type: none"> <li>• Improve contract management knowledge via rollout of a user manual &amp; workshops across the service areas:             <ul style="list-style-type: none"> <li>• Devise manual including findings from the contract management focus group</li> <li>• Consult widely on the manual</li> <li>• Rollout manual.</li> </ul> </li> </ul>	<p>Procurement &amp; Assured Services: Manual by October Consultation by January 2011 Rollout by March 2011.</p>
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<b>7.5 Sustainability</b>	
<b>Action</b>	<b>Target Date /Who</b>
<ul style="list-style-type: none"> <li>• Embed the Sustainable Procurement Strategy via the Procurement Guide workshops, ensuring officers understand the requirements of Level 3 Practice Level” of the Flexible Framework, from the National Procurement Strategy – three workshops by end-June and three refreshers by end December as per 7.1</li> <li>• Ensure full lifetime cost calculations carried out on all projects – as per 7.1</li> <li>• Consider the costs and benefits of environmentally preferable goods/services as alternatives as part of the full lifetime cost calculation process.</li> <li>• Promote awareness, train and encourage buyers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products.</li> <li>• Ensure sustainability is addressed with each procurement exercise by including it as a section within the stakeholder questionnaires and encouraging sustainability to be included within evaluation criteria as well as the assessment/pre-qualification stages.</li> <li>• Promote the Sustainable Procurement Strategy with the market place via:             <ul style="list-style-type: none"> <li>• Pre-tender market engagement exercises</li> <li>• Working with the council supplier workshops</li> <li>• Meet the Buyer events</li> <li>• Local business liaison newsletters</li> <li>• Including a copy of the policy with all quotation and tender exercises.</li> </ul> </li> <li>• Encourage buyers to break down larger contracts to match SME and Social Enterprise capacity where appropriate.</li> <li>• Develop the inclusion of sustainability factors within contract management key performance indicators.</li> <li>• Make provision for the collection of cost benefit data for sustainable solutions put in place.</li> </ul>	<p>Wave 1: end June 2010 – Procurement Team Wave 2: end December 2010 – Procurement Team Onward going: Procurement Team Onward going: Procurement Team  Onward going: Procurement Team  Onward going: Procurement Team  Onward going: Procurement Team  Onward going: Procurement Team  Onward going: Procurement Team</p>





<b>7.9 E-Commerce</b>	
<b>Action</b>	<b>Target Date /Who</b>
<ul style="list-style-type: none"> <li>• Undertake an options appraisal to determine the cost benefits of an e tendering system in partnership with other Oxfordshire authorities.</li> <li>• Exploitation of South East Business Portal via loading of forward plans and adverts.</li> <li>• Explore the use of e-auctions wherever appropriate, in collaboration with other Oxfordshire or wider SE authorities. Include bids of £20k pa in future capital programmes for e-procurement initiatives, such as e-auctions, where these have the potential to deliver revenue savings.</li> <li>• When appropriate, include in the specification for corporate contracts requirements for web-based or similar e-ordering as a means of streamlining ordering procedures.</li> <li>• Continue to monitor available options for e-sourcing/e-tendering, particularly in collaboration with other authorities.</li> </ul>	<p>Procurement Team: end March 2011 Onward going: Procurement Team Procurement Team: end March 2011</p> <p>Onward going: Procurement Team</p> <p>Onward going: Procurement Team</p>

<b>7.10 Corporate Procurement Resources</b>	
<b>Action</b>	<b>Target Date /Who</b>
<ul style="list-style-type: none"> <li>• Raise the profile of the Procurement Service and its achievements, both internally and with external stakeholders by: <ul style="list-style-type: none"> <li>• Arranging bi-monthly 1-2-1's with key Heads of Service</li> <li>• Bi-monthly internal newsletter containing copy of contracts register, updates and tips</li> <li>• Meetings with the partners listed in 7.6.</li> </ul> </li> <li>• Recruitment, retention and development of capable procurement staff in all procurement-related posts.</li> <li>• Development and delivery of a procurement training programme; providing training and supporting professional procurement staff in obtaining core qualifications and keeping their skills up-to-date through Continuous Professional Development.</li> <li>• Ensure effective use of the Corporate Procurement Team to provide a range of services, from advice and guidance to undertaking full procurement processes for departments on specific projects to seek Value for Money in all contracts let.</li> <li>• Consider an "apprentice" procurement officer as part of the Oxfordshire Hub</li> <li>• Merge and co-locate the existing corporate procurement and service assurance team into a single team.</li> <li>• Allocate procurement team members to provide support for particular directorates on significant projects.</li> </ul>	<p>Procurement Manager: onward going January 2011 Onward going: Procurement Team</p> <p>Onward going: Procurement Manager Onward going: Procurement Manager</p> <p>Onward going: Procurement Manager</p> <p>March 2011: Head of Finance and Procurement Manager March 2011: Head of Finance</p> <p>Procurement Manager: onward going</p>



## 8. Procurement Toolkit & References

### 8.1 Procurement Toolkit

A Procurement Toolkit, consisting of an interactive guide and accompanying templates, has been developed for service users engaged in contract activity. The Toolkit comprises procurement guidance and templates to enable users undertake lower levels of quotation and tendering activity to achieve best value and comply with the Corporate Procurement Procedure Rules.

The interactive guide consists of two sections:

- A series of contract value band based tables taking officers through the stages of a procurement exercise for quotations (i.e. purchase values up to £100,000) and tenders (i.e. all purchases above £100,000)
- Detailed guidance which is linked to each of the stages within the guide.

There are also links within the guide to take the officers to a range of templates, from authorisation to procure to award letters.

The Procurement Team will offer a Procurement Training Workshop for all staff involved in Procurement activity, covering the Contract Procedure Rules and the Procurement Toolkit.

### 8.2 References

The strategy has been formulated with reference to:

- Sustainable Community Strategy – 2009 - 2012
- Corporate Plan 2009 –2012
- Corporate Improvement Plan
- Medium Term Financial Strategy - 2008 –2011
- Economic Development Strategy

It has also been formulated with reference to other corporate strategies adopted by the Council to ensure business continuity for all service users.

The Council has many applicable policies and practices relevant to this strategy, which include, but are not limited to:

- Corporate Procurement Rules
- Standing Orders
- Whistle blowing Policy
- Risk Management Policy
- Performance Management Framework
- Equality and Diversity Policy

In addition the strategy links heavily to

- Procurement Guide

### 8.3 Useful Links

- <http://www.cherwell.gov.uk/index.cfm?articleid=3633>
- <http://www.defra.gov.uk/sustainable/government/publications/procurement-action-plan/index.htm>

## Appendix 1 – Sustainable procurement strategy

### Introduction

This Strategy is an appendix to the Cherwell District Council's Procurement Strategy and aims to ensure that all procurement undertaken by the Council is based upon sustainable principles.

Cherwell District Council spends around £18 million a year on a diverse range of goods, works and services with external suppliers. It is a major purchaser and purchases electronic equipment, food, paper, furniture, energy, cleaning equipment, vehicles etc. and the approach taken to this spending has a significant impact on the community and our own resources.

Everything purchased from stationery to landscaping services has an impact on the environment and society, therefore Procurement is well placed to make a positive contribution to sustainable development through its Procurement decisions.

Sustainable Procurement is defined as:

'That process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy whilst minimising damage to the environment.'

The Sustainable Procurement Task Force

Sustainable Procurement is about taking environmental, social and economic factors into account in purchasing decisions. It is about looking at what your products are made of, where they come from and who has made them.

Any purchasing strategy must be based on value for money, and the government's definition of buying green is the optimum combination of whole life cost (including cost to the environment in terms of environmental impact) and quality (or fitness for purpose) to meet the user's requirements. In other words, buying green means considering the environmental, social and financial costs over the total lifespan of goods, services and works, with a particular emphasis on considering the lifespan.

### Aim

Cherwell District Council is committed to ensuring the goods, services and works it purchases are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner, and deliver long term value for money for the Council and the public sector as a whole.

### Scope

This policy applies to all procurement activities undertaken by Cherwell District Council.

### Key Objectives

Purchasing in a sustainable manner offers potential whole life cost savings, supports our commitments in our Corporate and Improvement Plan and our Environmental Strategy for a Changing Climate and safeguards our reputation as a responsible public body: protecting the health of our staff, the residents and visitors to Cherwell. The key objectives addressed by this policy are:

- Reducing fossil fuel and overall energy use to minimise climate change
- Reducing use of hazardous and harmful materials – See Annex A
- Reducing waste

- Giving preference to recycled products and part recycled products over recyclable and non-recycled products, where the required criteria for performance and cost effectiveness can be met
- Giving preference to recyclable products and materials if recycled or part recycled products and materials are not available or suitable. Minimise the use of products made from virgin natural materials
- Helping to improve public health and quality of life
- Helping to increase levels of employment, skills and equality in Cherwell
- Helping to ensure fair pay and working conditions throughout our supply chain
- Protecting and enhancing biodiversity
- Complying with current legislation and anticipating future legislation.

### **Key Strategy Principles**

The Council will:

#### **People, Education and Awareness**

1. Promote awareness, train and encourage buyers to review their consumption of goods/services, reduce usage and adopt more environmentally friendly alternative products.
2. Ensure all staff involved with procurement participate in procurement training, which will include sustainable procurement guidance, and participate in annual refresher training.
3. Incorporate Sustainable Procurement into the induction, job descriptions, objectives and recruitment criteria for all relevant staff.
4. Communicate this policy to suppliers, with buyers including a copy of this Sustainable Procurement Strategy as an appendix to all Invitations to Tender and all tender response questionnaires will require potential suppliers to outline their own Sustainable Procurement Strategy.

#### **Policy, Strategy & Communications**

1. Consider the costs and benefits of environmentally preferable goods/services as alternatives.
2. Investigate the impact of the Council's expenditure on goods and services, via purchase spend analysis, to identify potential environmental impacts.
3. Investigate opportunities for the recycling and re-use of materials where appropriate.
4. Deliver the procurement actions associated with the Council's Environmental Strategy for a Changing Climate.
5. Work in partnership with other organisations in Oxfordshire and the South East region to improve sustainable procurement.

#### **Procurement Process**

1. Prior to any tender process, buyers will review and challenge the anticipated annual requirement to minimise volume, scale, costs and environmental impact – this will include buyers ensuring that they consider similar requirements from other buyers across the Council and beyond, consulting with procurement. Buyers will establish that:
  - a. there is a genuine operational need for the purchase
  - b. all cost effective opportunities for products to be shared, upgraded, refurbished, leased or delivered as a service have been exploited
  - c. the product will be used efficiently, minimising waste
  - d. the forecast of requirements is accurate.

2. Prior to any tender process, buyers will identify how the contract being tendered will satisfy one or more of the key sustainability objectives listed above. Where relevant, buyers will identify actions to reduce impacts through supplier pre-qualification, specifications, evaluation criteria, supplier development and continuous improvement.
3. Make procurement decisions based on long term value for money using whole life costing, this will include initial purchase cost, operating, management and disposal costs. Where relevant, buyers will evaluate all tenders on the basis of long term value for money, using whole life costing to assess:
  - a. purchase, installation, transportation and commissioning costs
  - b. operating costs, including labour, maintenance, re-processing, energy, water and consumables usage
  - c. management costs, including staff training, insurance, health and safety and environmental costs
  - d. disposal costs.

This approach should be used for all capital investments, waste contracts and where comparing consumables against reusable alternatives. For key cost categories, such as energy, price escalation indices will be used to reflect cost increases over time.

4. Ensure that where appropriate, suppliers' environmental credentials are considered in the supplier evaluation process and that environmental criteria are used in the award of contracts.
5. Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives.
6. Specify, wherever possible and practicable, the use of environmentally friendly goods.
7. Ensure any Service Providers supply the Council with such information relating to its CO2 emissions as the Council may require from time to time in order to monitor its overall performance on emissions

### **Engaging Suppliers**

1. Ensure that as a minimum all procurements above £100,000 are advertised via the local media, a trade journal and on our website.
2. As part of the sourcing strategy, buyers will consider the potential to:
  - a. break down larger contracts to match Small to Medium Sized Enterprise (SME) and Social Enterprise capacity
  - b. encourage collaboration between local SMEs and Social Enterprises to compete for larger contracts
  - c. encourage larger suppliers to sub-contract to local SMEs and Social Enterprises and
  - d. hold supplier briefings prior to issuing Invitations to Tender to explore innovation and ensure that specifications are deliverable by the marketplace.
3. Educate our suppliers regarding the Council's environmental and equality objectives.
4. Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods/services.

5. Work with key suppliers to make changes and thereby extend sustainability improvements throughout the supply chain.

### **Implementation**

A focus group consisting of nominated Procurement Champions from across the service areas will be set up to promote the implementation of the strategy. The advisory group will prepare an annual report on the activities carried out and a work programme. Technical criteria will be developed to use in Invitations to Tender for works and supplies contracts.

### **Development and Review**

This strategy will be reviewed and updated on an annual basis with the findings presented to the Procurement Steering Group for approval.

The Council will continually improve the procurement strategy and its guidelines by:

- regularly reviewing contracts and suppliers
- benchmarking this strategy with others
- integrating the Council's procurement standards and processes with environmental performance indicators.

It is intended for the Council to achieve "Level 3 Practice Level" of the Flexible Framework, from the National Procurement Strategy by April 2011.

## **Annex A - Hazardous and Harmful Materials**

It is the policy of Cherwell District Council to ban the use of environmentally damaging products or processes by the Council where a less environmentally damaging alternative is available.

Specifically banned are:

- a) Chlorofluorocarbons (CFCs) and other ozone depleting chemicals
- b) All timber or timber products which do not have Forest Stewardship Council (FSC) certification or equivalent (see information within the Sustainable Procurement Guide)
- c) Virgin paper (even if FSC approved or equivalent) unless specially authorised
- d) Leaded petrol
- e) Asbestos in the composition of any products (under exceptional circumstances, where it is essential to performance, Chrysolite (white) asbestos may be used, subject to prior agreement in writing by Environmental Services).

Restrict the use of the following products by using practical alternatives (see the Sustainable Procurement guidance):

- a) Peat and peat-based products
- b) PVC and PVC products
- c) Chlorine bleach
- d) Aerosol containers
- e) Solvent-based products
- f) Hazardous and deleterious materials such as pesticides, weed killers and preservatives, where it is not possible to avoid these, appropriate suppliers will be instructed to ensure that the required COSHH data accompanies all deliveries of hazardous products.

**Appendix 2 – Procurement performance indicators**

<b>Strategy</b>
<p><b>LIB/P3 – Best Practice</b></p> <p>Percentage of the value of contracts awarded that commence in the financial year that are in accordance with Comprehensive Procurement Procedure Rules</p>
<p><b>LIB/P4 – Aggregation 1</b></p> <p>Percentage of corporate spend aggregated through corporate framework agreements and corporate contracts</p>
<p><b>LIB/P5 – Aggregation 2</b></p> <p>Percentage of corporate spend aggregated through collaboration with other public sector organisations</p>
<p><b>LIB/P8 – Sustainable Procurement</b></p> <p>Percentage of framework agreements and contracts awarded following best practice on sustainable procurement</p>
<p><b>LIB/P9 – Local Government Market 1</b></p> <p>Percentage of corporate spend placed with small and medium enterprises (SMEs)</p>
<p><b>LIB/P10 Local Government Market 2</b></p> <p>Percentage of corporate spend including grants spent with the third sector</p>
<p><b>LIB/P12/13 Satisfaction with the Corporate Procurement Function</b></p> <p>Annual customer satisfaction survey : internal and external</p>
<p><b>Primary Indicator 1:</b> Total cost of the procurement function</p> <p>a. as a percentage of the organisational running costs</p> <p>b. as a percentage of non-pay expenditure</p>
<p><b>Primary Indicator 2:</b> professionally qualified procurement employees as a percentage of total procurement employees</p>

**Major Projects**

**LIB/P14 – Predictability – time to procure**

Average time from publication of Official Journal of the European Union (OJEU) notice (Gate 2) to contract signature (Gate 3) as percentage of time allotted in any approved business case

**LIB/P15 – Predictability – time to service delivery**

Average time from contract signature (Gate 3) to operational start (Gate 4) as a percentage of time allotted in any approved business case

**Purchasing**

**LIB/P22 – Average invoice value**

Corporate spend divided by total number of invoices

**LIB/P24 – Average spend per supplier**

Corporate spend divided by the total number of suppliers

**LIB/P25 – Percentage of corporate spend through electronic orders**

(i.e. over the internet, excluding fax and telephone)

**LIB/P26 – Percentage of invoices received electronically**

**LIB/P29 – Percentage of invoices paid electronically**

e.g. through BACS (Bankers Automated Clearing System), CHAPS (Clearing House Automated Payment System) or direct debit

**LIB/P30 – Percentage of corporate spend through procurement cards.**

This indicator will allow the Council the opportunity to review progress in rolling out this initiative.

**Equalities & Competition**

**LIB/P31 – Equal opportunities**

The inclusion of equality considerations in strategies and plans and their influence at each stage of procurement and contract management



## Executive

### Customer Access by Phone

12 April 2010

### Report of Head of Customer Service and Information Services

#### PURPOSE OF REPORT

This report seeks approval for a new approach to using our contact centre and switchboard telephone systems to improve their resilience, make it quicker for customers to get the information they need, and improve the quality of information available to the Council about how calls are handled.

This report is Public
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#### Recommendations

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The Executive is recommended:

- (1) To approve the use of a short menu of options on some of the main customer contact numbers as illustrated at appendix 1.
- (2) To approve the use of recorded information on those lines where customer research has shown it to be helpful to the customer.
- (3) To note the improvement to telephony response and business continuity for customer contact brought about by these changes.
- (4) To approve development of a publicity campaign to help customers get the best number for their service requirements.
- (5) To approve the use of mystery shopping to measure the completeness of service delivered at first contact by phone.

#### Executive Summary

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##### Introduction

- 1.1 The delivery of telephony services changed when a central Customer Service team was formed to provide a focus for all customer contact. As well as the main switchboard, the Council procured and deployed a contact centre. The two systems are quite different: a switchboard is for passing calls on as quickly as possible; a contact centre is designed to place calls with people who can deal with the enquiry. Calls passed from the contact centre cannot be passed back and tie up a line until handed off or hung up.

- 1.2 A large proportion of Council services now have their customer facing aspects delivered by customer service, and the remainder will be scheduled to transfer in the near future. It is necessary now to review the range of numbers we publish, the role of the switchboard, and the opportunities offered by our investment in the contact centre system to satisfy growing customer demand within existing resources.
- 1.3 This report offers proposals and ways of working that balance the need for excellent customer service against limited time and staff resource. It is also intended to improve the speed of answering general enquiries.

### **Proposals**

- 1.4 First, we are proposing the transfer of our main switchboard number into the contact centre, as a “general enquiries” number. We have analysed the reasons for customers using this number and with the appropriate use of a menu to allow callers to select the service they want they can get more quickly to someone who can help them.
- 1.5 We are therefore also proposing the permanent introduction of a limited menu system within the contact centre, to allow us both to provide pertinent information relating to the subject on which the person is calling and to improve the speed with which the caller is speaking to someone best placed to help on that subject.
- 1.6 We are also proposing a standard approach to the use of voicemail which will allow us to publish that approach and manage customers’ expectations.
- 1.7 Finally, we are proposing to supplement the measurement of the speed of answer – which can be taken to mean the speed with which a recorded message kicks in telling you all the lines are busy – to measuring the completeness of the response to dialling a particular number; i.e. did the customer get the information they needed at the first contact. An annual programme of mystery shopping is proposed as the means of measurement.

### **Conclusion**

- 1.8 Significant changes have been made over the past two years to how the Council manages its customer contact, with much progress towards a transparent, equitable, consistent and organisationally-efficient approach.
- 1.9 The centrality of the telephone to the delivery of all the Council’s services means it is of paramount importance that people who use the phone get the best possible service from the contact centre advisers, and the need to be responsive in terms of getting information to customers in the case of unexpected events and emergencies.

## **Background Information**

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### **The telephony service**

- 2.1 People who ring the switchboard number of 252535 are passed on from the switchboard by a maximum of two advisers working as switchboard operators. These calls go into the contact centre, into other services and to individual officers. Over the past two years, these two systems have worked alongside each other. Services for which the application, request, payment or booking responsibility has been transferred to Customer Service and have published numbers which take callers direct to the contact centre team of many more advisers where their enquiry is handled.

### **Current issues**

- 2.2 Specific events, sometimes unpredictable, cause many calls on the same subject eg gritting, bin collections after an interruption etc. and block up the contact centre and switchboard.
- 2.3 The need to maximise the value of the contact centre to our customers. We can end up with all advisers spending all their time giving the same info to all customers who ring on something seasonal, and so being unavailable to deal speedily with customers calling with service needs.
- 2.4 The limitations of the switchboard in dealing with 252535 calls frequently cannot cope with the sheer number of incoming calls which means that it creates a bottleneck where some calls are lost or an unacceptable time is taken to answer.
- 2.5 Customer calls to a switchboard rather than to a service adviser count as calls of “no value” in the context of National Indicator 14 (avoidable contact): the example of “no value” contact the Audit Commission gives in its training is when the customer doesn’t know the right number to call. Better publicity of fewer numbers would help more people call the right number first time.
- 2.6 The switchboard itself becomes unsupported in 2015.

### **Where we need to be**

- 2.7 Customers getting good information or help as quickly as possible and in as few steps as possible.
- 2.8 Taking low value calls out of the system to free up scarce resource for customers with real need.
- 2.9 Clear, sensible and achievable service promise in respect of our phone contact including our voicemail use.

### **How we get there: the proposals in detail**

- 2.10 Divert 252535 off the switchboard operator console and into the contact centre, joining with the “General Enquiries” line.
- 2.11 Publish over time a limited suite of numbers to customers - 227000 – 227009

with each number allocated to a published service area. It will take two or three years to move away from the existing published numbers during which time calls on those numbers will be pointed at the new number – invisible to the customer. All ten numbers will not be in use straight away – see Appendix 1.

- 2.12 Continue using Direct Dial numbers into service teams or individuals, published on letters or given out to customers where there is ongoing service delivery.
- 2.13 Use the function of the contact centre system to actively filter calls by subject type (press one, press two, to a maximum of three, where it adds value on a service line, except general enquiries which has four levels) within the published service areas.
- 2.14 Present the four menu options on the general enquiries line in order of customer demand, and to regularly change the fourth option in response to seasonality and topicality, so the services with highest demand are always in the selection, in demand order.
- 2.15 Promote heavily the small suite of numbers for public use and allow 252535 to fall out of use ahead of switchboard itself falling out of use (becoming unsupported) in 2015. This includes removing it from letterheads, telephone directory services etc.
- 2.16 Put in place a published voicemail policy for the whole council, recognising that moving away from an “operator” function means calls passed out of the contact centre cannot be passed back; they have to be handled at the number to which they have been transferred or they remain occupying a customer service line. The basis for the use of voicemail will be;
  - voicemail during public service hours will be the exception rather than the rule through the use of phone diverts to others in the office and mobiles
  - when activated, there will be clear and consistent customer information regarding officer availability and response times
  - the norm will be same day response but there will be a maximum of a two day response

### **The benefits of this proposal**

- 2.17 Moving 252535 off the switchboard will allow all trained customer service advisers to answer calls fully at first contact whenever possible.
- 2.18 Using recorded information where we know what customers are calling in response to something we've sent them, and know the questions they are going to ask means they get the information they need in the quickest way. We have proven success with gritting information during the recent snow event, when the presentation of information about gritting services stopped the equivalent of three adviser-days worth of calls to the contact team. Further, we can see that since separating out calls about missed bins, and giving recorded information people who call before 3pm that a bin is not “missed” until after 3pm, around a third of callers hang up after hearing that message, illustrating they got the information they needed in a one minute phone call. In January, those calls were the equivalent of almost three days of an adviser's time.

- 2.19 During the implementation of new services into, the active filtering allows calls to be diverted to specialists with deep knowledge, outside the contact centre, so that those service managers are able to make decisions and modify the service directly in response to customer feedback.
- 2.20 Where new advisers are being trained, we can make sure trainees only receive calls on subjects they can help the customer with.
- 2.21 To provide management information about the volume of calls on each service area so that the effect of promotions, changes to a service, efforts to move customers to online contact etc. can be monitored and managed.
- 2.22 In emergency circumstances (where we have no advisers available or have had to deploy them elsewhere) this menu function will allow us to give customers the opportunity to leave a message.
- 2.23 A new corporate policy on how voicemail is used will help customers access services rather than put a barrier between customers and services, and will make it clear what service level customers can expect and officers must deliver, outside of the contact centre.

### **Recommendation from Overview and Scrutiny**

- 2.24 The Overview and Scrutiny Committee had requested that the proposed changes to the Council's telephony system be presented to the Committee prior to consideration by Executive. At its meeting on 9 March 2010 the Committee agreed that this was a valuable initiative to further good customer service and emphasised the importance of careful planning and good management during the implementation phase to minimise the inconvenience to customers. The Committee endorsed the proposed changes and recommended Executive accept the proposals.

### **Key Issues for Consideration/Reasons for Decision and Options**

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- 3.1 Customer Satisfaction. Since moving to a central customer service approach to providing services, customer satisfaction levels as measured by the annual satisfaction survey have increased year on year. Changes since 2007:
  - Being able to speak to the right person      60% → 67%
  - Being respected/listened to by staff      68% → 74%
  - Staff knowledge      65% → 71%
  - Friendliness of staff      69% → 77%
  - Using plain English      72% → 79%
  - Answering all questions      63% → 71%
  - Explanations and advice      63% → 70%
  - Speed of response      57% → 62%
- 3.2 As members of the Local Government Customer Service Benchmark Group we can see that in the last "wave" of mystery shopping (October 2009) our "seconds to answer" score was slightly below the group average. We also performed better than the rest of the group in terms of answering the calls at

first contact. We transferred just 2% of calls in the last wave, compared with 11% for the Benchmark Group as a whole.

- 3.3 We have trialled the use of menus on two service lines since November 2009. Analysis of the customer feedback on the phone system shows that “time taken” is the subject of just a fifth of all feedback, and of that, the feedback is that “time taken” is “good” 71%, “average” 11% and “poor” 18%. Looking at “before” and “after” responses on the two lines trialling the menus, the introduction of menus has reduced the “good” % from 72% to 68%, which is not significant.
- 3.4 Productivity and value of the contact centre. Answering customers’ questions on the phone through recorded messaging, where the question is predictable and the answer universal, allows the scarce resource of a customer adviser to be best deployed speaking with customers who need services.
- 3.5 The Overview and Scrutiny Committee at its meeting on 9 March considered these proposals and recommended that the Executive accept them.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

**Option One** Divert 252535 into the contact centre as the **main** number for all council services, but also retain the “direct” lines for the services listed above. These numbers are already in wide circulation through publications and advertising, so customers who know what they need simply call the appropriate number and skip a step. The disadvantage of this approach is that the menu options would have to be directly under 252535. This would put an immediate additional barrier between the customer and someone who can help them. It would also distort the calculation of wait and abandoned rates.

**Option Two** Another alternative is to publish 252535 as the **only** number for all council services (along with direct dial numbers to council officers) and have it answered directly by the customer service advisers. There are many disadvantages to this option. While all fully-trained customer service advisers are capable of dealing with all enquiries and transactions for those parts of the services currently transferred into their remit (except new recruits still in training) the customer benefits of the contact centre system would be lost – as would the contact management benefits – without grouping of services. For instance:

- Advisers would have no idea what subject was about to be presented and so be much slower in delivering the information or service
- We would not be able to report on call volumes for each group of services,
- We would not be able to present recorded information to the customer with a high probability of answering their question, releasing capacity to deliver more services without needing more people
- Being able to give trainees only those calls they can deal with
- Overflow calls in times of high demand to specialists elsewhere in the council.

Advantages of this option are that we publish just one number for everything. However, given the range of numbers currently published this can also be a disadvantage.

**Option Three** Continue as we are, reducing as speedily as possible the services that people have to use 252535 to reach, and advertising very prominently the contact centre numbers. While migrating customers away from 252535 appoint a dedicated telephone operator (it would take two to cover the whole day) to handle calls to 252535 thus leaving customer service advisers to talk solely with customers. Aim to converge 252535 with 227001 after two years.

### **Consultations**

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Customer callbacks where customers have ended the call after hearing the recorded information

Customer feedback through the “telemetric” service, which invites feedback at the end of each telephone call to customer service.

### **Implications**

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**Financial:** There are no financial implications arising directly from these proposals. There may be a need to replace some phones where old models do not have the necessary functionality to manage voicemail efficiently but the costs of this are minimal.

Comments checked by Karen Curtin, Head of Finance  
01295 221551

**Legal:** There are no specific legal issues arising from this report.

Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686

**Risk Management:** Customer satisfaction is at risk should the Council not have an effective telephony function. This has not been an issue to date but in an effort to achieve continuous improvement through the proposals in this report, this risk will be further minimised. In addition, the risk of an unsupported switchboard is removed.

Comments checked by Rosemary Watts, Risk Management and Insurance Officer 01295 221566

### **Wards Affected**

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All

### **Corporate Plan Themes**

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An accessible and value for money Council

### **Executive Portfolio**

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**Councillor Nicholas Turner**  
**Portfolio Holder for Customer Service and ICT**

**Document Information**

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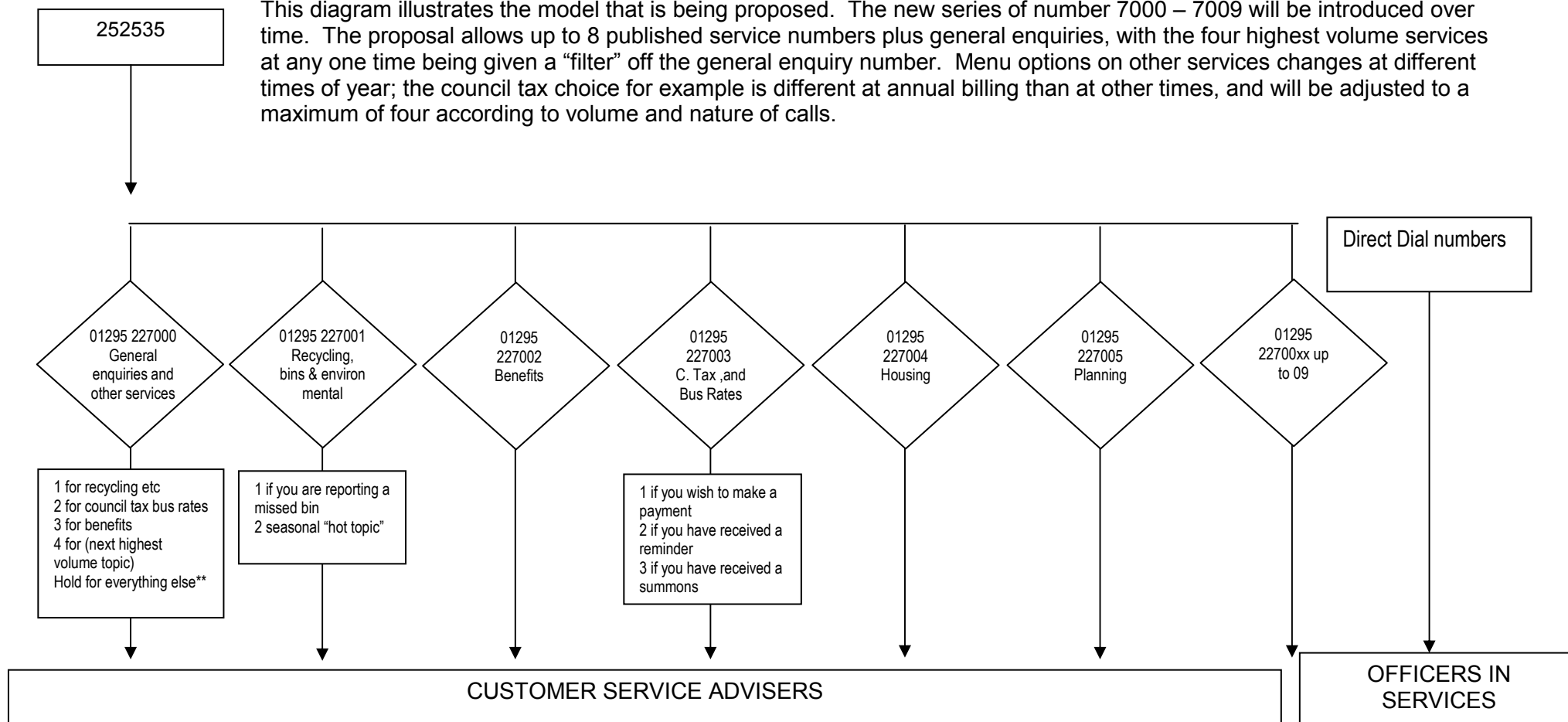
<b>Appendix No</b>	<b>Title</b>
1	Diagram of the proposed telephone access arrangement
<b>Background Papers</b>	
None	
<b>Report Author</b>	Pat Simpson, Head of Customer Service and Information Systems
<b>Contact Information</b>	01295 227069 pat.simpson@Cherwell-dc.gov.uk



Proposed future telephone arrangement

This diagram illustrates the model that is being proposed. The new series of number 7000 – 7009 will be introduced over time. The proposal allows up to 8 published service numbers plus general enquiries, with the four highest volume services at any one time being given a “filter” off the general enquiry number. Menu options on other services changes at different times of year; the council tax choice for example is different at annual billing than at other times, and will be adjusted to a maximum of four according to volume and nature of calls.

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## Executive

### Overview and Scrutiny: Report of Resources and Performance Scrutiny Board: Partnership Scrutiny - Oxfordshire Rural Community Council

12 April 2010

#### Report of Head of Legal and Democratic Services

##### PURPOSE OF REPORT

To consider the Resources and Performance Scrutiny Board report on the Council's partnership with Oxfordshire Rural Community Council.

A member of the Resources and Performance Scrutiny Board, will attend the meeting to present the report.

This report is public
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##### Recommendations

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The Executive is recommended:

- (1) To note the work of the Resources and Performance Scrutiny Board scrutiny review into the Council's partnership with Oxfordshire Rural Community Council.
- (2) Agree the Resources and Performance Scrutiny Board recommendations regarding the Council's partnership with Oxfordshire Rural Community Council as detailed below:

**Recommendation 1:**

That it be noted that the Council's partnership with Oxfordshire Rural Community Council is an important partnership which should continue and be regarded as critical to the delivery of the rural agenda.

**Recommendation 2:**

That a Service Level Agreement for the rural community development and community transport elements of the partnership be adopted.

**Recommendation 3:**

That an annual programme of aims/objectives (aligned to the Rural Strategy Action Plan and the Council's corporate priorities) be agreed with Oxfordshire Rural Community Council and regularly reviewed and monitored by officers, the elected Member representative from a rural ward and reported to the Portfolio Holder.

**Recommendation 4:**

That the role and involvement of elected Members (the representative from a rural ward and the Portfolio Holder) in the Council's partnership with Oxfordshire Rural Community Council be clarified and strengthened.

**Recommendation 5:**

That the elected Member representative from a rural ward should work closely with rural community development officers and community transport officers to provide overall steer and direction for the partnership.

**Recommendation 6:**

That the Resources and Performance Scrutiny Board should monitor progress against each of the above recommendations and review the situation, initially in September 2010.

## **Executive Summary**

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### **Introduction**

- 1.1 Cherwell District Council's Constitution delegates responsibility for the scrutiny of partnerships to the Resources and Performance Scrutiny Board. As part of its annual work programme the Board will scrutinise at least one partnership per year.
- 1.2 The Resources and Performance Scrutiny Board decided to focus their first partnership scrutiny review on the Council's partnership with Oxfordshire Rural Community Council.

### **Proposals**

- 1.3 The Council's partnership with Oxfordshire Rural Community Council covers three service areas: housing; rural community development; and, community transport. As the housing element of the partnership had been the subject of a scrutiny review in early 2009, the Board agreed that they would consider rural community development and community transport.
- 1.4 The Resources and Performance Scrutiny Board decided to focus their review on the following issues:
  - To establish an understanding of the work of Rural Community Councils
  - To receive information on the structure and organisation of Oxfordshire Rural Community Council
  - To establish a better understanding of the relationship between Cherwell District Council and Oxfordshire Rural Community Council
  - To review and understand the funding arrangements from Cherwell District Council to Oxfordshire Rural Community Council
  - To determine whether the partnership provides value for money for Cherwell and meets the goals of both partners
  - To determine the extent to which the partnership meets the needs of the residents, businesses and parish councils in the rural areas

## **Conclusion**

- 1.5 The Resources and Performance Scrutiny Board concluded its review into the Council's partnership with Oxfordshire Rural Community Council at its meeting on 16 February 2010. The Board's findings, conclusions and recommendations are set out in the main body of the report (Appendix 1).
- 1.6 All of the background materials and evidence gathered throughout the review is contained in Volume 2. Copies are available in the Members' room and on request from Democratic Services.

## **Key Issues for Consideration/Reasons for Decision and Options**

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The following options have been identified. The approach in the recommendations is believed to be the best way forward

- Option One** To accept all of the Resources and Performance Scrutiny Board's recommendations.
- Option Two** To accept some of the Resources and Performance Scrutiny Board's recommendations.

## **Consultations**

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See Appendix 1 for details

## **Implications**

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- Financial:** There are no financial implications arising directly from this report.  
Comments checked by Denise Westlake, Service Accountant, 01295 221982
- Legal:** There are no legal implications arising directly from this report.  
Comments checked by Pam Wilkinson, Principal Solicitor 01 295 221688
- Risk Management:** There are no risk implications arising directly from this report.  
Comments checked by Rosemary Watts, Risk Management & Insurance Officer, 01295 221566

## **Wards Affected**

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All rural wards

## Corporate Plan Themes

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**Cherwell, a district of opportunity; A safe and healthy Cherwell; Cherwell, an accessible value for money Council**

## Executive Portfolio

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**Councillor Nigel Morris**  
**Portfolio Holder for Community Safety, Street Scene and Rural**

## Document Information

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Partnership Scrutiny: Oxfordshire Rural Community Council. Volume 1
<b>Background Papers</b>	
Partnership Scrutiny: Oxfordshire Rural Community Council. Volume 2	
<b>Report Author</b>	Natasha Clark, Democratic and Scrutiny Officer
<b>Contact Information</b>	01295 221589 natasha.clark@Cherwell-dc.gov.uk



DISTRICT COUNCIL  
NORTH OXFORDSHIRE



Reading Room, Upper Heyford  
(see page 19)



Launch of the first rural Linkpoint  
machine at Cropredy Bridge Stores  
-23 March 2009 (see page 12)

**Partnership Scrutiny:  
Oxfordshire Rural Community Council  
Volume 1**

**Resources and Performance Scrutiny Board  
March 2010**

## **Membership of the Resources and Performance Scrutiny Board**

Cllr Colin Clarke (Chairman)

Cllr Nick Mawer (Vice-Chairman)

Cllr Alyas Ahmed

Cllr Maurice Billington

Cllr Margaret Cullip

Cllr Victoria Irvine

Cllr Devena Rae

Cllr Carol Steward

Cllr Keith Strangwood

Cllr Patricia Tompson

Cllr Doug Webb

Cllr Martin Weir

## **Acknowledgements**

The Resources and Performance Scrutiny Board would like to thank the following for providing information and evidence to the Group either in person or by written response.

- Linda Watson, Chief Executive, Oxfordshire Rural Community Council
- Meryl Smith, Deputy Chief Executive, Oxfordshire Rural Community Council
- Aimeé Evans, Community Development Worker, Oxfordshire Rural Community Council
- Philip Newbould, Oxfordshire Community Transport and Accessibility Officer, Oxfordshire Rural Community Council
- Jane Barker, Village Shops Development Worker, Oxfordshire Rural Community Council
- Bloxham Parish Council
- Claydon with Clattercot Parish Council
- Cropredy Parish Council
- Upper Heyford Parish Council
- Councillor Ken Atack, Ward Member for Cropredy
- Councillor Nigel Morris, Portfolio Holder Community Safety, Street Scene and Rural
- Ian Davies, Strategic Director Environment and Community
- Grahame Helm, Head of Safer Communities and Community Development
- Chris Rothwell, Head of Urban and Rural Services
- Claire Taylor, Head of Community and Corporate Planning
- Kevin Larnar, Rural Development and Countryside Manager



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### Volume 2:

Appendices All of the background materials and evidence gathered throughout the review is contained in Volume 2.

## Glossary

ACRE	Action with Communities in Rural England
CDC	Cherwell District Council
OCC	Oxfordshire County Council
OCTAP	Oxfordshire Community Transport and Accessibility Partnership
ORCC	Oxfordshire Rural Community Council
RCAN	Rural Community Action Network
RCC	Rural Community Council
R&PSB	Resources and Performance Scrutiny Board

## 1 Executive Summary

“[Partnerships] are essential to deliver improvements in people’s quality of life [...and they can...] bring significant benefits. [Partnerships can] provide flexibility, innovation and additional financial and human resources to help solve problems.”<sup>1</sup>

Partnerships bring together key agencies, policy makers and community leaders to address major policy issues and to plan for the future. Partnership working brings many benefits including sharing knowledge and information, sharing and securing resources, developing new initiatives and policy, and providing services in a more unified and effective way to the people who live in an area.

Recent legislative changes require Local Authorities to assess the effectiveness of the partnerships of which the Council is a member and to carry out the scrutiny of Partnerships. Cherwell District Council’s Constitution delegates responsibility for the scrutiny of partnerships to the Resources and Performance Scrutiny Board. As part of our annual work programme we will scrutinise at least one partnership per year.

Partnership working in Cherwell is well established and the Council is involved in numerous partnerships, many of which include elected Member representation.

At the start of the review we participated in a very useful and informative introductory briefing on partnership working and the Council’s partnerships. With this knowledge we decided to undertake a review of the Council’s partnership with Oxfordshire Rural Community Council as the partnership supports the Council in delivering services for our rural communities and we hoped we could add value to the partnership through an evaluation of the exact nature of the relationship and the benefits it provides. As part of our review we recognised that work is currently underway to review and strengthen the support to elected Members appointed to outside bodies and partnerships.

We would like to express our thanks to those who took the time to contribute to this review which has been very interesting and rewarding. We hope that our recommendations will be taken on board to the benefit of the partnership, and the residents of Cherwell’s rural communities who receive the many services that are developed and improved through the partnership.

**Cllr Colin Clarke, Chairman  
Resources and Performance Scrutiny Board  
April 2010**

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<sup>1</sup> Audit Commission, “Governing Partnerships”, October 2005

## 2 Recommendations

**Recommendation 1:**

That it be noted that the Council's partnership with Oxfordshire Rural Community Council is an important partnership which should continue and be regarded as critical to the delivery of the rural agenda.

**Recommendation 2:**

That a Service Level Agreement for the rural community development and community transport elements of the partnership be adopted.

**Recommendation 3:**

That an annual programme of aims/objectives (aligned to the Rural Strategy Action Plan and the Council's corporate priorities) be agreed with Oxfordshire Rural Community Council and regularly reviewed and monitored by officers, the elected Member representative from a rural ward and reported to the Portfolio Holder.

**Recommendation 4:**

That the role and involvement of elected Members (the representative from a rural ward and the Portfolio Holder) in the Council's partnership with Oxfordshire Rural Community Council be clarified and strengthened.

**Recommendation 5:**

That the elected Member representative from a rural ward should work closely with rural community development officers and community transport officers to provide overall steer and direction for the partnership.

**Recommendation 6:**

That the Resources and Performance Scrutiny Board should monitor progress against each of the above recommendations and review the situation, initially in September 2010.

## 3 Introduction

### 3.1 Objectives of the Review

“Working successfully in partnership with public, private and voluntary sector bodies in and beyond Cherwell is critical to the delivery of the Council’s four Strategic Priorities. The successful delivery of a number of our Corporate Targets is also dependent on partnership working. Furthermore, partnership working is itself a potential mechanism for making significant improvements to the value for money achieved by ourselves and other public sector bodies, both individually and collectively.”<sup>2</sup>

Cherwell District Council’s Constitution delegates responsibility for the scrutiny of partnerships to the Resources and Performance Scrutiny Board. As part of its annual work programme the Board will scrutinise at least one partnership per year.

The Resources and Performance Scrutiny decided to focus their first partnership scrutiny review on the Council’s partnership with Oxfordshire Rural Community Council, a ‘medium priority’ partnership.<sup>3</sup>

The Council’s partnership with Oxfordshire Rural Community Council covers three service areas: housing; rural community development; and, community transport. As the housing element of the partnership had been the subject of a scrutiny review early in 2009,<sup>4</sup> the Board agreed that they would consider rural community development and community transport.

The Board decided to focus their review on the following issues:

- To establish an understanding of the work of Rural Community Councils
- To receive information on the structure and organisation of Oxfordshire Rural Community Council
- To establish a better understanding of the relationship between Cherwell District Council and Oxfordshire Rural Community Council
- To review and understand the funding arrangements from Cherwell District Council to Oxfordshire Rural Community Council
- To determine whether the partnership provides value for money for Cherwell and meets the goals of both partners
- To determine the extent to which the partnership meets the needs of the residents, businesses and parish councils in the rural areas

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<sup>2</sup> ‘Partnership Working Framework’ Report to Executive, 03.03.08

<sup>3</sup> Cherwell District Council Partnership Register 2009

<sup>4</sup> ‘Rural Affordable Housing and Exception Sites’, Overview and Scrutiny Committee, April 2009

### **3.2 Gathering the Evidence**

The review was conducted on a committee basis as the members of the Resources and Performance Scrutiny Board felt that this approach was more appropriate than a Task & Finish Group study. As this was the first formal scrutiny of a partnership that the Board had undertaken there was a “learning and training” aspect to the review. Prior to undertaking the scrutiny review, Board members participated in a partnership scrutiny workshop in April 2009.

The Board met in July 2009 for an initial briefing and to review background documents. This was followed by a further briefing session in September 2009. A “witness” session to gather evidence was held in October 2009.

The Board invited the Chief Executive and Deputy Chief Executive of Oxfordshire Rural Community Council and Cherwell District Council’s Portfolio Holder Community Safety, Street Scene and Rural and the Strategic Director Environment and Community to give evidence at the Board meeting on 20 October 2009.

The briefing and witness sessions were supplemented by site visits. Members of the Board participated in 3 site visits to meet with Parish Council representatives to obtain their views and experience of working with Oxfordshire Rural Community Council.

- Cropredy and Claydon with Clattercot Parish Councils
- Upper Heyford Parish Council
- Bloxham Parish Council

Representatives from Oxfordshire Rural Community Council also joined each of the site visits.

All of the background materials and evidence gathered throughout the review is contained in Volume 2.

## 4 Context

### 4.1 Partnerships

“Work in partnership with others whenever this will enable us to better deliver our objectives, meet community needs, and achieve economies of scale”<sup>5</sup>

The Government expects improved outcomes for local people by the public, private and voluntary sectors working in partnership. Comprehensive Area Assessment (CAA) puts a much sharper focus on partnership working expecting the delivery of services to be seamless and more efficient because duplication of effort is avoided. The Council has a democratic mandate and a general power to improve economic, social and environmental well being which are much better achieved through partnership working.<sup>6</sup>

Working successfully in partnership with public, private and voluntary sector bodies in and beyond Cherwell is critical to the delivery of the Council's four Strategic Priorities. The Council has, as a key corporate objective, the desire to work in partnership to deliver outcomes which are for the good of the community living, working, and visiting in the district. Furthermore, partnership working is itself a potential mechanism for making significant improvements to the value for money achieved by the Council and other public sector bodies, both individually and collectively<sup>7</sup>.

Cherwell District Council first adopted a Partnership Protocol in April 2006. In 2008, the Council adopted a new Protocol and a comprehensive partnership working framework. The 2008 Protocol replaced and built on the principles set out in the 2006 Protocol providing greater detail on the way Cherwell will act, and will expect partners to act, within any partnership arrangement. The 2008 Protocol also revised the definition of a partnership:

“Partnerships are arrangements with one or more organisations, from any sector, who share the responsibility for agreeing and/or then delivering a set of planned actions or outcomes.

Most such partnerships will share risks and resources to some extent, and their work will have an identifiable impact on the Council's services and corporate.”<sup>8</sup>

A partnerships register records the partnerships that the Council is engaged with. The register ranks the Council's partnerships into three categories: significant, medium priority and low priority. Categorising of the partnerships was done broadly in accordance with the scorecard recommended by the Audit Commission 'Checklist' and Cipfa/Solace 'Partnerships; suggested

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<sup>5</sup> Cherwell District Council Corporate Plan and Improvement Strategy 2007 – 2012, Improvement Strategy

<sup>6</sup> 'Partnership Working Framework', Report to Executive, 03.03.08

<sup>7</sup> Ibid

<sup>8</sup> Ibid

Approach and Determination'. Seventeen partnerships have been identified as high significant partnerships and are monitored through the Performance Management Framework and reported to Executive<sup>9</sup>. Oxfordshire Rural Community Council has been categorised a 'medium priority' partnership.

## 4.2 Partnership Scrutiny

"Scrutiny [has a] defined role in monitoring performance, and partnership working"<sup>10</sup>

The Local Government and Public Involvement in Health Act 2007 sets out the requirements for Local Authorities to assess the effectiveness of partnerships of which the Council is a member and to carry out the scrutiny of Partnerships.

The Council's Partnership Protocol and comprehensive Partnership Working Framework outlines the monitoring and reporting arrangements to Executive including the production of an annual partnerships report, focusing on the Council's seventeen significant partnerships. In addition, it details the important role of scrutiny in monitoring the performance of Cherwell's partnerships. The Partnership Working Framework and the Council's Constitution describe partnership reviews as being part of the remit of the Resources and Performance Scrutiny Board.

In preparation for this role, at the Board's meeting on 23 April 2009 Members participated in a workshop about the importance of partnerships to modern councils and the role that scrutiny should play in monitoring the effectiveness of partners. Board members considered the Council's Partnership Register (excluding the seventeen significant partnerships as these are monitored through the Performance Management Framework and reported to Executive) and identified a number of possible partners for scrutiny.

At the Board's meeting on 23 June 2009 Resources and Performance Scrutiny Members considered the nine short-listed partnerships and resolved to undertake a scrutiny review of the Oxfordshire Rural Community Council. Members agreed that the Council's partnership with Oxfordshire Rural Community Council was a suitable topic for scrutiny as they acknowledged that the Council has a small rural development and countryside team and by necessity, support for rural communities is delivered largely through other organisations, most notably Oxfordshire Rural Community Council. However, Members felt that the Council's partnership arrangements with ORCC was confusing and felt value could be added to the partnership through an evaluation of the exact nature of the relationship and the benefits it provides.

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<sup>9</sup> Cherwell District Council Partnership Protocol 2008

<sup>10</sup> Partnership Working Framework', Report to Executive, 03.03.08

### 4.3 Cherwell District Council Corporate Priorities

#### Partnership Working

Improved partnership working has been identified as a high priority area in the Council's Corporate Plan to 2012.

#### **Corporate Plan and Improvement Strategy 2007 – 2012**

##### **Improvement Strategy**

Aim: Work in partnership with others whenever this will enable us to better deliver our objectives, meet community needs and achieve economies of scale.

Target:

- We will fully have fully exploited the opportunities for partnership working (on whatever scale)
- We will have governance and performance management regimes that ensure partnerships are working effectively
- We will have fully exploited the opportunities for shared service delivery to deliver economies of scale and improve performance for the Council

### 4.4 Rural Services

The land area of Cherwell is predominately rural in character. Its landscape is varied and of high quality in a mainly agricultural setting. Two thirds of the district's population live in the urban centres of Banbury, Bicester and Kidlington. The remaining third (about 44,000 people) live in Cherwell's 73 rural parishes. Rural settlements range in size from the six smallest, totalling under 500 residents between them, to the six largest, with over 2,000 each. Two thirds of Cherwell's villages have populations of less than 500.

Theme 8 of the Cherwell Community Plan, written in 2005/06, addresses the need to preserve and enhance the quality of rural life. Improving local services and opportunities in rural areas is identified as a corporate priority in the Council's Corporate Plan and Improvement Strategy 2007 – 2012. Of the three actions within this priority, two relate to the work that is undertaken in partnership with Oxfordshire Rural Community Council. These are 1) Establish improved support initiatives for existing rural services to assist ongoing viability; and 2) Encourage the creation of new services to rural areas to meet established demand and gaps in provision.

More recently, Cherwell District Council's Rural Strategy, was published on 1 April 2009. The objectives and aims in the Rural Strategy cover the period 2009 – 2014. Each year a delivery plan sets out specific actions to achieve the objectives and aims. Oxfordshire Rural Community Council fulfils a facilitating and enabling role which allows Cherwell District Council to meet many of the specific actions in the Rural Strategy.



## 4.5 Rural Community Councils

### Rural Community Councils

Rural Community Councils are charitable local development agencies, which support and enable initiatives in rural communities. They act as a strategic voice for rural communities, allowing grassroots issues to be championed and solutions worked out in partnership between statutory, voluntary and private sector providers. Rural Community Councils provide a local support network for rural community groups, including dedicated expertise in arenas such as transport, housing, the management of community-owned facilities, social enterprise and rural services.

### Oxfordshire Rural Community Council (ORCC)

“To improve the quality of life for those who live or work in a sustainable rural Oxfordshire”<sup>11</sup>

Oxfordshire Rural Community Council was founded in 1920, the first Rural Community Council in England. It is a company limited by guarantee and registered as a charity. The Board of Trustees administers the charity and appoints a Chief Executive to manage the day-to day operations of the charity. The Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters, including finance and human resources<sup>12</sup>. All employed and voluntary staff are based at ORCC's Jericho Farm offices just outside Yarnton.

Oxfordshire Rural Community Council works to improve the quality of life for those who live and work in rural Oxfordshire. It currently has just over 500 members, which includes both individuals and organisations. ORCC works in partnership with the District Councils, the County Council and a wide range of voluntary organisations and community groups.

In 2008 the ORCC was awarded the Action with Communities in Rural England (ACRE)<sup>13</sup> Level 2 Quality Standards accreditation following an external review of all its activities. The accreditation indicates to funders and service users that ORCC is a high-quality organisation delivering a well planned and well managed service that meets the needs of communities in rural Oxfordshire. The review identified three areas of excellence:-

- The interface with communities through the Village Shops Development Worker and the direct support given to communities, social enterprise and independent shops was excellent.
- The Village of the Year competition had analysed results from the entries received for the competition to provide in depth information of those

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<sup>11</sup> 'Overall aim' of Oxfordshire of Oxfordshire Rural Community Council

<sup>12</sup> Oxfordshire Rural Community Council, Financial Statements For the year ended 31 March 2008, <http://www.oxonrcc.org.uk//media/Annual%20report%202008.pdf>

<sup>13</sup> Action with Communities in Rural England is the national umbrella body of the Rural Community Action Network (RCAN), which operates at national, regional and local level in support of rural communities across the country., [www.acre.org.uk](http://www.acre.org.uk)

villages, which has potential to enrich the data held about rural communities in Oxfordshire.

- The Rural Housing Enablers had good and direct links with local authorities, named housing associations and also spoke about an active interface with parish plans.

#### **4.6 Oxfordshire Rural Community Council and Cherwell District Council: Overview of the Partnership**

Cherwell District Council's involvement with Oxfordshire Rural Community Council is via three distinct service areas: rural community development; community transport; and, housing services. Each service area has its own distinct funding and working arrangement with Oxfordshire Rural Community Council:

##### **Rural Community Development**

Staff at Oxfordshire Rural Community Council contribute to the delivery of Cherwell District Council's rural objectives in three main areas of activity through the provision of specialist, professional support, advice and guidance:

- Parish Plans: support to parishes and communities to develop, publish and implement parish plan. Parish plan work is overseen by a countywide reference group involving ORCC, the four district councils, Oxfordshire County Council and the Primary Care Trust.
- Village Halls: advice on legislation, grant applications, licensing etc
- Village Shops: support to maintain viability of village shops. Specific work in 2008/09 includes work with Cherwell District Council officers to install Cherwell District Council pay point kiosks. The lower photo on the front cover shows the launch of the first rural Linkpoint machine at Cropredy Bridge Stores on 23 March 2009. Village shops work is overseen by a countywide steering group involving ORCC, the four district councils, Oxfordshire County Council and shopkeepers.

##### **Community Transport**

The Oxfordshire Rural Transport Partnership is a joint project hosted by the Oxfordshire Rural Community Council bringing together the rural District Councils, County Council and other interested parties (e.g. Age Concern, PCT). The partnership aims to promote social inclusion in rural Oxfordshire by promoting the accessibility and use of public or community transport services giving priority to the needs of individuals or groups who currently lack adequate transport. The partnership can also advise on grants and make funds available for projects in the parishes.

##### **Housing Services**

Housing Services does not have an independent partnership arrangement with Oxfordshire Rural Community Council, rather it is a commissioning arrangement which is based on a service level agreement. This in turn operates through a wider Oxfordshire Rural Housing Partnership involving Registered Social Landlords and the Oxfordshire Housing Partnership.

Housing Services usually contribute a grant which is solely for the Rural Housing Enabler who works with the Oxfordshire Rural Housing Partnership (ORHP) to advise and support village communities that want affordable housing. The funding support for the Rural Housing Enabler was approximately £12,000 in 2008/09 which is double what it has been in previous years. This was because a central government grant from DEFRA was withdrawn.

The Resources and Performance Scrutiny Board chose not to include this service area as part of their review of the Council's partnership with Oxfordshire Rural Community Council as the role and contribution of ORCC and Oxfordshire Rural Housing Partnership was examined in some depth as part of the Overview and Scrutiny review into rural affordable housing and exception sites in spring 2009.

## **5 Evidence**

### **5.1 Oxfordshire Rural Community Council's Relationship with Cherwell District Council**

Cherwell District Council's involvement with Oxfordshire Rural Community Council is via three service areas, however this review focuses on two services only: rural community development and community transport<sup>14</sup>. As a result, from the outset of the review the Board was keen to explore these two strands and the arrangements they each had in place with Oxfordshire Rural Community Council.

The Resources and Performance Scrutiny Board held a question and answer session with the Chief Executive and Deputy Chief Executive of Oxfordshire Rural Community Council in October 2009<sup>15</sup>.

During the course of the discussion, the Board learnt that Oxfordshire Rural Community Council perceives the partnership to be an informal mutually beneficial relationship with Cherwell District Council officers and Members. The two organisations have a long relationship and the Board noted that Oxfordshire Rural Community Council had willingly cooperated with the Audit Commission during its inspection of Cherwell District Council as part of the Comprehensive Performance Assessment.

#### **Oxfordshire Rural Community Council Work Streams, Work Programming and Performance Monitoring**

The Board was keen to learn how Oxfordshire Rural Community Council set and monitored its work programme, particularly in terms of equity of support to villages in the district in contrast to the three other rural districts in the county.

Oxfordshire Rural Community Council's Chief Executive explained that each of the ORCC work streams had a steering group which held informal meetings to monitor direction and delivery. ORCC also held regular but infrequent meetings with all local authorities in the partnership to discuss and agree funding. She explained that ORCC believed it had built up a productive partnership which could focus on supporting rural communities and felt fortunate to have such a positive relationship.

In terms of performance monitoring, including quantifying the service that Oxfordshire Rural Community Council provides to Cherwell, the Board acknowledged that in terms of staff time, due to the way ORCC works, activity levels do inevitably vary across the districts and over time. The Board was assured by ORCC's Chief Executive that the organisation regularly monitors performance and is aware of the level of activities throughout the county.

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<sup>14</sup> The Housing element of the partnership was examined as part of the Overview and Scrutiny review into rural affordable housing and exception sites in spring 2009.

<sup>15</sup> Cherwell District Council's Portfolio Holder Community Safety, Street Scene and Rural and Strategic Director Environment and Community were also present at the question and answer session

### **Rural Community Development**

During the course of the review, the Portfolio Holder Community Safety, Street Scene and Rural, the Strategic Director Environment and Community and rural community development officers regularly attended meetings of the Board to discuss and brief Members on the Council's partnership with Oxfordshire Rural Community Council from an urban and rural perspective.

The Board learnt that Oxfordshire Rural Community Council staff support rural parishes by providing specialist, professional advice in three main areas of activity:

- i. Parish Plans: support to parishes and communities to develop, publish and implement a parish plan.
- ii. Village Halls: advice on legislation, grant applications, licensing etc)
- iii. Village Shops: support to maintain viability of village shops. Specific work in 2008/09 includes work with Cherwell District Council officers to install Cherwell District Council pay point kiosks.<sup>16</sup>

The partnership delivers tangible outcomes in the district. Through the partnership, outcomes in 2008/09 in Cherwell included the publication of a parish plan by three parish Councils; support and assistance to parishes in the process of developing a parish plan; advice to villages regarding village halls; and, the Village Shops Development Worker assisted with the introduction of kiosks and paypoints into village shops.

A number of the Councils delivery objectives within the Rural Strategy Delivery Plan 2009/2010 identify Oxfordshire Rural Community Council as a delivery partner, thus Oxfordshire Rural Community Council fulfils a facilitating/enabling role which allows Cherwell District Council to meet many of these specific targets in the Rural Strategy. Without the help of the specialist support of ORCC, Cherwell District Council may be unable or may have to seek alternative means to fulfil these objectives as the Council's resources and skill base is not as extensive.

Village shop meetings, Parish plan meetings and rural forum meetings are each held quarterly. The meetings are run by Oxfordshire Rural Community Council and include the four rural districts and Oxfordshire County Council. Cherwell District Council is represented by the Rural Development and Countryside Manager at all of the meetings. Elected Members do not attend any of the meetings but, when necessary, officers brief the appropriate Portfolio Holder or Ward Member after meetings.

### **Community Transport**

From a community transport perspective the Board learnt that the Council's arrangement with Oxfordshire Rural Community Council is based on an informal arrangement with no pre-determined specific objectives or tasks. The Portfolio Holder Community Safety, Street Scene and Rural acknowledged that in recent years the Oxfordshire Community Transport and

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<sup>16</sup> The lower photo on the front cover shows the launch of the first rural Linkpoint machine at Cropredy Bridge Stores on 23 March 2009

Accessibility Partnership (OCTAP) had not delivered any specific services for Cherwell District Council, which was mainly due to the Council not asking for, or requiring, any specific support. The Board agreed that ORCC service provision was demand led so if support was not requested there would be no service delivery.

The Board learnt that as a result of the Overview and Scrutiny review of Concessionary Travel in spring/summer 2009, the Portfolio Holder Community Safety, Street Scene and Rural had commissioned research into the feasibility of introducing alternative community transport schemes in those parts of the district where residents do not benefit from the concessionary bus pass, national travel tokens or dial-a-ride service. The research was undertaken by Oxfordshire Rural Community Council.<sup>17</sup>

Board Members were assured that this piece of work was an example of the move towards a more proactive role that the Council is taking in the partnership with Oxfordshire Rural Community Council.

The Oxfordshire Rural Community Council based Oxfordshire Community Transport and Accessibility Partnership Officer advised Members that the organisation endeavoured to ensure parishes were aware of the services ORCC and OCTAP offers. It is, for example, proactive in contacting Parish Councils in which Oxfordshire County Council has scheduled a transport review to advise of the support that ORCC/OCTAP can offer throughout the process. The Board acknowledged that it was ultimately the choice of a Parish Council to accept the support.

The Oxfordshire Community Transport and Accessibility Partnership Officer Rural Transport Partnership Officer organises and chairs quarterly meetings. The Cherwell District Council lead Officer is the Head of Safer Communities and Development. In the past the Portfolio Holder has not attended meetings but received regular briefings. An annual report is also prepared by the Oxfordshire Community Transport and Accessibility Partnership Officer.

The Board noted that the partnership played a significant role in supporting and maintaining vital services for the rural villages in the district and was critical to the delivery of the Council's rural agenda.

**Recommendation 1:**

That it be noted that the Council's partnership with Oxfordshire Rural Community Council is an important partnership which should continue and be regarded as critical to the delivery of the rural agenda.

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<sup>17</sup> See Volume 2: Evidence - Chapter 19

## 5.2 Cherwell District Council Funding

The Board learnt that there was no dedicated cost centre for the Cherwell District Council's funding to Oxfordshire Rural Community Council, rather each service has its own arrangements in place. The Strategic Director Environment and Community and Portfolio Holder Community Safety, Street Scene and Rural advised Board Members that Council had decided to increase the funding for the housing element of ORCC services when central government funding was withdrawn.

With regard to the funding for the community transport and rural community development provision, the level of activity and the cost of the service varies from year to year and needed to incorporate a degree of flexibility as different issues could arise in the course of different years.

The funding by service area over the past five years is outlined below:

	<b>Rural Community Development</b>	<b>Community Transport</b>	<b>Housing</b>	<b>Total</b>
<b>2009/10</b>	23,550	11,500	11,250	<b>46,300</b>
<b>2008/09</b>	23,550	11,500	6,500	<b>41,550</b>
<b>2007/08</b>	22,900	11,500	6,370	<b>40,770</b>
<b>2006/07</b>	19,085	11,500	6,180	<b>36,765</b>
<b>2005/06</b>	18,745	11,500	6,000	<b>36,245</b>
<b>Total</b>	<b>107,830</b>	<b>57,500</b>	<b>36,300</b>	

### Rural Community Development

The Resources and Performance Scrutiny Board learnt that even within this service area there was no dedicated cost centre for the rural community development element of funding to Oxfordshire Rural Community Council. Historically the financial contribution from Cherwell District Council has been discussed and agreed by the Oxfordshire Rural Community Council Chief Executive, the Portfolio Holder and Strategic Director on the basis of the historic spend and the budget available. There was no formal agreement in place regarding the funding arrangements.

The Board was advised that the 2008/09 urban and rural services grant of £23,550 contributed to Oxfordshire Rural Community Council costs for employing specialist staff: Community Development Workers; a Village Halls Advisor; Village Shops Worker; and, Community Transport Advisor, to whom the Council and villages in the district have access.

### Community Transport

The Board learnt that the community transport funding element is based on "matched funding" with Oxfordshire County Council providing 50% of the total

funding and each of the four rural districts<sup>18</sup> matching this amount between them. The funding essentially pays for the services of the Rural Transport Partnership Officer to whom the Council and villages in the district have access. As with the urban and rural services funding, the Council has been in a reactive position with regard to its financial contribution. Similarly, there is no formal agreement in place regarding funding arrangements.

### **Rural Funding**

During the course of the October 2009 question and answer session, the Strategic Director Environment and Community advised the Board that Cherwell District Council's total contribution to Oxfordshire Rural Community Council of around £46k per annum to support rural areas and communities represented only a quarter of 1% of the overall net services budget of the Council. He explained that 35% of the district's population live in rural areas and this was the sole dedicated rural budget. The budget reflected the support to rural communities and was linked to the delivery of the Cherwell Rural Strategy.

During the review the Board considered alternative delivery methods for the services delivered through the Council's partnership with Oxfordshire Rural Community Council. Based on the information presented Members agreed that the best option was to maintain the partnership. The Board noted that as demand for services varied each year the partnership offered a higher degree of flexibility through access to a wider range of skills and experience than an in-house service could offer and consequently represented value for money.

However, Members believed that a more formal arrangement for the funding of the partnership should be developed. This could be achieved through the adoption of a Service Level Agreement for the rural community development and community transport elements of the partnership. The service level agreement would underpin service delivery and funding for the partnership, facilitating the monitoring and management of the money that is spent and the outcomes delivered

#### **Recommendation 2:**

That a Service Level Agreement for the rural community development and community transport elements of the partnership be adopted.

### **5.3 Oxfordshire Rural Community Council's Working Relationship with Parish Councils**

From the outset of the review, the Board wished to obtain the views of rural villages in the district of Oxfordshire Rural Community Council, particularly in terms of the support received and work undertaken with ORCC.

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<sup>18</sup> Cherwell District Council, South Oxfordshire District Council, Vale of White Horse District Council and West Oxfordshire District Council



In the course of discussion with Cherwell District Council Officers and the Chief Executive of Oxfordshire Rural Community Council, the Board became aware that work with parish councils varied depending upon the nature and context of the work.

The Chief Executive of Oxfordshire Rural Community Council advised the Board that ORCC supports all villages irrespective of their size. The organisation actively contacts all parish councils sending regular newsletters and other PR material. ORCC also uses the Oxfordshire Association of Local Councils, Parish magazines and local newsletters to disseminate information as widely as possible. The Board noted that ORCC officers also work in a proactive manner and contact parishes directly to offer support and information, for example, when a national or regional initiative was announced which had a bearing on a particular village or community. However, as noted in the previous section, provision of support is dependent upon acceptance by the Parish Council.

### **Site Visits**

The three site visits undertaken during the review provided a useful opportunity for Members to meet with Parish Council representatives to obtain their views and experience of working with Oxfordshire Rural Community Council. Representatives from Cherwell District Council urban and rural services and Oxfordshire Rural Community Council also attended each site visit<sup>19</sup>.

It was evident to Members who participated in the site visits that Oxfordshire Rural Community Council provides a valuable service to parishes in the district. Cropredy, Upper Heyford and Bloxham Parish Councils have each received support and assistance from Oxfordshire Rural Community Council and believed that Cherwell District Council and Oxfordshire Rural Community Council provided excellent support to Parish Councils and community both on specific projects and in response to particular queries.

The staff at Oxfordshire Rural Community Council have specialist knowledge and provide specialist support to rural communities. Cropredy Parish Councillors reported that they had received considerable support and advice from ORCC throughout all stages of the development of their Parish Plan. This included help in developing the consultation material and questionnaire for residents. The Bloxham Parish Councillors also reported that without the support of ORCC, and in particular the Community Development Worker, they would not have made progress towards developing a Parish Plan.

During the site visit to Upper Heyford, the Chairman of Upper Heyford Parish Council informed Members that they generally contacted Oxfordshire Rural Community Council in the first instance for any parish related issue. The Parish Council has received support and advice in relation to the village hall

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<sup>19</sup> The Village Shops Worker, the Oxfordshire Community Transport and Accessibility Partnership Officer and the Community Development Worker each attended one site visit

and the renovation of the Reading Room<sup>20</sup> from ORCC's Village Hall's Advisor.

### **Parish Councils that have not Worked with Oxfordshire Rural Community Council**

Each of the site visits undertaken were to Parish Councils that had received support from Oxfordshire Rural Community Council. The Board were interested to learn that 17 Parish Councils had not worked with Oxfordshire Rural Community Council and had hoped to explore the reasons for this.

However, a site visit to and/or a detailed discussion with a Parish Council that had not worked with Oxfordshire Rural Community Council was not possible during the course of the review. The inference drawn by the Board was that the lack of contact was due to a lack of need rather than any intrinsic hostility to Oxfordshire Rural Community Council.

Members of the Board had however met with representatives from Claydon with Clattercott Parish Council who had attended the Cropredy Parish Council site visit. In the course of the visit, the Claydon with Clattercott Parish Councillors had explained that while they had not used Oxfordshire Rural Community Council for support on recent projects, they were confident that they knew who to contact at Oxfordshire Rural Community Council when necessary.

The inference drawn by the Board was that the lack of contact was due to a lack of need for, rather than any lack of awareness of, the services provided by Oxfordshire Rural Community Council.

The comments of the Claydon Parish Councillors and the assurance provided by Oxfordshire Rural Community Council staff, who had explained to the Board that they worked proactively confirmed to the Board that much of their direction and workload content comes from the Parish Councils in the district.

Although it was evident to the Board that the work of Oxfordshire Rural Community Council is critical to the delivery of the Council's rural agenda and provides a valuable service to parishes in the district, Members agreed that a more formal approach should be adopted through a service level agreement. In addition Members felt that this should be supported by an annual programme of aims and objectives aligned to the Council's Corporate Priorities and Rural Strategy Action Plan. These would be jointly agreed by Cherwell District Council officers, the Portfolio Holder/elected Member representative (who would be from a rural ward) and Oxfordshire Rural Community Council and regularly reviewed and monitored.

#### **Recommendation 3:**

That an annual programme of aims/objectives (aligned to the Rural Strategy Action Plan and the Council's corporate priorities) be agreed with Oxfordshire Rural Community Council and regularly reviewed and monitored by officers, the elected Member representative from a rural ward and reported to the Portfolio Holder.

<sup>20</sup> A picture of the Reading Room at Upper Heyford is on the front cover of this report.

#### **5.4 Elected Member Involvement in the Partnership with Oxfordshire Rural Community Council**

The Resources and Performance Scrutiny Board was interested in the role of elected Members in the partnership. The Board learnt that the involvement of Members seemed to be more 'in theory' than 'in practice'.

The Portfolio Holder has a role within the partnership due to the remit of the role and the Council appoints an elected Member to Oxfordshire Rural Community Council as a representative. However, elected Members do not attend the meetings with Oxfordshire Rural Community Council. Rather the relevant Portfolio Holder and/or Ward Member is briefed as appropriate by Cherwell District Council officers on topical or sensitive issues.

The Board felt very strongly that the Council should be represented by elected Members on partnerships and discussed in great detail whether the representative to Oxfordshire Rural Community Council should be the Portfolio Holder, or a Member from a rural ward. Ultimately the Board felt that the Portfolio Holder should maintain a role in the partnership but an elected Member from a rural ward, who would have knowledge of the issues facing rural villages in the district, should be appointed as the Council's elected Member representative.

The Board acknowledged that this did not represent a change to the current elected Member representation, however the Board was confident that the review of outside bodies<sup>21</sup> would lead to improved support for Members who represent the Council on outside bodies and partnerships, including a defined role and responsibilities and a designated Officer contact.

The Board agreed that the roles of both the elected Member from a rural ward and the Portfolio Holder should be clarified and strengthened and take account of recommendation 3 that identifies the need for an annual programme of aims/objectives (aligned to the Rural Strategy Action Plan and the Council's corporate priorities) which would be jointly agreed by Cherwell District Council officers, the Portfolio Holder/elected Member representative and Oxfordshire Rural Community Council and regularly reviewed and monitored.

**Recommendation 4:**

That the role and involvement of elected Members (the representative from a rural ward and the Portfolio Holder) in the Council's partnership with Oxfordshire Rural Community Council be clarified and strengthened.

It is important to note that a more defined role for elected Members would be welcomed by Oxfordshire Rural Community Council. During the question and answer session the Oxfordshire Rural Community Council representatives

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<sup>21</sup> Full details of the review are in paragraph 5.6 on page 23

had commented that they would welcome more involvement with elected Members particularly as this linked into community led planning. They also commented on the important role that district councillors could play in supporting parish councils.

**Recommendation 5:**

That the elected Member representative from a rural ward should work closely with rural community development officers and community transport officers to provide overall steer and direction for the partnership.

### **5.5 Service Provision in the Absence of the Partnership**

Throughout the course of the review it was evident to the Board that Cherwell District Council and Oxfordshire Rural Community Council have a shared vision of rural community development and community transport provision. Oxfordshire Rural Community Council delivers this with support from Cherwell District Council. A final area for consideration was delivery of these services in the absence of partnership.

During the question and answer session the Strategic Director Environment and Community had explained that there is trust between the Cherwell District Council and Oxfordshire Rural Community Council which results in a “complementary arrangement”. The work of ORCC is complementary to the Council’s resources to support its rural communities. Cherwell District Council Officers have responsibility for coordinating the Councils policies and strategies while the delivery of specific actions in rural communities rests with ORCC due to the specialist skills and expertise within the organisation.

The Board noted that Cherwell District Council and Oxfordshire Rural Community Council both buy into the same vision of rural development. ORCC, with funding and support from Cherwell District Council, delivers services that work towards achieving this vision. Furthermore, ORCC provides a platform for networking, sharing knowledge and sharing resources. In the absence of the partnership, it would cost the Council significantly more to deliver the same services and maintain the same levels of expertise and specialism.

From the perspective of Oxfordshire Rural Community Council, the Board noted that without the partnership ORCC would still be able to deliver services but it would not be in such a coordinated manner. For example, at present, ORCC advises Oxfordshire County Council on the distribution of grants, it liaises with officers and parish councils over the statutory responsibilities of the district and supports community led planning, however without strategic and officer support from both partners the delivery of these services would not work as well as at present and could result in duplication.

In terms of removing funding to ORCC and the impact this would have on service delivery, during the question and answer session the ORCC representatives explained that as much of the funding from the districts is based on matched funding to the county's contribution so if one were to drop out the whole organisation would be affected, including the delivery of services.

The consideration of this aspect further substantiates recommendation 2.

## **5.6 Partnerships and Outside Bodies**

Although this review focussed on the Council's partnership with Oxfordshire Rural Community Council, it flagged up some general issues about the role and responsibilities of elected Members who represent the Council on partnerships and outside bodies.

In Spring 2009 the Executive had requested further information setting out how the Council would effectively support member representatives on partnerships and outside bodies, including providing appropriate training, strengthening staff support for Members, advice on the Council's policy with regard to issues within the remit of partnerships and outside bodies and providing feedback mechanisms from issues raised on partnerships and outside bodies.

The Board learnt that a project group had been formed in autumn 2009 to address the issues raised by Executive these areas. In addition, the Board learnt that, in advance of 2010/11, the Leader of the Council had commissioned a review on the current councillor representation on outside bodies to establish if this is an appropriate level of commitment and a good use of resources.

Board Members agreed that it was important for there to be a defined role for elected Members who represent the Council on partnerships and outside bodies and that the responsibilities for this role should be defined and strengthened. This should include: a designated Officer contact to ensure the Council's objectives are agreed and developed through a regular two way reporting line; internal training for Members appointed to partnerships/outside bodies; guidelines for partners and outside bodies.

## 6 Conclusions

“Cherwell District Council wishes to ensure that all partnerships that it is a part of are underpinned by a common vision that is understood and agreed on by all the participating bodies [...] All parties must share the vision of what they want to achieve in partnership. This will need to be expressed in clear, shared objectives so that actions and outcomes can be measured against agreed targets.”<sup>22</sup>

This scrutiny review has given the members of the Resources and Performance Scrutiny Board, some of whom only had a limited knowledge of partnerships and rural affairs, a valuable insight into issues affecting rural communities in the district and the contribution of the Council’s partnership with Oxfordshire Rural Community Council in supporting these communities.

The Board observed that the Council and Oxfordshire Rural Community Council have a shared vision of rural community development and community transport provision which is delivered by Oxfordshire Rural Community Council with support from Cherwell District Council.

The partnership plays a significant role in the delivery of services to rural communities across Cherwell district and must remain fundamental to the achievement of the Council’s priorities and aims to deliver the Rural Strategy. Nonetheless, the Board feels that there is scope for the Council to improve its role in the partnership. The recommendations and much of the body of this report focus on the actions Cherwell District Council can take to improve the partnership, which the Board feels can only add value to the partnership.

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<sup>22</sup> Cherwell District Council Partnership Protocol 2008

## Executive

### LGPS Pension Scheme Update

12 April 2010

### Report of the Head of Finance and the Head of Human Resources

#### PURPOSE OF REPORT

This report sets out an overview of the current position on the funding of the pension scheme, the potential implications arising from the triennial review of the pension fund and a review of local discretions on the scheme.

This report is public

#### Recommendations

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The Executive is recommended to:

- (1) Note the contents of the report.
- (2) Ask officers to provide an analysis of the financing options available to the Council once the 2010 valuation is finalised including the impact on the Medium Term Financial Strategy.
- (3) Approve the changes to local pension discretions as detailed in Appendix 1.

#### Executive Summary

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##### Background

- 1.1 The Local Government Pension Scheme (LGPS) was in deficit at the 2007 valuation and the impact on Cherwell was a deficit of £31m. On the basis of this valuation the employer's pension contribution was increased by 1% to 21.7%. This increase was meant to cover the deficit of the duration of the life of the scheme. At the same time employee contributions also changed and were based on salary bands. The current rates paid are between 5.5% and 7.5% depending on salary earned. In 2009/10 the Council will make payments of £2.477m into the fund and current employees will pay £0.742m.
- 1.2 The estimated position prepared for the financial statements by the actuary at March 2009 (FRS17 Report) indicated a further increase to the deficit at a

total of £42m. Whilst the majority of this increase may be due to the economic situation and turbulence in the financial markets it is expected that employer contributions will have to increase as a result of the 2010 valuation at 31<sup>st</sup> March 2010. At present our Medium Term Financial Strategy assumption is based on an increase of 3.1%.

- 1.3 The Department for Communities and Local Government (CLG) issued an informal consultation paper in 2009 entitled Local Government Pension Scheme – Delivering Affordability, Viability and Fairness. The key elements proposed in this consultation are:
  - a) a change to the solvency requirements from 100% funding target to a lower figure which would still need to take full account of the affordability of employers liabilities to pay pensions and to meet liabilities when undertaking three yearly fund actuarial valuations. This will still need to ensure that liabilities can be met as they fall due.
  - b) the creation of a more ‘flexible funding model’ to reduce the potentially unrealistic burden imposed by current requirements on scheme employers and, potentially Council Tax payers.
  - c) the retention of the existing scheme regime, but with the additional ability of the locally administering scheme to set a funding target that does not necessarily need to be set at 100%. This would in effect retain the long term requirement for 100% funding but allow greater flexibility to administering authorities.
  - d) A revised contribution tariff which, subject to consultation could take effect from 1 April 2010. This element has not been changed and the contribution rates by salary band remain at the same rates as 2009/10 and can be seen in Appendix 1.
- 1.4 The Council’s pension fund is administered by Oxfordshire County Council. Oxfordshire County Council is the administering authority for the Oxfordshire Pension Fund. Over 50 employers and their staff contribute to the fund. The county council is responsible for maintaining, administering and paying out all benefits from the pension fund.
- 1.5 The County provide an annual audited financial report to officers that provide a useful indicator on the financial position of the fund.
- 1.6 The Pension Fund Committee is responsible for the pension fund's investment arrangements. This committee is made up of elected council members advised by the Head of Finance and Procurement at Oxford County and an independent financial advisor.
- 1.7 A beneficiary’s observer also attends the committee meetings. The observer is allowed to participate in discussions but has no voting powers. The observer sends reports to all 50 employers for a wider distribution.
- 1.8 The Pension Fund Committee meets quarterly to review fund progress. Cherwell District Council has the opportunity to attend these meetings and receive all agendas and reports.



- 1.9 The pension fund committee has recently consulted with all members of the scheme on the CLG consultation and at its meeting on 19<sup>th</sup> March 2010 has made recommendations to amend the funding strategy statement. These amendments are extracted from paragraph 14 of “the Pension Fund Committee Report Agenda Item 15 – the Funding Strategy Statement”:

Having considered the various responses to the consultation letter, it is proposed to vary the current Funding Strategy Statement as follows:

- **Recovery Period.** The mixed response to the consultation question appeared to hide a reasonable consensus that whilst it is not appropriate to spread today’s real costs too far into the future, the ability to smooth contribution rates by extending the recovery period to cope with increased past service deficits caused by the poor performance of the markets at the time of the Valuation is to be welcomed. Such smoothing will avoid future volatility in contribution rates where future valuations are undertaken at more normal market levels or indeed at market highs where past service deficits are artificially reduced by unsustainable asset valuations. In this latter case it may well be appropriate to shorten recovery periods to avoid a short term and unsustainable reduction in employer contribution rates. It is hoped that there are sufficient flexibilities open to the Actuary to smooth the majority of variations in contribution rates resulting from short term movements in the financial markets. It is expected therefore that under most Valuations, the recovery period will be set at a maximum of 25 years. However it does seem sensible to leave the option to extend recovery periods in extreme cases to avoid a short term increase in contribution rates, to be reduced again when markets recover. It is therefore proposed to amend the Funding Strategy Statement to allow a variation in the recovery period, consistent with the need to maintain stability in the overall employer contribution rate in light of short term market fluctuations. It should be noted that under this amendment, the recovery period would not be extended to reduce increases in contribution rates which are deemed to be more permanent in nature, e.g. those stemming from an increase in longevity assumptions, or from a downward trend in pensionable payroll. It should be further noted that the Administering Authority retains the discretion as to the actual recovery period used in each valuation, and is not required to accept the request from any employer for any particular recovery period.
- **Stepping Allowances –** As with the extension of the recovery period, there is general support for the use of a six step approach to increasing contribution rates as a means of maintaining as near stable contribution rate as possible. The Administering Authority again retains the right as to when to exercise the discretion to allow an employer to step an increase over 6 years. In these circumstances it is proposed to amend the Funding Strategy Statement to widen the definition of exceptional circumstances under which 6 steps are allowed, to include exceptional financial hardship.
- **Definition of Solvency –** In light of the clear consultation response, it is recommended to retain the current definition of solvency as 100% of total liabilities, and no amendment is proposed to the Funding Strategy Statement on this matter.

- Investment Strategy – In light of the responses to the consultation, and the absence of any clear response for immediate access to a low risk investment strategy, it is proposed that this issue is not taken forward at this time. It is therefore not proposed to make any changes to the Funding Strategy Statement in respect of this issue.
- Approach to Community Admission Bodies – The strong consensus from the consultation exercise is to move to a single approach to valuation for all scheme employers, irrespective of whether their membership of the Fund is through an admission agreement, or set out directly in the Regulations. It is therefore proposed that the Funding Strategy Statement should be amended to remove those aspects which have provided a distinction in approach between admitted bodies and others, so that future valuations are undertaken on a single set of valuation assumptions.

1.10 These amendments will be factored into the impact of the impending pension fund triennial valuation.

### **Pension Fund Triennial Valuation**

1.11 The pension fund is administered by Oxford County Council. And a formal actuarial valuation is carried out once every three years.

1.12 The position of the actuarial valuation as at March 2007 showed a deficit of liabilities over assets of £31 million. The pension fund deficit at that time required the Council to increase its contribution rate by an additional 1% above the increases resulting from the 2004 valuation from 20.7% of staff pay in 2007/08 up to 21.7% from 2008/09. The council took the decision to increase the contribution rate by this additional 1% in full in the 2008/09 budget. The actuary calculated that this increased contribution rate of 21.7% for a sustained period of time would make good the deficit.

1.13 The impending actuarial valuation in March 2010 will set the employers contribution rates for the following 3 year period. Given the recent economic conditions, it is anticipated that the contribution rates will need to increase substantially. The proposals from CLG are an attempt to mitigate the otherwise likely rise in pension contributions that may occur.

1.14 The Council has taken into consideration the March 2010 valuation when making decisions relating to the size of the organisation in relation to the expressions of interest exercise and the outsourcing of the back office processes of the revenues and benefits functions.

1.15 One element of the valuation will be based on the number of current employees as at 31 March 2010. As a result the Council has approved many of the expressions of interest prior to this date so this will reduce number of employees by 9 and the outsourced contract which was due to commence on 1 April 2010 was bought forward to February 2010 and this reduced employees by 19.

1.16 The Council has also reviewed how timely information is shared with the County regarding the profile of the Council to ensure that the most up-to-date information is used in the valuation.

- 1.17 If the actuarial valuation follows the current scheme requirements, it is likely that the Council will bear a significant additional financial contribution from 2011/12. Whilst this is an unknown, an allowance has been made in the Medium Term Financial Strategy and this will be reviewed as soon as further information is available.
- 1.18 The Council may decide to make a one-off capital payment into the pension fund to reduce their share of the deficit and minimise the impact on the annual revenue budget of increased employer contributions. This would mean that the Council would forego the use of these funds for future capital schemes and until use investment income. However the cost benefit analysis of making a one off payment and reducing annual pension costs may be attractive financially in the longer term. Each 1% increase in the pension fund would equate to approx £120,000.
- 1.19 The Council would need to consider the impact of making this one off payment on Council priorities and need to work with the County and pension actuary to understand the benefits of this additional one off payment and consider the cost benefit analysis to the Council.
- 1.20 It is recommended that Officers consider a one off payment and prepare a further report for members once the results of the valuation are known. This is anticipated in October 2010 in time for the budget 2011/12 cycle to commence. This can then be evaluated together with the Council's priorities for 2011 onwards.

#### **Pension Fund Local Discretions Policy**

- 1.21 The pension regulations require the Council to formulate, publish and keep under review its policies in respect of certain areas of the Scheme where it may exercise its discretion. Following the introduction of the new LGPS on 1 April 2008, some of the previous discretions have disappeared whilst new ones have emerged and it would seem an opportune time to review this issue.
- 1.22 Such discretionary provisions in the LGPS enable local authority employers to manage employment situations to the advantage of the Council and the employee, although any such associated costs need to be taken into consideration during any decision making process. This is especially important at a time when local authorities need to be flexible and ensure a degree of organisational change can be implemented. This is likely to impact on the numbers and type of staff required in the future. This discretionary pension's policy will facilitate the achievement of any changes in a way that supports those that are directly affected and hopefully will remain sufficiently attractive to attract those that wish to take voluntary redundancy as well as supporting good employee relations.
- 1.23 Reviews of this policy under these regulations can only take place on an annual basis and once agreed must not be implemented until at least one month has passed from the date of publication. Therefore it is proposed any changes take place with effect from 12 May 2010 (one month after the appropriate Executive meeting).
- 1.24 The full list of discretions highlighting any amendments is attached as Appendix 1 including those relating to the administering body. Many of these discretions cover events which are only likely to occur very infrequently.

## Conclusion

- 1.25 The pension fund triennial valuation is due to be conducted as at March 2010. The likelihood is that this will require an increased employer's contribution rate, which the Council will need to fund. As a result the Council will give consideration to a potential one off capital payment into the fund and will ask Officers to consult with the County and pension fund actuary to prepare an analysis for further consultation in October 2010.
- 1.26 An informal consultation paper from the department of Communities and Local Government has suggested some scheme changes that may affect the valuation process and the employee and employer contribution rate. The Oxfordshire Pension Fund Committee has considered this consultation and has made some amendments to the financing strategy of the scheme ahead of the valuation.
- 1.27 The pension regulations require the Council to formulate, publish and keep under review its policies in respect of certain areas of the pension scheme where it may exercise its local discretion. This review has been carried out and detailed in Appendix 1.

## Consultations

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The CLG consultation paper has been discussed with all members of the Oxfordshire County Council LGPS scheme and the Pension Fund Committee has considered these consultations when making recommendations regarding the funding strategy statement for the scheme.

## Implications

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<b>Financial:</b>	<p>Financial Effects: There are no financial effects on the Council as a result of this report although the impact of the pension fund valuation will have financial implications in relation to contribution rates. At present the Medium Term Financial Strategy has made assumptions and these will be reviewed in line with new information from the valuation and consideration of a one off capital payment into the scheme.</p> <p>Any local pension discretions offered may have a financial implication and these would be considered in all individual business cases before a decision is made.</p> <p>Comments checked by Karen Muir, Corporate Accountant, 01295 221559.</p>
<b>Legal:</b>	<p>There are no legal effects of this report.</p> <p>Comments checked by Liz Howlett, Head of Legal and Democratic Services/Monitoring Officer 01295 221686</p>
<b>Risk Management:</b>	<p>The LGPS must be sustainable over the long term and funding of the scheme needs to be included in the medium term financial forecast. If the Council fails to consider the impact of the pension deficit and increased contributions then they will fail to deliver a balanced budget. The MTFs makes assumptions regarding pension</p>

rates and officers are considering proposals to reduce the carrying value of the pension deficit and minimise the impact on annual contributions by making a one off capital payment into the scheme.

Comments checked by Karen Muir, Corporate Accountant, 01295 221559.

**Wards Affected**

All

**Corporate Plan Themes**

An Accessible, Value for Money Council

**Executive Portfolio**

Councillor James Macnamara - Portfolio Holder for Resources and Organisational Development

**Document Information**

Appendix No	Title	
Appendix 1	Local Pension Discretions 2010/11	
<b>Background Papers</b>		
FRS 17 Data – March 2009 Medium Term Financial Strategy Pension Fund Committee Agenda`s – Dec 4 2009 and March 19 2010 LGPS (Administration) Regulations 2008 LGPS (Benefits, Membership and Contributions) Regulations 2007 LGPS (Transitional Provisions) Regulations 2008.		
<b>Report Author</b>	Karen Curtin, Head of Finance AnneMarie Scott, Head of Human Resources	
<b>Contact Information</b>	01295 221551	<a href="mailto:Karen.Curtin@cherwell-dc.gov.uk">Karen.Curtin@cherwell-dc.gov.uk</a>
	01295 221731	<a href="mailto:AnneMarie.Scott@cherwell-dc.gov.uk">AnneMarie.Scott@cherwell-dc.gov.uk</a>
	01295 221982	<a href="mailto:Denise.Westlake@cherwell-dc.gov.uk">Denise.Westlake@cherwell-dc.gov.uk</a>
	01295 221735	<a href="mailto:Paula.Godwin@cherwell-dc.gov.uk">Paula.Godwin@cherwell-dc.gov.uk</a>

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**LOCAL GOVERNMENT PENSION SCHEME 2008 –**  
**EMPLOYER DISCRETIONS**  
**Updated Policy with effect from 12 May 2010**

**INTRODUCTION**

At its meeting on the 10 December 2008 the Personnel Committee approved an updated employer discretions policy under various current and updated Local Government Pension Scheme (LGPS) Regulations. The policy only included a review of updated regulations at that time and did not include a complete review of all discretions including those under The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 and 2006 and the Local Government Pensions Scheme Regulations 1997, the Local Government Pension Scheme (Administration) Regulations 2008, the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008.

Reviews of this policy under these regulations can only take place on an annual basis and once agreed must not be implemented until at least one month has passed from the date of publication. Therefore it is proposed any changes take place with effect from 12 May 2010 (one month after the appropriate Executive meeting).

Any changes made to current discretions will be applied to an updated policy to go to Executive on the 12 April 2010.

Such discretionary provisions in the LGPS enable local authority employers to manage employment situations to the advantage of the Council and the employee, although any such associated costs need to be taken into consideration during any decision making process. This is especially important at a time when local authorities need to be flexible and ensure a degree of organisational change can be implemented. This is likely to impact on the numbers and type of staff required in the future. This discretionary pension's policy will facilitate the achievement of any changes in a way that supports those that are directly affected and hopefully will remain sufficiently attractive to attract those that wish to take voluntary redundancy as well as supporting good employee relations.

The following detail shows the current discretions and the current position. Underneath each is a proposal for any change where the current discretion can be applied. It is assumed that where a current discretion is not utilised that this will not be considered for use in the future.

**Local Government Pension Scheme (Administration) Regulations 2007 (as amended) and Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)**

**Regulation 12 - Power of an employing authority to increase total membership of active members.**

An employer may resolve to increase the total membership of an employee at any time whilst they are an active member of the Scheme with them. The maximum additional membership period that can be awarded is 10 years.

The employer must pay to the Pension Fund, within one month from the date that any additional membership is awarded (or such longer period as agreed between the employer and the administering authority), a sum as calculated in accordance with guidance issued by the Government Actuary.

**Employer's policy**

The Council will consider whether to exercise its discretion to increase total membership of active scheme members in cases where the Council has agreed that the scheme member is to be made redundant or dismissed on the grounds of efficiency of the service.

It will also give consideration to increasing total membership of an active scheme member if it has been agreed that they should retire on the grounds of permanent incapacity due to ill health and they would not otherwise qualify for additional service because their period of membership is too short.

Each case arising in connection with the use of this discretion will be the subject of a report to the appropriate committee of the Council.

When considering each case, the Council will include, but not be limited to;

- The financial position of the council at the relevant time.
- The personal circumstances of the member of staff in question, including their working history with the council. This may include, for example, length of service and disciplinary record.
- The risk that the making of a payment at any particular level to the individual in question may lead to a loss of public confidence in the council.

**Employer's policy from 12 May 2010**

It is recommended that the use of this discretion under Regulation 12 and Regulation 13 (below) be withdrawn on the basis that any enhancement either to added years or in terms of monetary value adds cost to the Council in terms of additional pensionable costs in the longer term. There may also be a challenge under any Age Regulations as this type of previously used discretion has tended to favour employees over the age of 50 (age 55 from 1 April 2010), and this would be difficult to justify on an ongoing basis.



### **Regulation 13 – Power of employing authority to award additional pension.**

An employer may resolve to award an employee, at any time whilst they are an active member of the Scheme with them, additional pension of not more than £5,000 a year payable from the same date as the pension is payable under any provisions. Additional pension may be paid in addition to any increase of membership under regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended).

The employer must pay to the Pension Fund, within one month from the date that any additional membership is awarded (or such longer period as agreed between the employer and the administering authority), a sum as calculated in accordance with guidance issued by the Government Actuary.

### **Employer's policy**

#### **Cherwell District Council has resolved to adopt this discretion.**

The Council will consider whether to exercise its discretion to increase total pension of active scheme members in cases where the Council has agreed that the scheme member is to be made redundant or dismissed on the grounds of efficiency of the service.

It will also give consideration to increasing total pension of an active scheme member if it has been agreed that they should retire on the grounds of permanent incapacity due to ill health.

Each case arising in connection with the use of this discretion will be the subject of a report to the appropriate committee of the Council.

When considering each case, the Council will include, but not be limited to;

- The financial position of the council at the relevant time.
- The personal circumstances of the member of staff in question, including their working history with the council. This may include, for example, length of service and disciplinary record.
- The risk that the making of a payment at any particular level to the individual in question may lead to a loss of public confidence in the council.

### **Employer's policy from 12 May 2010**

It is recommended that this discretion is no longer utilised – see reasons above in Regulation 12.

### **Regulation 18 – Flexible retirement**

A member who has attained the age of 55 and who, with their employer's consent, reduces the hours they work, or the grade in which they are employed, may make a request in writing to the appropriate administering authority to receive all or part of their benefits under the Regulations, and such benefits may, with the employer's consent, be paid to the employee notwithstanding that they have not retired from that employment. If the payment of benefits takes effect before the member's 65th birthday they will be reduced in accordance with guidance issued by the Government Actuary unless the employer agrees to waive, in full or in part, any such reduction at their cost. In the case of a person who was an active member on 31st March 2008, and who makes a request before 31st March 2010, substitute the age of 55 above with the age of 50.

#### **Employer's policy**

The Council will not consider requests from employees aged 55 or over, to reduce their hours or the grade in which they are employed and have their pension paid whilst continuing to be employed.

#### **Employer's policy from 12 May 2010**

It is recommended that this discretion remains unused.

### **Regulation 30 – Choice of early payment of pension**

If a member leaves a local government employment before they are entitled to the immediate payment of retirement benefits, once they have attained the age of 55 they may choose to receive payment of them immediately. However a member aged less than 60 needs employer consent (or former employer) to have the benefits released early, and if the decision is to allow early release of retirement benefits then the employer must pay to the Pension Fund a sum representing the capital cost of releasing those benefits early.

The pension must be reduced by the amounts shown as appropriate in guidance issued by the Government Actuary although the employer may determine on compassionate grounds to waive the actuarial reduction. In the case of a person who was an active member on 31st March 2008, and who makes a request before 31st March 2010, substitute the age of 55 above with the age of 50.

### **Employer's policy**

The Council will give consent to the retirement of members who apply between the ages of 55 and 59, with immediate payment of benefits, where it can be clearly shown to be in the Council's interests to do so. In assessing this scenario, consideration should be given to the net financial effect on the Council of the early retirement and all associated changes. This is not the only consideration. Each case arising in connection with this policy will be the subject of a report to the appropriate committee of the Council, detailing the financial and other effects, subject to the limitation that the Council will not normally consider such an application from any individual member within one year of considering a previous application from the same member.

The Council will not waive the reduction of benefits on compassionate grounds under this regulation.

Requests for early payment of deferred retirement benefits from former employees will be considered on the same criteria as above.

### **Employer's policy from 12 May 2010**

Agreeing to requests for early retirement can be a useful employment strategy in certain circumstances. Early retirement under this regulation would be for reasons not covered by other regulations or employment policies. Employees who leave on the grounds of redundancy, efficiency or ill health receive their pension benefits immediately under different regulations. Therefore it is recommended that access to this discretion remains unchanged.

## **Local Government Pension Scheme (Administration) Regulations 2008**

### **Regulation 16 - Re-employed and re-joining deferred members**

Where a deferred member becomes an active member again before becoming entitled to the payment of those deferred retirement benefits, they may elect to have his former deferred membership aggregated with current active membership on or after the date that the employee again becomes an active member. An election must be made within 12 months from the date that the member re-joins the Local Government Pension Scheme or such longer period as his employer may allow by use of their discretion.

It is worth noting that if the member has more than one former period of deferred membership, it is only the most recent deferred membership period that can be aggregated with current active membership unless earlier periods of deferred membership have already been aggregated with the most recent period of deferred membership.

### **Employer's policy**

Cherwell District Council adopts regulation 16 on the basis that the impact will be limited to a small number of employees.

#### **Employer's policy from 12 May 2010**

Although the discretion may be limited in usage the cost to the Council could be substantial if long periods of previous service are allowed to be aggregated and then the pension is drawn. The employee has 12 months to decide whether they wish to do this and this would seem an appropriate period of time. Therefore it is recommended this discretion not be used.

### **Regulation 22 – Applications to make absence contributions**

This provides for a scheme member to pay optional contributions, for a period of unpaid absence from work, within 30 days of returning to, or of ceasing, employment. The employer can agree to extend this time limit.

### **Employer's policy**

Cherwell District Council chooses to use its discretion in exceptional circumstances to extend the time limit, and will be based on a case by case request. Where no request is made the extension will not apply.

#### **Employer's policy from 12 May 2010**

Although the discretion may be limited should the discretion be used then there would need to be a fair and equitable explanation of 'exceptional circumstances' which at present does not exist. The extension to any time limit may support those that wish to consider an period of unpaid leave which may also support future flexibility in the organisation when staff may chose to use unpaid leave as a method of determining what their future options are but also support flexibility in services with short tem staffing reductions without losing long term expertise. Therefore it is recommended this discretion could be used.

### **Regulation 25 – Additional Voluntary Contributions (AVCs) and Shared Cost Additional Voluntary Contributions (SCAVCs).**

An active member may elect to pay AVCs into a scheme established under contract between his appropriate administering authority and a body approved for the purposes of the Finance Act 2004.

Under paragraph 3 of this regulation an employer can, at its discretion contribute to the AVC scheme and where they do the AVC scheme is known as a shared cost additional voluntary contributions arrangement and contributions to it as SCAVCs

### **Employer's policy**

The Council will not establish or maintain a shared cost additional voluntary contributions scheme.

#### **Employer's policy from 12 May 2010**

It is recommended that this discretion remain unused due to the potential cost of any use of such a discretion.

### **Regulation 83 – Inward transfers of pension rights**

This provides that an active scheme member may elect to transfer into the Local Government Pension Scheme relevant pension rights held elsewhere. The member must request the transfer of such rights in writing within 12 months of becoming a member of the Local Government Pension Scheme. However the employer has discretion to extend this limit.

### **Employer's policy**

Cherwell District Council has resolved that it continues to allow transfer of relevant pension rights held elsewhere within the 12 month period, but with no time extension allowed.

#### **Employer's policy from 12 May 2010**

It is recommended that this discretion remain unused.

### **Regulation 57(5) (c) – Notification of decisions under regulation 58.**

Responsibility for determinations under the first stage of the Internal Disputes Resolution Procedure rests with a "specified person" appointed by the (former) employer of a scheme member.

### **Employer's policy**

The specified post to be used for this employer is:

**Name:** Karen Curtin  
**Job Title:** Head of Finance  
**Address:** Cherwell District Council, Bodicote House,  
White Post Road, Bodicote, Nr Banbury, Oxon, OX15 4AA

## **The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 as amended**

Regulation 5 – Whether to base redundancy payments on actual weeks pay rather than statutory weeks pay limit

Regulation 6 – Whether to award a lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on grounds of efficiency, or cessation of a joint appointment.

Regulation 11 (2) – to award compensatory added years to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30 September 2006 and before 1 April 2007 (but only if employment commenced pre 1 October 2006).

### **Employers Policy - Current**

#### **Redundancy**

In cases where employment is terminated on the grounds of redundancy the Council will use the government's statutory redundancy payment calculator to calculate the number of weeks pay an employee is entitled to receive.

In addition the Council may exercise its discretion to make a payment as follows:-

- 1 To calculate the payment on a weekly pay figure up to the employee's actual week's pay (i.e. the statutory maximum weekly pay figure is waived).
- 2 To take into account all continuous service (up to a maximum of 20 years) with bodies listed in the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 (as amended).
- 3 Assessing each case on its merits, consider whether to apply a multiplier up to a maximum of 3.46 to the statutory redundancy payment calculator to calculate the number of weeks pay an employee may receive.
- 4 Assessing each case on its merits, consider whether to make use of Regulation 12 of the Local Government Pension Scheme Regulations (Augmentation) to award additional years of pension service (1997 Regulations).
- 5 When considering points 3 and 4 above the criteria for considering each case will include but not be limited to;
  - I. The financial position of the council at the relevant time.
  - II. The personal circumstances of the member of staff in question, including their working history with the council. This may include, for example, length of service and disciplinary record.
  - III. The risk that the making of a payment at any particular level to the individual in question may lead to a loss of public confidence in the council.

The Council will not allow employees in membership of the Local Government Pension Scheme to convert the amount of lump sum compensation payment (in addition to the statutory redundancy payment) into added years of pension service.

Only one discretionary element (options 3 or 4 above) may be awarded.

## **Efficiency of the Service**

In cases where employment is terminated on the grounds of 'efficiency of the service' the Council may exercise its discretion to make a payment as follows:-

- 1 Consider making a one-off payment, based on the merits of each case.
- 2 The payment will not exceed a maximum of 104 weeks.
- 3 Assessing each case on its merits, consider whether to make use of Regulation 12 of the Local Government Pension Scheme Regulations to award additional years of pension service.
- 4 When considering the 'merits of the case' and whether it is in the Council's interests to terminate an individual's employment on the grounds of efficiency of the service, the Council will include:
  - overall benefits to the Council taxpayer of the employee leaving the Council's service
  - direct financial savings and costs to be incurred by the employee leaving the Council's service
  - employee relations issues
  - as a general rule, the Council will seek to make a financial saving over the longer term through an efficiency termination.

The Council will not allow employees in membership of the Local Government Pension Scheme to convert the amount of lump sum compensation payment (in addition to the statutory redundancy payment) into added years of pension service.

### **Employers Policy – Proposals for 2010**

#### **Redundancy**

Remain using the statutory redundancy payment calculator to calculate the number of weeks pay an employee is entitled to receive.

Remain calculating the payment on a weekly pay figure up to the employee's actual week's pay (i.e. the statutory maximum weekly pay figure is waived).

To take into account all continuous service (up to a maximum of 20 years) with bodies listed in the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 (as amended).

To consider whether to apply a multiplier but to change the multiplier to no more than 2 to the statutory redundancy payment calculator to calculate the number of weeks pay an employee may receive. Following research with the other local authorities in Oxfordshire as well as a few more by use of the internet it would appear that most authorities have a policy stating the multiplier is 2 at present. However some authorities have also stated they will be reviewing this discretion in view of the current economic climate and the cost of enhancements.

When considering use of the multiplier ensure the following is looked at when a business case is made:

The financial position of the council at the relevant time including the direct financial savings and costs to be incurred by the employee leaving the Council.

The personal circumstances of the member of staff in question, including their working history with the council.

The risk that the making of a payment at any particular level to the individual in question may lead to a loss of public confidence in the council.

The discretion for Regulation 12 of the Local Government Pension Scheme Regulations (Augmentation) to award additional years of pension service (1997 Regulations) be withdrawn (see earlier in the report).

The Council will not allow employees in membership of the Local Government Pension Scheme to convert the amount of lump sum compensation payment (in addition to the statutory redundancy payment) into added years of pension service. – this should remain in place.

### **Efficiency of the Service**

In cases where employment is terminated on the grounds of 'efficiency of the service' the Council may exercise its discretion to make a payment as follows:-

Consider making a one-off payment, based on the merits of each case but that the payment will not exceed a maximum of 30 weeks instead of up to 104 weeks. (This falls in line with the multiplier being 2).

Other areas of discretion remain unchanged as removed.

### **Local Government (Early Termination of Employment) (discretionary Compensation) (England and Wales) Regulations 2000**

Some discretions under the above Regulations continue to be relevant as they apply to pension scheme members who have added year's pensions in payment under the Regulations. The relevant discretions are as follows:-

#### **Regulation 17 - The Effect of New Employment on Part IV Compensation**

If a member who is receiving a compensatory added years pension in accordance with Part IV of these Regulations is re-employed by a LGPS employer then the annual pension resulting from the award of a credited period will be reduced, or suspended, if the combined total of earnings from the new employment and pensions in payment exceed the value of the current rate of pay of the member's former employment.

It should be noted that this adjustment is in addition to any adjustment that may be made to the basic LGPS pension as a result of re-employment with a LGPS employer. Oxfordshire County Council has a policy, which it is required to make under other Regulations as the administering Authority for the Oxfordshire LGPS fund, which is as follows: -



- (a) no abatement to be applied to pensions of less than £1500 a year or when awarded to someone retiring on their own benefits (i.e. without added years)
- (b) in other cases abatement will apply if new earnings and pension in payment exceed 125% of leaving pay, increased by the appropriate pension increases.

**Employer's policy from 12 May 2010**

This discretion is important where employees return to the LGPS and remains in favour of the employer by reducing costs if the employee returns to employment at any point after gaining access to their pension. Therefore it is recommended that this discretion remain unchanged.

**Regulation 19 - The effect of Cessation of New Employment on Part IV Compensation**

After ceasing the re-employment the credited period will be adjusted or stopped altogether if the resulting pension from the re-employment and the basic LGPS pension from the first employment exceed the value of the pension which could have been paid if the member had remained in the first employment until age 65.

**Employer's policy from 12 May 2010**

As the employer is required to have a policy on how this regulation will be dealt with it is recommended this remain unchanged.

**Regulation 21 - Awards to Surviving Spouses and Children**

Where more than one current, legal spouse has survived a deceased person, the annual compensatory added years pension will be divided equally.

A spouse's pension will continue to be paid even if the spouse remarries or co-habits, unless at 1.4.98 a pension was already suspended due to remarriage.

In the very rare event of a children's compensatory added years pension being payable in circumstances not covered by the main Pension Regulations full details will be supplied to the appropriate officer for a determination.

**Employer's policy from 12 May 2010**

As the employer is required to have a policy on how this regulation will be dealt with it is recommended this remain unchanged.

**Local Government Pension Scheme Regulations (Benefits, Membership and Contributions) Regulations 2007 (as amended)**

**Regulation 5 - Contributions payable by active members**

An active member shall make contributions to the Scheme at the contribution rate from their pensionable pay in each employment in which they are an active member. The contribution rate to be applied to pensionable pay in any financial year (starting with 1st April 2008) is the rate determined by the employer to represent the assumed pensionable pay for the forthcoming year.

**Employer's policy**

Cherwell District Council has resolved not to re-determine the contribution rate in the course of the financial year. The exception to this will be where a member requests a review of his/her contribution rate as a result of a change in jobs. See full policy details below.

**Employer's policy from 12 May 2010**

It is recommended that this discretion remain unchanged.

## PENSIONS BANDING POLICY STATEMENT

Local Government Pension Scheme  
(incorporating changes resulting from the New Look Local  
Government Pension Scheme 2008)

### **Introduction**

This policy statement incorporates changes to the Local Government Pension Scheme Regulations effective from 1 April 2008, together with locally agreed rules which have been negotiated and agreed with Unison.

It applies to all members of the Local Government Pension Scheme at 31 March 2008, and all those eligible to join the scheme under the scheme's regulations. All members of the scheme at 31 March 2008 will be automatically transferred into the new scheme. This excludes casual employees (see paragraph below).

### **Eligibility**

To be eligible to join the scheme, individuals will have a contract with Cherwell District Council for at least 3 months, and be aged between 16 and 75. Casual employees do not have the option to join the scheme. All casual employees who are current members of the Local Government Pension Scheme will be informed that they can no longer be a member for their casual work, due to the change in regulations.

### **Contribution Rates**

From 1st April 2008 the contribution rates will be changed from 6% to contribution bands based on whole time equivalent salary and pensionable allowances in accordance with the following table:

<b>Band</b>	<b>Range (based on pensionable earnings) *</b>	<b>Contribution Rate</b>
1	£0 - £12,600 pa	5.5%
2	£12,601 - £14,700	5.8%
3	£14,701 - £18,900	5.9%
4	£18,901 - £31,500	6.5%
5	£31,501 - £42,000	6.8%
6	£42,001 - £78,700	7.2%
7	£78,701 and above	7.5%
*The salary ranges above will be increased each year at 1st April in line with the Retail Price Index (RPI)		



The 5% protected contribution rate for former manual workers will be phased out between 2008 and 2010 as follows:

Effective Date	New Contribution Rate
1 April 2008	5.25%
1 April 2009	5.5%
1 April 2010	6.5% (or appropriate band as indicated above if it is lower)
NB Where an employee moves to a job which is no longer classified as a former manual occupation, they will transfer to a contribution rate based on the appropriate banding above.	

#### Assessment

An assessment of pensionable earnings will be made at 1st April each year based on the rules below. Once an assessment has been made there will be no other assessment during the year unless there is a change of job.

#### Employees in post at 31st March

The assessment will be made using the whole time equivalent salary applicable at 1st April together with any pensionable allowances based on:

Whole time equivalent basic salary for full and part-timers employed all year round, plus the actual pensionable allowances received for the previous financial year i.e. 1st April-31st March; **OR**

Whole time equivalent basic salary factored down to term time for term-time only employees, plus the value of the actual pensionable allowances received for the previous financial year i.e. 1st April-31st March.

Where there is a change of job, the contribution rate will be reassessed on the new salary, as determined below, and effective from the date of change.

A salary increase in the same post, or payment of a pensionable allowance in the same post, will not result in a revised assessment for that year.

#### Newly appointed employees

The assessment will be made as above, but where new appointments have contractual pensionable allowances paid as part of their regular salary, the expected amount and duration of these will be taken into account for the assessment.

Where new appointments have variable additional pensionable allowances paid by claim and not part of a regular salary, the pension contribution band will be assessed solely on their whole time equivalent salary as above. The pensionable allowances paid during the first financial year will only be taken into account in the following year's assessment.

#### Multiple Employments

Employees with more than one job with the Council will be assessed separately for each individual contract.

#### Pensionable Earnings

Any elements of pay which are pensionable will be made clear on the contract of employment.

Appeals

If an employee feels that their contribution rate has not been assessed correctly and in accordance with this policy statement, they must contact the Payroll Team Leader to ask for a breakdown of the assessment no later than 31 March in the year in which their assessed contribution relates, or 3 months following any change, whichever is the later.

Where it is confirmed that the assessment has been made in accordance with this policy statement and appropriate LGPS Regulations but the employee is challenging the assessment, then the complaint will be referred to the Payroll and Performance Manager.

If a complaint cannot be resolved satisfactorily then employees can use the Independent Resolving Disagreements Procedure (IRDP).

Head of Human Resources  
March 2010

Alternative formats of these policies can be made available on request.  
These include other languages, large print, Braille, audio cassette, computer disk or e-mail.  
Please contact Human Resources.

## Executive

### **Performance Management Framework Corporate Scorecard, Performance and Risk Reporting in 2010/11**

**12 April 2010**

### **Report of the Chief Executive and Corporate Strategy and Performance Manager**

#### **PURPOSE OF REPORT**

This report introduces the Corporate Scorecard and performance reporting arrangements for 2010/11. It includes the proposed format and content of the Corporate Scorecard and performance reports through which the Council will monitor and report its priority targets around strategic priorities, service delivery and organisational performance.

This report is public
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#### **Recommendations**

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The Executive is recommended:

- (1) To agree the proposed scorecard, performance reports and performance monitoring arrangements for 2010/11.
- (2) To adopt the updated risk strategy for 2010/11 and agree the Risk Register comprising strategic, corporate and partnership risks for 2010/11.

#### **Executive Summary**

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##### **Introduction**

- 1.1 This report presents the proposed Corporate Performance Scorecard for 2010/11. The Corporate Performance Scorecard, and its supporting performance reports, are the primary way in which the council reports performance to the public.
- 1.2 The Corporate Scorecard reflects key council priorities and services and provides an accessible format in which to publish performance information.
- 1.3 The Scorecard also includes information about our performance in relation to priorities and activities delivered in partnership.

- 1.4 Underpinning the Corporate Scorecard are a number of performance information reports that provide greater detail about the council's performance and risks across a range of areas.
- 1.5 In 2010/11 the project to integrate risk and performance management is rolled out with integrated risk and performance reporting. At their meeting on 22 March 2010 the Audit, Accounts and Risk Committee reviewed this work and agreed the new arrangements for 2010/11. This included a refreshed Risk Strategy and a new risk register for 2010/11.

### **Proposals**

- 1.6 Over the last three years we have developed a Corporate Performance Scorecard that reflects our strategic priorities, our improvement objectives, strategic projects, our partnership work and key service measures around finance, human resources and customer satisfaction.

For 2010/11 we are proposing to continue using this approach, taking account of external changes such as the impact of the recession and local priorities around reducing deprivation. Proposed changes also take into account the impact of the Comprehensive Area Assessment both in terms of the area and organisational assessments.

An overview of the corporate scorecard and the supporting performance information reports that will be reported to Executive on a quarterly basis is included at paragraphs 2.1-2.2.

Appendix one highlights the changes made for the 2010/11 scorecard and appendix two highlights an updated list of strategic partnerships that will be included in the performance report.

Appendix three outlines the updated risk register for 2010/11. This includes three categories of risk (strategic, corporate and partnership) that will be monitored on a monthly basis and included within the quarterly Executive Performance Reports.

A short summary of the proposed changes for 2010/11 is outlined below:

#### **Summary of Changes to the 2010/11 Scorecard and Supporting Performance Information Reports**

- Reflection of the new sustainable community strategy for Cherwell 'Our District, Our Future' and an updated list of strategic partnerships performance.
- Addition of two cross cutting corporate priorities to reflect the Council's focus on the Eco-Town and the Breaking the Cycle of Deprivation Agenda.
- The new corporate improvement plan for 2010/11 including the value for money programme.
- Integration of risk and performance reporting.



## 1.7 Performance Reporting and Monitoring Arrangements

Our current monitoring and reporting arrangements will continue throughout 2010/11. However, we will improve the accessibility of our performance reports in 2010/11 with summaries of the quarterly performance reports received by Executive available on a performance page on the Council's website.

### Conclusion

- 1.8 The council has continued to deliver improved performance and during recent years has demonstrated significant achievements in terms of its performance and improvement trends.
- 1.9 The corporate scorecard and performance management arrangements for 2010/11 are robust and focus on the delivery of the corporate plan, the public pledges, the corporate improvement plan, the quality of service delivery and key strategic projects, partnership plans including the Local Area Agreement and the Sustainable Community Strategy.
- 1.10 In 2009/10 the council reviewed its approach to risk management and focused on streamlining its approach to risk, focusing on strategic, partnership and corporate risks. As a result of this project the performance and risk management frameworks will be integrated in 2010/11 improving the quality of management information. The Risk Strategy has also been reviewed to reflect current best practise.

## **Background Information**

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### 2.1 The 2010/11 Corporate Scorecard

It is proposed that in 2010/11 the Corporate Scorecard is made up of the following elements:

**Working in Partnership** the section will include a summary of performance against the Local Area Agreement, made up of the performance indicators that are of most relevance to district councils. A summary of performance against the new Sustainable Community Strategy for Cherwell (Our District, Our Future) will also be included.

**Corporate Plan Public Pledges** this section will track performance against the public pledges contained within the corporate plan and sent to every household as part of the council tax leaflet. Each of the pledges will be reported under the strategic priority to which they relate.

**Priority Service Indicators** this section is comprised of a summary of our key service indicators and includes public facing services such as planning and the council tax and housing benefits. This summary reflects key aspects of the quality of our service delivery.

**Financial Performance** our performance against a set of financial measures.

The inclusion of these measures helps to provide a value for money context to our performance reporting.

**Human Resources** our performance against a set of measures to ensure effective human resource management and workforce planning.

**Customer Feedback** performance indicators that reflect our standards of customer service. This section includes results from surveys of customer satisfaction.

**Inspection Scores** a summary of our performance as measured through inspections and external assessments.

The 2010/11 Scorecard represents a continuation of the approach adopted in 2009/10 but has been refreshed to include the public pledges for 2010/11, the refreshed corporate plan and the new sustainable community strategy.

## 2.2 Detailed Performance Information Reports

In addition to the Corporate Scorecard a set of performance tables will be published on a quarterly basis. These underpin the scorecard and will provide supporting information about the council's performance:

**The Corporate Plan and National Indicators** our performance against each of the aims and targets in the corporate plan (refreshed for 2010/11). These will be presented under each of the strategic priorities and will include national indicators where appropriate. For 2010/11 Council agreed two new cross cutting strategic priorities, both of which are significant work programmes for the council, supporting the Eco-Town and breaking the cycle of deprivation.

**Priority Service Indicators** this section will provide background detail to the high level summary included within the Corporate Scorecard. It covers a combination of retained Best Value Performance Indicators and National Indicators focused on our frontline services.

**Significant Partnerships** a summary of our partnerships performance against those partnerships which are key to delivering our strategic priorities. This includes Cherwell area partnerships, such as the Local Strategic Partnership, and also county wide partnerships such as the Spatial Planning and Infrastructure Partnership. The section has been refreshed to include the new county wide thematic partnerships.

**The Local Area Agreement** an overview of our performance against the targets within the county wide Local Area Agreement for which district councils are responsible.

**Corporate Improvement Plan and the Value for Money Programme** a quarterly update of our performance against our improvement projects and the delivery of value for money reviews.

**Strategic Service Projects** a quarterly update of our progress in delivering key strategic service projects, these tend to be associated with planning or

infrastructure related work.

These tables provide a greater depth of information and give details of the performance that feeds into the main corporate scorecard.

### 2.3 Integrating Performance and Risk Reporting

For 2010/11 strategic, corporate and partnership risks will be reported alongside the priority or partnership to which they relate. Risks will be reviewed by the Head of Service responsible on a monthly basis and trends and changes will be included within the quarterly performance report. Appendix Three outlines a list of the Strategic, Corporate and Partnership Risks that will appear in the performance reports and make up the risk register for 2010/11.

The council's Risk Strategy was agreed by the Accounts, Audit and Risk Committee on 22 March 2010 and will continue to be overseen by them. They will also receive a quarterly review of risks. An updated version of the Risk Strategy has been included as part of Appendix Three, this has been reviewed and updated in line with current best practice.

Operational risks will be reviewed at Directorate Management Teams and issues escalated on an exception basis where appropriate. This mirrors the approach taken with service plans. In addition the quarterly governance statement completed by all service heads will highlight any issues.

### 2.4 Service Planning

Service Heads are responsible for the performance management of service plans and progress is monitored through the council's performance software on a monthly basis. All Directorate Management Teams review service performance on a monthly basis. Exceptions, emerging issues and successes will be included within the quarterly Executive performance reports and the Portfolio Holder for Performance and Improvement will receive a monthly update.

## **Key Issues for Consideration/Reasons for Decision and Options**

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3.1 This report presents the proposed corporate scorecard and performance monitoring and reporting arrangements for 2010/11.

The following options have been identified. The approach in the recommendations (option 1) is believed to be the best way forward:

- |                   |   |
|-------------------|---|
| <b>Option One</b> | <ol style="list-style-type: none"><li>1. To agree the proposed scorecard, performance reports and performance monitoring arrangements for 2010/11.</li><li>2. To adopt the updated risk strategy for 2010/11 and agree the Risk Register comprising strategic, corporate and partnership risks for 2010/11.</li></ol> |
| <b>Option Two</b> | To identify any additional performance targets or risks to include in the corporate scorecard.  |

## Consultations

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No specific consultation on this report is required. However, it should be noted that several indicators are based on public consultation or customer feedback.

## Implications

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- Financial:** Financial Effects – The resource required to operate the Performance Management Framework is contained within existing budgets. Financial performance information is included within reporting framework.  
Efficiency Savings – There are none arising directly from this report.  
Comments checked by Karen Curtin, Head of Finance 01295 221551
- Legal:** Maintaining National Indicators is a statutory requirement.  
Comments checked by Liz Howlett, Head of Legal and Democratic Services, 01295 221686
- Risk Management:** The purpose of the Performance Management Framework is to enable the Council to deliver its strategic objectives and improve customer satisfaction. All managers are required to identify and manage the risks associated with achieving this. All risks are logged on the Corporate Risk Register. Managers monitor risks on a monthly basis and the performance reporting arrangements will fully integrate risk from 2010/11 onwards.  
Comments checked by Rosemary Watts, Risk and Insurance Officer, 01295 221566
- Data Quality** Data for performance against all performance indicators and measures will be collected in line with the Council's Data Quality Policy. Performance Indicator Definition Records (PIDRs) will be drawn up by accountable officers to record data quality arrangements. The council's performance management software will be used to gather and report performance data in line with performance reporting procedures.  
Comments checked by Helen Couperthwaite, Community and Corporate Planning Officer, 01295 221751.

## Wards Affected

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All

## Document Information

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Appendix No	Title
Appendix 1	Proposed Corporate Scorecard 2010/11
Appendix 2	List of strategic partnerships to be included in quarterly report
Appendix 3	List of Risks to be reported in 2010/11 (strategic, partnership and corporate) and the Risk Strategy.

<b>Background Papers</b>	
Cherwell District Council Corporate Planning and Performance Management Framework. Council Plan 2010/11 Update Cherwell District Council Improvement Plan and Value for Money Programme 201/11 Update	
<b>Report Author</b>	Claire Taylor, Corporate Strategy and Performance Manager.
<b>Contact Information</b>	01295 221563 claire.taylor@cherwell-dc.gov.uk

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## Appendix 1 Proposed Corporate Scorecard 2010/11

The table below presents the content of the 2010/11 Corporate Performance Scorecard:

Measure Definition	Responsible Service	Reporting Frequency	Comment on Performance to date	Quarter Performance (RAG Status)
<b>Working in Partnership</b>				
Local Area Agreement	Corporate Strategy, Performance and Partnerships	Quarterly		
Cherwell Sustainable Community Strategy	Corporate Strategy, Performance and Partnerships	Quarterly		
<b>Corporate Plan Pledges</b>				
<b>A district of opportunity</b>				
Deliver 100 new homes for those in need of better housing	Housing Services	Monthly		
Contribute to the creation of 200 new jobs	Planning Policy and Economic Development	Monthly		
Help another 1,000 local people at our Bicester and Banbury job clubs	Planning Policy and Economic Development	Monthly		
Launch a new programme of work to tackle deprivation in Cherwell	Strategic Director for Environment and Community	Monthly		
Work with partners to make significant progress towards completion of the Bicester town centre development	Regeneration and Estates	Monthly		
Make significant progress on all the Bicester eco town demonstration projects	Development Control and Major Developments	Monthly		
<b>A safe and healthy Cherwell</b>				
Work with partners to deliver yet another reduction in crime and anti-social behaviour offences	Urban and Rural (Community Safety)	Monthly		
Attract an extra 100,000 visits to the new and refurbished leisure centres and the newly opened Woodgreen Open Air Pool following the council's investment	Recreation and Health	Monthly		
Continue to support new and improved health care services in Bicester and the surrounding area	Recreation and Health	Monthly		
Continue to support the provision of the best possible services at the Horton General Hospital	Strategic Director for Environment and Community	Monthly		
<b>A cleaner, greener Cherwell</b>				

Measure Definition	Responsible Service	Reporting Frequency	Comment on Performance to date	Quarter Performance (RAG Status)
Increase the household recycling rate to 55%	Environmental Services	Monthly		
Increase your satisfaction with street and environmental cleanliness from 67% to 69% by improving cleanliness and the removal of dog mess, abandoned vehicles and fly-tipping	Environmental Services	Monthly		
Deliver a further year of CO2 emissions reduction from the council's fleet of vehicles and corporate buildings	Environmental Services	Monthly		
<b>An accessible, value for money Council</b>				
Double the number of council services that can be booked, paid for or applied for online from 50 to 100	Customer Service & Information Systems	Monthly		
Reduce our costs by a further £800,000	Finance	Monthly		
Deliver a council tax increase in 2011/12 which is below inflation	Finance	Monthly		
<b>Performance Indicators</b>				
Performance against Priority Service Indicators	Corporate Strategy, Performance and Partnerships	Monthly		
<b>Financial Performance</b>				
Percentage variance on revenue budget expenditure against profile (+2% / -5%)	Finance	Monthly		
Percentage variance on capital budget expenditure against profile (+2% / -5%). Capital (a): Sports Centre Modernisation	Finance	Monthly		
Capital (b): Other Capital Projects	Finance	Monthly		
Secure £630,000 efficiency savings of which £200,000 is procurement savings	Finance	Monthly		
<b>Human Resources</b>				
Staff turnover (voluntary leavers)	Human Resources	Quarterly		
Number of days lost through sickness	Human Resources	Quarterly		
Workforce capacity (excluding temporary, casual and agency staff)	Human Resources	Quarterly		
<b>Customer Feedback</b>				
Ensure that at least 90% of our customers when asked are satisfied with our customer service when contacting the Council	Customer Service & Information Systems	Monthly		
Achieve top quartile performance in a	Customer Service &	Twice		



Measure Definition	Responsible Service	Reporting Frequency	Comment on Performance to date	Quarter Performance (RAG Status)
nationally comparative mystery shoppers survey.	Information Systems	yearly		
Ensure that at least 79% of residents when asked say they feel safe at home and in the community	Urban and Rural (Community Safety)	Annual		
Ensure that 72% of our customers when asked feel well informed about the Council	Communications	Annual		

**Collected for information only (no RAG score):**

Other Surveys			
Measure Definition	Responsible Service	Reporting Frequency	Comment on Performance
Customer Satisfaction Survey (for information purposes only)	Corporate Strategy, Performance and Partnerships	Annual	Satisfaction survey completed. General trend of improvement. Overall satisfaction: 2006 = 60% 2007 = 65% 2008 = 67% 2009 = 67%

## **Appendix 2**

### **List of strategic partnerships to be included in quarterly report**

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The list of partnerships below will be included in the Executive quarterly performance report:

#### **Oxfordshire Wide Partnerships**

Oxfordshire Partnership Board  
Public Service Board  
Spatial Planning and Infrastructure Partnership  
Children's Trust  
Health and Well Being Partnership  
Environment and Waste  
Safer Communities Partnership  
Stronger Communities Alliance  
Oxfordshire Economic Partnership

#### **Cherwell Partnerships**

Cherwell Local Strategic Partnership  
Brighter Futures in Banbury Steering Group (Sub Group of the LSP)  
Cherwell Safer Communities Partnership  
Cherwell M40 Investment Partnership  
Banbury Town Centre Partnership  
Bicester Vision  
Kidlington Village Centre Management Board  
Homelessness Strategy Partnership  
Cherwell Registered Social Landlords Partnership and Sanctuary Housing Group  
North West Bicester Strategic Delivery Board

## Appendix 3

### List of Risks to be reported 2010/11 (strategic, partnership and corporate)

#### CORPORATE RISK REGISTER 2010/11

##### Strategic Risks

Risk	New / Existing	Net Risk Severity x Likelihood
<b>A District of Opportunity</b>		
<b>1. Deprivation and Inequalities</b> The risk in not breaking the cycle of deprivation and addressing inequalities across the District is that the life opportunities of residents in the greatest need will not be improved and as a result the reputation of the Council will suffer. The risk is particularly acute in areas such as the Neithrop, Ruscote and Grimsbury wards in Banbury where there is a high level of deprivation as measured by the Government's indices of multiple deprivation.	New	2 x 5 = 10 High Medium
<b>2. Eco Town</b> The risks are that national and local policy support and resources will be inadequate to support the development of the NW Bicester Eco-Town. As a result the Council may fail to fully exploit the Eco-Town as an opportunity to develop a centre of excellence in terms of sustainable living.	New	3 x 3 = 9 Medium
<b>3. Local Development Framework</b> The risks are that the Local Development Framework is not prepared adequately, in time, or is found unsound at public examination. Such outcomes would result in further risks arising from speculative planning applications, undesirable major developments and / or expense for the Council in contesting planning appeals. An unsound plan would mean that the Council would have to repeat 2 to 3 years work at high cost.	Existing	5 x 3 = 15 High Medium
<b>4. Economic and Social Changes</b> The risk is that the Council does not identify and respond to general economic and social changes and as a result would not fulfil its role as a community leader and a provider of top quality services driven by a clear understanding of community and individual needs.	Existing	3 x 4 = 12 High Medium
<b>A Safe and Healthy Cherwell</b>		
<b>5. Horton Hospital</b> The risks to maintaining the Horton Hospital as a facility that meets community aspirations for local health provision are the deliverability and affordability of a revised consultant delivered service model for paediatrics and obstetrics. Failure of either will jeopardise current service provision and could result in a service reduction from the	New	4 x 3 = 12 High Medium

Horton.		
<b>A Cleaner Greener Cherwell</b>		
<b>6. The Natural Environment</b> The risk is that the Council does not take the necessary actions to meet its obligation, as set by National Government, to ensure its own operations and that of its District's residents and businesses reduce their carbon footprints.	New	2 x 3 = 6 Low
<b>An Accessible Value for Money Council</b>		
<b>7. Managing Change</b> The risk is that the Council does not adequately manage the impact of major change programmes on organisational performance and individual morale.	New	3 x 3 = 9 Medium
<b>8. Financial Resources</b> The risk is that in an uncertain economic and financial climate the Council will not have the resources to deliver its corporate priorities. Poor economic conditions also tend to produce increased demand on services. As the Council's income from capital reduces our dependency on interest to support revenue expenditure must also reduce and capital assets will need to be rebuilt to fund future infrastructure investments. Failure to do either will result in budgetary shortfall, service reductions, above inflation increases to council tax and lack of capital to fund future community schemes.	Existing	3 x 3 = 9 Medium

### Corporate Risks

Risk	New / Existing	Net Risk Severity x Likelihood
<b>1. Health and Safety</b> The risk is that a failure to comply with health and safety and welfare legislation and policies could lead to injuries and death, high sickness absence and claims and litigation against the Council.	Existing	5 x 3 = 15 High Medium
<b>2. Capital Investments</b> The risk is to the Council's ability to fund its activities because of a reduction in investment income or income from other capital assets such as buildings.	Existing	4 x 3 = 12 High Medium
<b>3. ICT Systems</b> The risk is that the loss of ICT disaster recovery capability; a back-up and recovery failure leading to loss or corruption of data; and system failure because of ageing infrastructure, will have a significant negative impact on service delivery and cause exceptional costs to the Council.	Existing	4 x 3 = 12 High Medium
<b>4. Equalities Legislation</b>		

The risk is the Council may be open to litigation and loss of reputation if it is not compliant with equalities legislation.	Existing	3 x 3 = 9 Medium
<b>5. Job evaluation</b> The risk is the impact of a significant number of appeals arising from the Job Evaluation scheme on the resources of the Council and Human Resources in particular. Also there is a risk that Job Evaluation may encourage staff to pursue equal pay claims due to greater awareness.	Existing	3 x 3 = 9 Medium
<b>6. Civil Emergencies</b> The risk is that Civil Emergency arrangements are not adequate, leading to loss of property, personal injury or death, civil unrest and loss of confidence in local authority leadership.	Existing	5 x 1 = 5 Low
<b>7. Data Quality</b> The risk is that unreliable data sources are used to support decision and policy making putting the Council at risk of making poor decisions. Decisions are made on the basis of information about the population and the nature of the district. If data is out of date, incomplete or inaccurate, those decisions may turn out to be inappropriate.	Existing	2 x 2 = 4 Low

### Partnership Risks

Risk	New / Existing	Net Risk Severity x Likelihood
<b>1. Local Area Agreement</b> The risk is the failure to deliver the Council's elements of the Local Area Agreement having a negative impact on service delivery to the public, the Council's reputation with other local authorities and this being reflected in national inspection regimes.	Existing	3 x 3 = 9 Medium
<b>2. Local Strategic Partnership</b> The risk is the failure of the Local Strategic Partnership to deliver its objectives having a negative impact on service delivery to the public, the Council's reputation with other local agencies and this being reflected in national inspection regimes.	New	3 x 3 = 9 Medium
<b>3. Community Safety Partnership</b> The risk is the failure of the Community Safety Partnership to deliver a continuous reduction in crime and the fear of crime	Existing	3 x 3 = 9 Low Medium
<b>4. Spatial Planning and Infrastructure Partnership</b> The risk is the failure of the Spatial Planning and Infrastructure Partnership to establish itself as an effective body locally and in relations with National Government. The consequences are reduced funding for the local area and failure to fully exploit development and infrastructure provision opportunities.	New	3 x 3 = 9 Low Medium

# **Risk Strategy 2010/11**

## **1. Introduction**

The purpose of this document is to outline an overall approach to risk management that addresses the risks facing the Council in achieving its objectives, and which will facilitate the effective recognition and management of such risks.

Risk management will be embedded within the daily operations of the Council, from strategy and policy formulation through to business planning and general management processes. It will also be applied where the Council works in partnership with other organisations, to ensure that partnership risks are identified and managed appropriately.

Through understanding risks, decision-makers will be better able to evaluate the impact of a particular decision or action on the achievement of the Council's objectives.

Risk management will not focus upon risk avoidance, but on the identification and management of an acceptable level of risk. It is the Council's aim to proactively identify, understand and manage the risks inherent in our services and associated with our plans, policies and strategies, so as to support responsible, informed risk taking and as a consequence, aim to improve value for money. The Council will not support reckless risk taking.

Risk management is increasingly recognised as being concerned with both the positive and negative aspects of risk; that is to say opportunities as well as threats.

This strategy therefore applies to risk from both perspectives.

## **2. Objectives of the Strategy**

- To maintain a risk register that identifies and ranks all significant risks facing the Council, which will assist the Council achieve its objectives through pro-active risk management,
- To rank all risks in terms of likelihood of occurrence and potential impact upon the Council,
- To allocate clear roles, responsibilities and accountability for risk management,
- To facilitate compliance with best practice in corporate governance, which will support the Annual Governance Statement which will be issued with the annual statement of accounts,
- To raise awareness of the principles and benefits involved in the risk management process, and to obtain staff and Member commitment to the principles of risk management and control.

## **3. Assessment and Review**

This will involve consideration of all potential risks facing the Council, with risks broken down into strategic risks which could impact on the achievement of the Council's objectives, corporate risks which could impact across more than one service, and service risks which could impact upon the ability of service units to deliver their services or to achieve their service objectives.

All risks will be clearly defined together with the controls that currently exist to manage them. Consideration of the adequacy of the present control system will avoid duplication of resources as several of the identified risks may already prove to be effectively controlled.

It is important that the internal systems and procedures in place are adequate to manage the identified risk. Where control weaknesses are identified, these should be noted so that action can be taken to remedy such weaknesses.

The risk register will be reviewed and updated at least on a quarterly basis.

The Internal Audit section will focus audit work on significant risks, as identified by management, and will audit the risk management process across the whole Council to provide assurance on its effectiveness.

The Council will seek to learn from other organisations where appropriate, and to keep up to date with best practice in risk management.

#### **4. Risk Ranking**

All risks will be rated for the likelihood that they may occur and their potential impact. This will allow for risks to be ranked and prioritised, as not all risks represent equal significance to the Council.

#### **5. Action Plan**

Once risks have been identified and ranked, the next step is to control and manage them. This will involve the consideration of cost-effective action, which will be judged against risk rankings. The proposed action to be taken will then be mapped against the specified risk together with an implementation date, and a named person will be designated as responsible for 'owning' the risk.

#### **6. Risk Appetite**

The Council will use risk management to add value. It will aim to achieve a balance between under-managing risks (i.e. being unaware of risks and therefore having little or no control over them), and over-managing them (i.e. an obsessive level of management and control which could stifle innovation and creativity).

Appropriately managed and controlled risk-taking and innovation will be encouraged where it is in furtherance of the Council's objectives.

#### **7. Managing Risk & Opportunity Handbook**

The Council has established and will regularly update the Managing Risk & Opportunity handbook which sets out its detailed approach to risk management, and the processes and procedures to be followed.

#### **8. Benefits of Risk Management**

- Awareness of significant risks with priority ranking assisting in the efficient control of the risks,
- Recognition of responsibility and accountability for risks and associated existing controls and any actions required to improve controls,

- An aid to strategic and business planning,
- Identification of new opportunities,
- Action plan for the effective management of significant risks,
- An aid in effective partnership working.

## **9. Accountability**

There will be clear accountability for risks. This will be achieved through an annual public statement on risk management, an Annual Governance Statement signed by the Chief Executive and the Leader of the Council, and by making the Council's risks and risk management process open to regular Internal Audit and external inspection (e.g. by the Audit Commission as the Council's external auditors).

The Accounts, Audit and Risk Committee will be responsible for monitoring the Council's risk management arrangements, for undertaking an annual review of this Strategy to ensure it remains current and up to date and reflects current best practice in risk management, and for making recommendations to the Executive if it is considered that any improvements or amendments are required.

Members of the Executive will be briefed regularly to ensure they are aware of significant risks affecting their portfolios and any improvements in controls which are proposed.

A Risk Management Improvement Group and Risk Management Working Group will meet regularly to ensure that risk management processes are being applied consistently, to promote risk management throughout all departments and to ensure continuous improvement in risk and opportunity management.



## Executive

### Constitution Update

12 April 2010

### Report of Head of Legal and Democratic Services

#### PURPOSE OF REPORT

To approve amendments and updates to the Council's constitution

This report is public
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#### Recommendations

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The Executive is recommended to ask Council to approve the following:

- (1) To approve the changes to the scheme of delegation detailed in this report and to delegate to the Head of Legal and Democratic Services the detailed reallocation of powers reflecting the recent review of the Extended Management Team and the retirement of the Head of Safer Communities and Community Development.
- (2) To approve the revised Proper Officer provisions (Appendix 1).
- (3) To approve the changes to the Contract Procedure Rules detailed in this report.
- (4) To approve the revised and updated Finance Procedure Rules (Appendix 2).

#### Executive Summary

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##### Introduction

- 1.1 The Council approved a new scheme of delegation in April 2009. This now needs to be updated to reflect changed job titles and the reallocation of the duties of the Head of Safer Communities and Community Development who retired on 31 March together with the three changes set out in 1.5.
- 1.2 The Proper Officer provisions have been updated as part of an exercise to work towards all the Oxfordshire authorities having similar provisions. I have taken the opportunity to update and remove references to out of date legislation and to amend to reflect new Head of Service titles and responsibilities.

- 1.3 There are three changes to the Contract Rules of Procedure for consideration.
- 1.4 The Finance Rules of Procedure have been rewritten and slimmed down

### **Proposals**

- 1.5 Other than reallocating the Head of Safer Communities and Community Development there are three key changes to the scheme of delegation. These are
- To authorise the Head of Legal and Democratic Services to enter into a Traffic Penalty Tribunal ( TPT) s.101 Joint Committee Agreement under the Local Government Act 1972 ( such power is required should the Council choose to go down the civil parking enforcement route)
  - To authorise the Head of Environmental Services to commit the authority to the obligations of an Air Quality Management Area Order under the Environment Act 1995. This obliges local authorities, following an assessment of air quality in their area, to take action when objectives are not met.
  - To confirm that all the powers exercised by the former Head of Exchequer are now undertaken by the Head of Finance
- 1.6 There are three key changes to the Contract Procedure Rules. These are
- Allow Heads of Service to authorise waiver of Contract Procedure Rules where procurement is under £10 000. This will prevent delays in procuring relatively small value contracts
  - Increase threshold for seeking two quotations from £5 000 to £10 000
  - Confirm that the regulatory role of the Procurement Steering Group continues unaffected but that there will now be a Procurement Strategy Group in line with the Council's corporate procurement strategy being considered elsewhere on this agenda.

### **Conclusion**

- 1.7 The constitution needs to be kept updated so that it reflects the current structure. Powers must be exercised properly in order to minimise challenge.

## **Key Issues for Consideration/Reasons for Decision and Options**

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- 3.1 The Head of Safer Communities and Community Development has retired and his delegated powers need to be reallocated
- 3.2 Updating and streamlining will ensure the constitution remains fit for purpose

The following options have been identified. The approach in the recommendations is believed to be the best way forward

**Option One** To approve the recommendations as drafted

**Option Two** To amend the recommendations

## **Consultations**

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**Relevant Heads of Service** Comments on which powers being allocated to which Head of Service

## **Implications**

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**Financial:** There are no financial issues arising from this report. Financial Rules of Procedure Rules shape best practice in how the Council should conduct its financial management. They explain how the Council meets its key principles and expectations as set out in Financial Regulations. The Rules also outline the responsibilities of service directors and the chief finance officer in applying the Rules within their areas of operations.

Comments checked by Karen Curtin, Head of Finance 01295 221551.

**Legal:** It is essential that the constitution is kept up to date so that the Council is able to work as effectively as possible and actions are not open to challenge

Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686

**Risk Management:** The Council relies on the constitution as the legal framework within which to exercise authority and therefore manage the risk of any challenge to such authority

Comments checked by Rosemary Watts, Risk Management and Insurance officer 01295 221566

## **Wards Affected**

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All

## **Corporate Plan Themes**

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An accessible value for money Council

## Executive Portfolio

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**Councillor Pickford**  
**Portfolio Holder for Democratic Services and Member Development**

### Document Information

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Proper Officer Provisions
Appendix 2	Finance Rules of Procedure
<b>Background Papers</b>	
Council's constitution	
<b>Report Author</b>	Liz Howlett, Head of Legal and Democratic Services
<b>Contact Information</b>	01295 221686 liz.howlett@cherwell-dc.gov.uk

## Proper Officers and Authorised Officer Appointments

An officer with line management responsibility for an officer listed in the list of Proper Officer and Authorised Officer appointment may exercise the power in the absence of the Proper Officer / Authorised Officer. The relevant post holders listed below have been appointed or confirmed as Proper Officers / Authorised Officers for the purposes of the adjacent legislative provisions.

The Proper Officer (Medical) is Dr. Noel McCarthy from the Health Protection Agency but this shall be such other officer as the Health Protection Agency may wish to appoint in his place

Legislation in these tables includes any amendments, re-enactments and subordinate legislation. Legislation is listed in date order.

Legislation		Purpose of appointment	Proper Officer / Authorised Officer
Act	Section		
<b>Landlord and Tenant Act 1927</b>	S.23	To serve and receive notice on behalf of the Council	Head of Housing Services
<b>Public Health Act 1936 (as amended)</b>	S.45	To serve notice on owners of buildings with defective sanitary conveniences capable of repair	Head of Housing Services
	S.50	To serve notice on owners of overflowing cesspools or leaking	Head of Building Control & Engineering Services
<b>NB prospectively removed by Control of Pollution Act 1974 s.109(2) but not yet in force</b>	S.79	To serve notice to require removal of noxious matter	Head of Safer Communities, Urban and Rural Services
	S.83	{ { { { { Service of any Notices for the taking of any other action for the cleansing of filthy or verminous premises.	Head of Housing Services or Head of Safer Communities, Urban and Rural Services
	S.84 and	{ To serve notice requiring	Head of Housing

<b>Legislation</b>		<b>Purpose of appointment</b>	<b>Proper Officer / Authorised Officer</b>
<b>Act</b>	<b>Section</b>		
	S.85 ( see also s.35 Public Health Act 1961	remedial action where there are filthy and verminous premises, persons or articles	Services or Head of Safer Communities, Urban and Rural Services
	s.275	By agreement to carry out works in default on sewers or drains	Head of Building Control and Engineering Services
<b>Prevention of Damage by Pests Act 1949</b>	S.2 – S.7	Duty to control rats and mice in district	Head of Environmental Services or Head of Housing Services
<b>National Assistance (Amendment) Act 1951</b>	S.1(1)	Certification of the need for a person in need of care and protection to be removed to suitable premises without delay	Medical officer/community physician
	S.1(3)	The person who may make application to court of summary jurisdiction or to a single justice to obtain an order authorising the removal of a person in need of care and protection	
<b>Landlord and Tenant Act 1954</b>	S.66	To serve and receive notices on behalf of the Council	Head of Housing Services
<b>Milk and Dairies (General) Regulations 1959 (as amended)</b>	Reg.20	Milk treatment orders	Medical officer/community physician
<b>Public Health Act 1961</b>	S.34	Accumulation of rubbish	Head of Safer Communities, Urban and Rural Services or Head

<b>Legislation</b>		<b>Purpose of appointment</b>	<b>Proper Officer / Authorised Officer</b>
<b>Act</b>	<b>Section</b>		
			of Environmental Services
	S.36, SS.83, 84 and 85 (2) Public Health	Service of any Notices for the taking of any other action for the cleansing of filthy or verminous premises including power to require vacation of premises during fumigation.	Head of Housing Services or Head of Safer Communities, Urban and Rural Services
	S.37	Prohibition of sale of verminous articles	Head of Housing Services
<b>Local Government Act 1972</b>	S.13 (3)	Appointment as a Parish Trustee	Head of Legal and Democratic Services
<b>Local Government Act 1972</b>	S.83 (1) to (4)	Witness and receipt of declaration of acceptance of office	Chief Executive
	S.84 (1)	Receipt of notice of resignation of councillor	Chief Executive
	S.88 (2) and Schedule 12	Convening a meeting of Council to fill casual vacancy in the office of Chairman	Chief Executive
	S.89 (1) (b)	Notice and filling of casual vacancy	Returning Officer
	Local Elections (Parishes and Communities) Rules 1986	Request for an election to fill a casual vacancy in respect of parish councils	Returning Officer
	S.96 (1) and (2)	Receipt of notices and recordings of disclosures of interests	Head of Legal and Democratic Services
	S.99	Convening of meetings	Chief Executive
	S.100 and	Access to information	Head of Legal and

<b>Legislation</b>		<b>Purpose of appointment</b>	<b>Proper Officer / Authorised Officer</b>
<b>Act</b>	<b>Section</b>		
	Schedule 12A		Democratic Services
	S.100 (except 100D)	Admission of public (including press) to meetings	Chief Executive
	S.100D	Listing background papers for reports and making copies available for the public to look at	Head of Legal and Democratic Services
<b>Local Government (Access to Information) Act 1985</b>	S.100D (1)A	Compilation of lists of background papers	Each Head of Service for their service area reports
	Section 100D (5)A	Identification of background papers	Each Head of Service for their service area reports

<b>Local Government Act 1972</b>	S.115 (2)	Receiving money due from officers	Chief Finance (section 151) officer
	S.146(1)(a) and (b)	Declarations and certificates with regard to transfer of securities	Chief Finance (section 151) officer
	S.151	Financial administration	Chief Finance (section 151) officer
	S.173 - S178	Keeping of records of Members' Allowances	Chief Finance (section 151) officer
	S.191	To receive applications to undertake OS work under the Ordnance Survey Act, 1841	Head of Development Control and Major Developments



	S.204	Receipt of Licensing applications and make the appropriate representations in respect of the same	Head of Safer Communities, Urban and Rural Services
	S.210	To exercise powers in respect of charities	Head of Legal and Democratic Services
	S.214(3) and Article 9 of the Local Authorities' Cemeteries Order 1974	To grant exclusive rights of burial and sign the necessary certificate.	Head of Legal and Democratic Services
	S.223	Authorisation (appearance by persons other than solicitors in legal proceedings)	Head of Legal and Democratic Services
	S.225	Deposit of documents	Chief Executive
<b>Local Government Act 1972</b>	S.228	Inspection of documents	Head of Legal and Democratic Services
	S.228(3)	Accounts for inspection by any member of the Council	Chief Finance (section 151) officer
	S.229(5)	Certification of photographic copies of documents	Head of Legal and Democratic Services
	S.234	Authentication of documents	Head of Legal and Democratic Services
	S.236(9) and (10)	Sending of copies of byelaws to parish councils, parish meetings and county council	Head of Legal and Democratic Services
	S.238	Certification of byelaws	Chief Executive
	S.251 and Schedule 29	Exercise all functions of any enactment passed before or during the same session of Parliament as the passing of the LGA 1972	Head of Legal and Democratic Services

	S.270	Except in the case of financial powers or matters, to act as the Proper Officer in respect of any other statute where specific arrangements have not been made in the Scheme	Head of Legal and Democratic Services
	Various Sections	Any requirement in relation to parish authorities specified in the Act (or other legislation).	Head of Legal and Democratic Services
<b>Local Government Act 1972</b>	<b>Schedule 12</b> para 4 (2) (b)	Signing of summons to Council meeting	Chief Executive
	<b>Schedule 12</b> para 4 (3)	Receipt of notice regarding address to which summons to meeting is to be sent	Chief Executive
	<b>Schedule 14</b> Para 25	Certification of resolution passed under this paragraph	Head of Legal and Democratic Services
	<b>Schedule 16</b> Para 28	Deposit of lists of buildings of special architectural or historic interest	Head of Planning Policy and Economic Development
	<b>Schedule 16</b> S.191(2)	Applications under Section 1 of the Ordnance Survey Act 1841	Head of Planning Policy and Economic Development
		The purposes of issuing planning decision notices and for all building regulation purposes	Head of Development Control and Major Developments
	<b>Schedule 16</b>	Receipt of deposit lists of protected buildings	Head of Planning Policy and Economic Development
	<b>Schedule 29</b>	Adaptations, modifications and amendments of enactments.	Head of Legal and Democratic Services
	Part VA	Access to information	Head of Legal and Democratic Services
<b>Health and Safety at</b>	S.19 – S.25 /	Appointment of and termination	Head of Recreation

<b>Work Act 1974</b>	39	of appointment of Inspectors and various enforcement powers	and Health
<b>Local Government Act 1974</b>	S.30 (5)	To give notice that copies of a Local Commissioner's (Ombudsman) report are available	Monitoring Officer
<b>Control of Pollution Act 1974</b>	S.60 – S.61	Construction site noise	Head of Safer Communities, Urban and Rural Services
<b>Local Land Charges Act 1975</b>	S.9	To act as local registrar for the registration of local land charges and the issue of official search certificates	Head of Legal and Democratic Services
<b>Local Government (Miscellaneous Provisions) Act 1976</b>	S.16	Requests to obtain particulars of persons interests in land	Heads of Service
	S33	Restoration of supply of water, gas or electricity	Head of Housing Services
	S.41 (1)	To certify copy resolutions, orders, reports and minutes and copy instruments appointing officers to perform certain functions	Head of Legal and Democratic Services
<b>Local Authorities Cemeteries Order 1977 (as amended)</b>	Article 10	To sign exclusive rights of burial	Head of Legal and Democratic Services
<b>Refuse Disposal (Amenity) Act 1978 (as amended)</b>	S.2A	Fixed penalty notice in respect of abandoned vehicles	Head of Environmental Services
<b>Local Government (Miscellaneous Provisions) Act 1982</b>	S.13 – S.17	Skin piercing	Head of Recreation and Health
	S29	Protection of buildings	Head of Housing Services or Head of Building Control and Engineering Services (depending on type of premises)

	S.27	Repair of drains, private sewers etc	Head of Building Control and Engineering Services
	S.35	Blocked private sewers	Head of Building Control and Engineering Services
<b>Local Government (Miscellaneous Provisions) Act 1982</b>		Control of sex establishments	Head of Safer Communities, Urban and Rural Services
<b>Representation of the People Act 1983</b>	S.28	Acting Returning Officer at Parliamentary Elections	Returning Officer
	S.67(1)	Receipt of appointment of election agents	Returning Officer
	S.67(6)	Publication of names and addresses of agents	Returning Officer
	S67(7)(b)	Appropriate officer for local election purposes	Returning Officer
	S.81(1)	Receipt of return of election expenses	Returning Officer
	S.82(1)	Receipt of declaration of election expenses	Returning Officer
	S.87A(2)	Delivery of copy of returns to Electoral Commission	Returning Officer
	S89(3)	Copy and inspections of returns and declarations.	Returning Officer
	S.131	Providing accommodation for holding election count	Returning Officer
<b>Building Act 1984</b>	S.59 – S.61	Authorisation of repair, reconstruction or alteration of drains	Head of Building Control and Engineering Services
	S.64 – S.65	Replacement of sanitary conveniences	Head of Building Control and

			Engineering Services
	S76	Defective premises (expedited procedure relating to s80 EPA 1990)	Head of Housing Services
	S.78	To act as “the surveyor” empowered to take and authorise emergency action in respect of damaged and dangerous buildings.	Head of Building Control and Engineering Services
	S.84	Paved yards	Head of Building Control and Engineering Services
	S.93	Authentication of documents	Head of Building Control and Engineering Services
<b>Public Health (Control of Disease) Act 1984</b>	S.11	Cases of notifiable disease and food poisoning to be Reported	Medical officer/community physician
	S.11	To receive certificates from medial practitioners concerning patients suffering from notifiable diseases and to take all other action necessary relating to those certificates	Head of Recreation and Health
	S.18	Obtaining information from any occupier of premises concerning any person suffering from a notifiable disease or food poisoning	Head of Recreation and Health
	S.20	Stopping of work to prevent spread of disease	Medical officer/community physician
	S.21	Exclusion from school of child liable to convey notifiable disease	Medical officer/community physician
	S.22	List of day pupils at school having case of notifiable	Medical officer/community

		disease	physician
	S.23	Exclusion from places of entertainment	Medical officer/community physician
	S.24	Control of infected articles intended to be washed at laundry or wash houses	Head of Recreation and Health
	S.25	Library books to be disinfected or disposed of	Head of Recreation and Health
	S.26	Infectious matter not to be placed in dustbins	Head of Environmental Services
	S.29	To issue certificates in respect of houses or rooms to be let after being properly disinfected following a case of a notifiable disease	Medical officer/community physician
	S.31	Certification by officer of need for disinfection of premises	Head of Recreation and Health or Medical Officer
	S.32	Certification by officer of need to remove person from infected house	Head of Recreation and Health or Medical officer
	S.34	Duty of owner etc of public convenience	Head of Environmental Services
	S.35	To obtain a Justice's Order requiring a person to be medically examined	Medical officer/community physician
	S.36	Medical examination of group of persons believed to comprise carrier of notifiable disease	Medical officer/community physician
	S.37	To obtain a Justice's Order requiring a person with notifiable disease to be removed to hospital	Medical officer/community physician
	S.38	To obtain a Justice's Order requiring detention in hospital of	Medical officer/community

		a person with a notifiable disease	physician
	S.39 – S.40	Getting a warrant to examine residents of a common lodging house	Medical officer/community physician
	S.42	Closure of common lodging house on account of notifiable disease and certifying a common lodging house to be free from infection	Medical officer/community physician
	S.43	Certifying that the body of someone who dies in hospital from a notifiable disease must not be moved except taken to a mortuary or immediately buried or cremated	Medical officer/community physician
	S.48	Removal of body to mortuary or for immediate burial and certifying that it would be a health risk to keep a body in a building	Medical officer/community physician
	S.49 – S.51	Regulations concerning canal boats	Head of Housing Services
	S.59	Authentication of documents relating to matters within their province	Medical officer/community physician
	S.61	Power of entry	Medical officer/community physician
<b>Food Act 1984</b>	S.8	Enforcement of provision relating to working conditions	Head of Recreation and Health
	S.28	Service of notice to prevent spread of disease by ice-cream	Head of Recreation and Health
	S.31	Service of notice requiring food not to be used for human consumption where it appears to be infected	Head of Recreation and Health
<b>Housing Act 1985</b>	S.265	Demolition Order	Head of Housing

			Services
	S.289	Clearance Area Declaration	Head of Housing Services
	S.300	Determination to Purchase	Head of Housing Services
	S.606	Submitting reports on particular houses or areas	Head of Housing Services
<b>Local Elections (Principal Area) Rules 1986</b>	All	All functions	Returning officer
<b>Local Elections (Parishes and Communities) Rules 1986</b>	Rules 46, 47 and 48	Keeping documents after an election and making them available for the public to look at	Returning Officer
<b>Public Health (Infectious Diseases) Regulations 1988</b>	Reg.6	Special reporting of infectious diseases	Medical officer/community physician
	Reg.8	Statistical returns	Medical officer/community physician
	Reg.9	Prevention of spread of disease	Medical officer/community physician
	Reg.10	Immunisations and vaccination	Medical officer/community physician
	Reg.11	Measures against rats	Medical officer/community physician
	Schedule 3	Typhus and relapsing fever	Medical officer/community physician
	Schedule 4	Food poisoning and food borne infections	Medical officer/community physician
<b>Local Government and Finance Act 1988</b>	S.112 – S.115, S.115A	Responsible officer for the purposes of the financial	Chief Finance (section 151)



		administration of the Council's affairs	officer
	S.116	Responsibility for notifying the external auditor of arrangements for a meeting to consider a report from the Chief Finance Officer under this Act	Chief Finance (section 151) officer
<b>Local Government and Housing Act 1989</b>	S.2(4)	Maintenance and review of the Council's List of Politically Restricted Posts	Head of Human Resources
	S.4	Functions as Head of Paid Service.	Head of Paid Service
	S.5	Functions of Monitoring Officer within the meaning of this section of the Act	Monitoring Officer
	S.15 - 17	Allocating seats on Committees	Head of Legal and Democratic Services
	S.18	Arrangements in respect of the Scheme of Members' Allowances	Chief Finance (section 151) officer / Head of Legal and Democratic Services
	S.19	Arrangements in respect of the Register of Members' interests	Head of Legal and Democratic Services
	Part 7	Declaration of Renewal Areas	Head of Housing Services
<b>Environmental Protection Act 1990 (as amended)</b>	S.6 – S.15	Prescribed processes	Head of Environmental Services
	S.78	Contaminated land	Head of Environmental Services
	S.79 – S.82	Statutory nuisance	Head of Safer Communities, Urban and Rural

			Services or Head of Housing or Head of Environmental Services
	S.88	Fixed penalty notices for leaving litter	Head of Environmental Services
	S.149 – S.150	Officer responsible for dealing with stray dogs in the area and maintaining a register of dogs seized	Head of Environmental Services
<b>Food Safety Act 1990</b>	S.9	Seizure of food	Head of Recreation and Health
	S.29 – S.30	Sampling food	Head of Recreation and Health
	S.11, S37 – S.39	Improvement / prohibition notices	Head of Recreation and Health
	S.49(3)	To sign documents on behalf of the authority	Head of Recreation and Health
<b>Town and Country Planning Act 1990</b>	S.215	Waste land	Head of Development Control and Major Development s
<b>Local Government (Committees and Political Groups) Regulations 1990</b>	Regs.8, 9, 10, 13 and 14	Dealing with political balance on committees and nominations to political groups	Head of Legal and Democratic Services
<b>Water Industry Act 1991</b>	S.80 – S.83	Private water supply	Head of Recreation and Health
<b>Clean Air Act 1993</b>	S.1 – S.2	Prohibition of dark smoke	Head of Safer Communities, Urban and Rural Services
	S.51 and S.56	To exercise all functions conferred by these sections	Head of Safer Communities, Urban and Rural Services

<b>Criminal Justice and Public Order Act 1994</b>	S.77 – S.80	Removal of unauthorised encampments	Head of Regeneration and Estates
<b>Environment Act 1995</b>	S.80	Local air quality management	Head of Environmental Services
	S.84	Air quality management areas	Head of Environmental Services
<b>Dogs (Fouling of Land) Act 1996</b>	S.4	To issue fixed penalty notices	Head of Environmental Services
<b>Housing Grants, Construction &amp; Regeneration Act 1996</b>	Part 1	Disabled Facilities Grants	Head of Housing Services
<b>Noise Act 1996 (as amended)</b>	S.8	Fixed penalty notices in respect of noise nuisance	Head of Safer Communities, Urban and Rural Services
<b>Party Wall Act 1996</b>	S.10(8)	To act as the ‘appointing officer’ as required by of the Party Wall Act 1996	Head of Building Control & Engineering Services
	S.10	To select a third surveyor, if required, during a neighbour dispute about building projects	Head of Building Control & Engineering Services
<b>Local Government (Contracts) Act 1997</b>	S.3	Signing certificates in respect of Certified Contracts	Head of Legal and Democratic Services
	S.4	To maintain a register of certificates in respect of Certified Contracts to be open to public inspection	Head of Legal and Democratic Services
<b>Data Protection Act 1998</b>	All	Ensuring compliance with the statutory provisions and principles of the Act	Head of Legal and Democratic Services
<b>Crime and Disorder Act</b>	S.5	To work in partnership with the	Head of Safer

<b>1998</b>		police and other responsible bodies to reduce crime	Communities, Urban and Rural Services
	S.17	To consider crime and disorder implications of any decisions	Head of Safer Communities, Urban and Rural Services
	S.115	Power to disclose information in the interest of community safety and other purposes of the Act	Head of Safer Communities, Urban and Rural Services
<b>Local Government Act 2000</b>	S.34	Determine whether a petition is valid	Electoral registration officer
	S.81	Establishment and maintenance of the Register of Members' Interests including voting co-opted members	Monitoring officer
	S.99 and S.100	Regarding Members' allowances and pensions and having regard to all relevant regulations, including The Local Authorities (Members' Allowances) (England) Regulations 2003, and The Local Government Pension Scheme and The Discretionary Compensation (Local Authority Members in England) Regulations 2003	Head of Legal and Democratic Services
	Various	Dealing with the holding of referendums	Returning officer / Electoral Registration Officer
		All other responsibilities in the Act and any subordinate legislation	Head of Legal and Democratic Services
<b>Local Government Act 2000: Section 22: The Local Authorities (Executive Arrangements) (Access to Information)</b>	Regs.3 - 5	Written statements of Executive / Cabinet decisions	Head of Legal and Democratic Services

<b>Regulations 2000) (as amended)</b>			
	Reg.6	Inspection of background papers	Head of Legal and Democratic Services
	Reg.11(2)	Exclusion of reports	Head of Legal and Democratic Services
	Reg.12	Annual notice relating to key decisions of the Authority	Head of Legal and Democratic Services
	Reg.13	Publish the Forward Plan	Head of Legal and Democratic Services
	Reg.16	Authority to seek agreement regarding decisions to be made which are not in the Forward Plan and where requisite notice required within Reg 15 cannot be given	Head of Legal and Democratic Services
	Reg.17	Determining whether documents contain exempt information	Head of Legal and Democratic Services
	Reg.(17)(c)	Provision to the press of documents supplied to the Executive / Cabinet	Head of Legal and Democratic Services
	Reg.18	Confidential / exempt information and exclusion of public from meetings	Head of Legal and Democratic Services
<b>Freedom of Information Act 2000</b>	S.36	Application from exemption disclosure	Monitoring Officer
	All others	All responsibilities associated with the act	Head of Legal and Democratic Services
<b>Regulation of Investigatory Powers Act 2000 (RIPA)</b>	S.27 – S.29	Designation of officer empowered to grant authorisations for the carrying out of directed surveillance and	Heads of Service in accordance with Council's RIPA policy

		authorize the use of covert human intelligence sources under the Act	Chief Executive to authorise operations against children and vulnerable adults
<b>Local Authorities (Referendums) (Petitions and Directions) Regulations 2000 (as amended)</b>	Reg. 4 and 5	Publishing the verification number of local government electors for the purpose of petitions under S.34 of the Local Government Act 2000	Chief Executive
	Reg.8 and all others	Amalgamation of petitions	Chief Executive
<b>Local Authorities (Model Code of Conduct) (England) Order 2001</b>	Schedule 1 para 17	Establish and maintain a Register of Gifts and Hospitality received by Members	Monitoring Officer
<b>Local Authorities (Standing Orders) (England) Regulations 2001</b>	Schedule 1 Part II	Giving notice of appointments and dismissal of officers to the Executive in accordance with the Regulations	Head of Legal and Democratic Services
<b>Private Security Industry Authority Act 2001</b>		Enforcement of actions by licensed door supervisors	Head of Safer Communities, Urban and Rural Services
<b>Criminal Justice and Police Act 2001</b>	S.19(2)	Power of closure where the sale of alcohol is not in accordance with any authorisation	Head of Safer Communities, Urban and Rural Services
<b>The Representation of the People (England and Wales) (Amendment) Regulations 2002</b>	Reg.107	Decisions on whether or not any particular proposed use of the electoral register meets the legislative requirements	Head of Legal and Democratic Services
<b>Money Laundering Regulations 2003</b>	Reg 7	Nominated officer to receive disclosures about suspected money laundering	Chief Finance (section 151) officer
<b>Anti-Social Behaviour Act 2003 (as amended)</b>	S.30	Approval for dispersal orders	Head of Safer Communities, Urban and Rural Services

	S.40	Immediate closure if there is a public nuisance caused by noise and closure is necessary to prevent it	Head of Safer Communities, Urban and Rural Services
	S.43	To issue penalty notices for graffiti and flyposting	Head of Safer Communities, Urban and Rural Services or Head of Environmental Services
<b>Accounts and Audit Regulations 2003</b>	All Regs	All responsibilities	Chief Finance (section 151) officer or person nominated by him/her under Section 114 of the Local Government Finance Act 1988 where the Chief Finance Officer is unable to act
<b>Housing Act 2004</b>	S.239	Determining if a survey or examination is necessary	Head of Housing Services
	Part 1	Enforcement of Housing Standards	Head of Housing Services
	Part 2	Licensing of HMOs	Head of Housing Services
	Part 3	Selective Licensing of Residential Accommodation	Head of Housing Services
	Part 4	Additional controls in relation to residential accommodation	Head of Housing Services
	Part 6	Other provisions about housing	Head of Housing Services
	Part 7	Supplementary and final provisions	Head of Housing Services
<b>The Clean Neighbourhoods and Environment Act 2005</b>	Part 2	Nuisance parking	Head of Safer Communities, Urban and Rural Services

	Part 3	Litter	Head of Environmental Services
	Part 4	Fly posting	Head of Environmental Services
	S.59	Dog control fixed penalty notices	Head of Environmental Services
<b>Food Hygiene Regulations 2006</b>	Reg.6	Hygiene improvement notice	Head of Recreation and Health
	Reg.7	Hygiene prohibition orders	Head of Recreation and Health
	Reg.8	Hygiene emergency prohibition orders	Head of Recreation and Health
	Reg.9	Remedial action/detention notice	Head of Recreation and Health
	Reg.12	Food sampling	Head of Recreation and Health
	Reg.14	Powers of entry	Head of Recreation and Health
	Reg.17	Food premises registration	Head of Recreation and Health
<b>Smokefree (Premises and Enforcement) Regulations 2006</b>		Enforcing smokefree legislation in premises and vehicles	Head of Recreation and Health
<b>Criminal Justice and Police Act 2006</b>	S.14	Broader definition of S.17 of the Crime and Disorder Act 1998, to consider crime and disorder implications of any decisions, to include anti social behaviour	Head of Safer Communities, Urban and Rural Services
	S.22	To share depersonalised data	Head of Safer Communities, Urban and Rural Services



The Chief Finance (section 151) officer shall act as the proper officer in respect of any other statute where specific arrangements for financial matters have not been made under this scheme.

The Head of Legal and Democratic Services shall act as the proper officer for any other legislative provisions where specific arrangements have not been made under this scheme.

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## **(f) Financial Rules of Procedure**

### **1 Introduction**

#### 1.1

To conduct its business efficiently, the Council needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the Financial Rules that set out the financial policies of the Council, the practical detail for managers of how these policies are to be delivered and instructions on how the procedures are to be implemented and followed.

#### 1.2

The purpose of the Financial Rules is to provide a framework of financial control. It is not intended to act as a constraint upon service delivery. The Council is committed to innovation, within the regulatory framework, and with the necessary risk assessment and safeguards in place.

#### 1.3

Full Council is responsible for approving the Financial Rules, which are part of the Council's Constitution.

#### 1.4

Any reference to writing includes all electronic communication including e-mail.

#### 1.5

Minor changes to these rules or any updating required because of changes to legislation shall be made by the Head of Finance.

### **2 Definitions**

For the purposes of the Financial Rules the terms used shall be as defined in the Council's constitution. The statutory posts are defined in the introduction to the constitution. The term "Head of Finance" shall be deemed to be "Chief Finance Officer" and "Section 151 Officer". The nominated deputy to act in the absence of the Head of Finance is the Corporate Systems Accountant. The Section 151 Officer is the person currently appointed by Council to act in that role.

### **3 Status and Application**

#### 3.1

The Council's governance structure is in the Constitution, which sets out how the Council operates, how decisions are made and the procedures that are followed.

#### 3.2

The Financial Rules are part of the Constitution and provide the framework for managing the Council's financial affairs. They apply to all Members and staff of the Council and anyone acting on its behalf, including contractors.

#### 3.3

The Head of Finance will maintain a continuous review of the Financial Rules and submit any significant additions or changes necessary to the full Council for approval. The Head of Finance is responsible for reporting, where appropriate, breaches of the Financial Rules to the Council and/or to the Executive Members.

#### 3.4

The Head of Finance will issue advice and guidance on the Financial Rules to Members, staff and others acting on behalf of the Council.

### 3.5

The Head of Finance may issue such supporting Financial Instructions or working practice notes as he or she deems appropriate.

### 3.6

Heads of Service are responsible for ensuring that all staff in their departments are aware of the existence and content of the Council's Financial Rules and all financial procedures and guidance issued by the Head of Finance.

## **4 Delegation of Financial Responsibilities**

### 4.1

The Scheme of Delegation is contained in Part 1 of the Constitution. This sets out general and specific delegated powers relating to finance and the power to act in the absence of certain officers

### 4.2

If the Head of Finance is unavailable the Corporate Systems Accountant is nominated to act as their deputy.

### 4.3

Where expenditure is incurred directly because of an emergency, be it internal or external to the Council, Financial Procedure rules may be waived.

### 4.4

Where the Financial Rules are waived, appropriate records must be maintained to verify expenditure.

### 4.5

All such emergency events will be reported to the first available meeting of the Executive following the event.

## **5 Financial Management**

### Introduction

### 5.1

Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

### Full Council

### 5.2

The full Council is responsible for adopting the Council's Constitution and Members' code of conduct and for approving the policy framework and budget within which the Executive operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in the Constitution. The full Council is also responsible for monitoring compliance with the agreed policy and related Executive decisions.

### 5.3

The full Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by the Council and all decisions taken by the Council and its committees. These delegations, and details of who has responsibility for which decisions, are set out in the Scheme of Delegation in the Constitution.

5.4 In relation to finance, Council is responsible for:

- a. approving the budget

- b. setting the council tax
- c. establishing the council tax base
- d. approving the capital programme
- e. financial strategies
- f. financial planning
- g. financial management and control
- h. external financial arrangements
- i. the Financial Rules of Procedure

The Executive

5.5

The Executive is responsible for proposing the policy framework and budget to the full Council, and for implementing the Council's policies, objectives and strategies in accordance with the policy framework and budget. The Executive has overall responsibility for the implementation of the Council's financial strategies and revenue and capital budgets and may make decisions in respect of these matters subject to them being consistent with approved policy and budget framework and the constitution.

## **6 The Statutory Officers**

Chief Executive

6.1

The Chief Executive is responsible for the overall corporate management and operation of the Council. He or she must report to and provide information for the Executive, the full Council, the scrutiny committees and other committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.

Monitoring Officer

6.2

The Monitoring Officer is responsible for maintaining an up-to-date version of the Constitution and ensuring that it is widely available.

6.3

The Monitoring Officer is responsible for reporting any actual or potential breaches of the law or maladministration to the full Council (or to the Executive, in relation to an Executive function) and for ensuring that procedures for recording and reporting key decisions are operating effectively.

6.4

The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Standards Committee.

6.5

The Monitoring Officer must ensure that Executive decisions and the reasons for them are made public; that Council Members are made aware of decisions made by the Executive and by officers who have delegated executive responsibility.

6.6

The Monitoring Officer is responsible for advising the Executive or full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

6.7

The Monitoring Officer is responsible for advising all Members and officers on the scope of powers and authority to

take decisions, maladministration, financial impropriety and probity.

#### Head of Finance

##### 6.8

The Head of Finance (sometimes referred to as “Chief Finance Officer” or “Section 151 Officer”) has statutory duties in relation to the financial administration of the Council. This statutory responsibility cannot be overridden.

The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2003.

##### 6.9

The Head of Finance is responsible for:

- the proper administration of the Council’s financial affairs
- setting and monitoring compliance with financial management standards
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- providing financial information
- preparing the revenue budget and capital programme treasury management.

##### 6.10

The Head of Finance is responsible for advising all Members and officers on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues.

##### 6.11

Section 114 of the Local Government Finance Act 1988 requires the Head of Finance to report to the full Council, Executive and external auditor if the Council or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has resulted, or would result in, a loss or deficiency to the Council
- is about to make an unlawful entry in the Council’s accounts.

##### 6.12 Section 114 of the 1988 Act also requires:

- the Head of Finance to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally. The Head of Finance has nominated the Corporate Systems Accountant for this purpose.
- the Council to provide the Head of Finance with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

#### Strategic Directors and Heads of Service

##### 6.13 Strategic Directors and Heads of Service are responsible for:

- ensuring that Executive Members are advised of the financial implications of proposals and that the financial implications have been previously agreed by the Head of Finance where necessary, in accordance with the scheme of Delegation.

## **7 Who is responsible for what?**

Treatment of year-end balances

### 7.1 Treatment of year-end balances

Accounting policies

### 7.2

The Head of Finance is responsible for determining and interpreting accounting policies procedures and records and ensuring that they are applied consistently.

The annual statement of accounts

### 7.3

The Head of Finance is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Accounts and Audit Regulations 2003, and the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC). The Accounts Audit and Risk Committee is responsible for approving the annual statement of accounts.

## **8 Financial Planning**

Introduction

### 8.1

The full Council is responsible for agreeing the Council's Budget and Policy Framework and budget, which will be proposed by the Executive. In terms of financial planning, the key elements are:

- the annual report and performance plan
- the medium term financial strategy
- the budget
- the capital programme.

The Budget and Policy Framework process is described in part 2, section 2.2 of the constitution on page 61.

### 8.2

The full Council is responsible for approving the Financial Regulations governing variations to approved budgets, plans and strategies (forming the Budget and policy framework) and for determining the circumstances in which a decision will be deemed to be contrary to the Budget and Policy framework.

## **9 The Budget**

### 9.1

Guidelines on budget preparation are issued to Members and staff by the Executive. The guidelines will take account of:

- legal requirements and government guidance
- medium-term planning prospects
- the corporate plan
- available resources
- spending pressures
- inflationary pressures
- relevant government guidelines
- other internal policy documents

- cross-cutting issues (where relevant).

## Budget format

### 9.2

Budgets allow the Council to plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit. Prudential borrowing is permitted

### 9.3

The budget will be approved by full Council and proposed by the Executive on the advice of the Head of Finance. The draft budget should include allocation to different services and projects, properly reflecting the service plans and priorities of the Council, proposed taxation levels and contingency funds.

## Budget preparation

### 9.4

The Head of Finance is responsible for ensuring the preparation of an annual revenue budget and a three-year general revenue forecast for consideration by the Executive, before submission to the full Council. The full Council may amend the budget or ask the Executive to reconsider it before approving it.

### 9.5

The Executive is responsible for issuing guidance on the general content of the revenue budget in consultation with the Head of Finance as soon as possible following approval by the full Council.

### 9.6

It is the responsibility of Heads of Service to ensure that all budget estimates submitted to the Executive are prepared in line with guidance issued by the Executive and are consistent with agreed medium term plans and strategies and the emerging annual service plans.

### 9.7

The approval of the revenue estimates by the full Council will constitute authority to incur expenditure as detailed in the budget.

## Preparation of the capital programme

### 9.8

The Head of Finance is responsible for ensuring that a three-year capital programme is prepared on an annual basis for consideration by the Executive before submission to the full Council.

### 9.9

The approval of the capital programme by the Council will constitute authority to incur expenditure as detailed in the capital programme.

## Budget monitoring and control

### 9.10

The Head of Finance is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Executive on the overall position on a regular basis.

### 9.11

It is the responsibility of Heads of Service and other budget holders to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Head of Finance. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Finance to any potential financial problems.

## Virement



9.12

The full Council is responsible for agreeing guidelines for the virement of expenditure between budget headings.

9.13

Virements shall not be made across funds or across ring-fenced accounts. On no account should resources be vired between revenue and capital accounts.

9.14

Virement does not apply to capital charges, loan repayments, interest receipts, any transactions to or from other public authorities, items of taxation or other non-service items.

9.15

Any proposal to vire resources involving internal charges or recharges must not result in any overall increase in expenditure.

9.16

Any proposed virement in excess of £250,000 must have the prior approval of the Council. The rules governing the virement of sums below this amount are detailed in the Financial Procedures.

9.17

Heads of Service, in consultation with the Head of Finance, are responsible for agreeing in-year virements within delegated limits, in accordance with the Financial Procedures.

#### Supplementary Estimates

9.18

Supplementary estimates shall only be sought with the agreement of the Head of Finance and where increased expenditure cannot be financed

- i. from virement in accordance with the specified virement rules; and
- ii. from additional specified sources of income.

9.19

All supplementary estimates require prior approval from the Executive or full Council in accordance with the criteria laid down in the Financial Procedures.

#### Resource allocation

9.20

The Head of Finance is responsible for developing and maintaining a resource allocation process that ensures due consideration against the competing priorities within the Council's Budget and Policy framework.

#### Maintenance of Reserves

9.21

It is the responsibility of the Head of Finance to advise the Executive and/or the full Council on prudent levels of reserves for the Council. This will normally fall within any guidelines published by the Chartered Institute of Public Finance and Accountancy from time to time but will always take full account of associated risks and the assessed needs of the Council

## **10 Risk Management and Control of Resources**

### Introduction

10.1

It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those staff involved with planning

and delivering services.

## Risk Management

### 10.2

The Executive is responsible for approving the Council's risk management strategy and for reviewing the effectiveness of risk management. The Executive is also responsible for ensuring that insurance is in place where appropriate.

### 10.3

The Head of Finance is responsible for preparing the Council's risk management strategy, for promoting it throughout the Council, and for advising the Executive on proper insurance cover where appropriate.

## Internal Assurance

### 10.4

Internal assurance refers to the system of monitoring devised by management to help ensure that the Council's objectives are achieved in a manner which promotes economic, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

### 10.5

The Head of Finance and the Head of Legal and Democratic Services, as Monitoring Officer, are responsible for advising on effective systems of internal assurance. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

### 10.6

It is the responsibility of Heads of Service to establish sound arrangements for planning, appraising, authorizing and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

## Audit Requirements

### 10.7

All the activities of the Council are subject to both internal and external audit.

### 10.8

The Accounts and Audit Regulations 2003, issued by the Secretary of State, require every local authority to maintain an adequate and effective internal audit of its accounting records and of its system of internal assurance.

### 10.9

The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by The Code of Audit Practice.

### 10.10

The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Customs and Excise, Benefits Fraud Inspectorate and the Inland Revenue, who have statutory rights of access.

## Preventing Fraud and Corruption

### 10.11

The Head of Finance and the Head of Legal and Democratic Services, as Monitoring Officer, are responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

## Assets

### 10.12

Heads of Service should ensure that assets are correctly recorded in the asset register, properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the

event of disaster or system failure are in place.

#### Treasury Management

10.13

The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.

10.14

The Head of Finance is responsible for reporting to the Executive a proposed treasury management strategy for the coming financial year at or before the start of each financial year.

10.15

The full Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The policy statement is proposed to the full Council by the Executive. The Head of Finance has delegated responsibility for implementing and monitoring the statement.

10.16

All money in the hands of the Council is controlled by the Head of Finance as designated for the purposes of section 151 of the Local Government Act 1972.

10.17

All Executive decision-making relating to borrowing, investment or financing shall be delegated to the Head of Finance, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.

10.18

The Head of Finance is responsible for reporting to the Executive on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

## **11 Systems and Procedures**

### General

11.1

The Head of Finance is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records, all of which must allow compliance with the Account and Audit Regulations 2003, as amended. Any changes made by Heads of Service to the existing financial systems or the establishment of new systems must have the prior approval of the Head of Finance. However, Heads of Service are responsible for the proper operation of financial processes in their own departments.

11.2

Any changes to agreed procedures by Heads of Service to meet their own specific service needs must first be agreed with the Head of Finance.

11.3

Heads of Service should ensure that their staff receive relevant financial training that has been approved by the Head of Finance.

11.4

Heads of Service must ensure that, where appropriate, computer and other systems are registered and compliant with data protection legislation. Heads of Service must ensure that staff are aware of their responsibilities under freedom of information legislation.

### Income and Expenditure

11.5

It is the responsibility of Heads of Service to ensure that a clear written scheme of delegation has been established within their area and that it is operating effectively. The scheme of delegation should identify staff authorised to act on the Heads of Service's behalf, or on behalf of the Executive, in respect of payments, income collection and placing orders, together with the limits of their authority. The Executive is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

#### Payments to Employees and Members

11.6

The Head of Finance is responsible for making all payments of salaries and wages to all staff, including payments for overtime.

#### Taxation

11.7

The Head of Finance is responsible for advising Heads of Service, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

11.8

The Head of Finance is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

#### Trading Accounts/Business Units

11.9

It is the responsibility of the Head of Finance to advise on the establishment and operation of trading accounts and business units.

## **12 External Arrangements**

#### Partnerships

12.1

The Head of Finance must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

12.2

Heads of Service are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

#### External Funding

12.3

The Head of Finance is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

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