

To: Members of the Corporate  
Governance Committee

Date: 28 October 2014

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Dear Councillor

You are invited to attend a meeting of the **CORPORATE GOVERNANCE COMMITTEE** to be held at **9.30 am** on **WEDNESDAY, 5 NOVEMBER 2014** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G. Williams  
Head of Legal and Democratic Services

## **AGENDA**

### **PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING**

#### **1 APOLOGIES**

#### **2 DECLARATIONS OF INTEREST (Pages 5 - 6)**

#### **3 URGENT MATTERS**

#### **4 MINUTES (Pages 7 - 26)**

- (a) To receive the minutes of the Corporate Governance Committee meeting held on the 3<sup>rd</sup> September, 2014.
- (b) To receive the minutes of the Corporate Governance Committee meeting held on the 29<sup>th</sup> September, 2014.

**5 BUDGET PROCESS 2015/16** (Pages 27 - 32)

To consider a report by the Head of Finance and Assets, which provides an update on the process to deliver the revenue budget for 2015/16. (copy enclosed).

**6 CORPORATE RISK REGISTER REVIEW** (Pages 33 - 42)

To consider a report by the Head of Business, Improvement and Modernisation (copy enclosed) which sought consideration on the formally updated version of the Corporate Risk Register.

**7 FINANCIAL PAYMENT TO CARE LEAVERS - UPDATE** (Pages 43 - 48)

To consider a report by the Head of Internal Audit, which provides an update on progress with the action plan included in the Internal Audit report on Financial Payments to Care Leavers issued in March, 2014 (copy enclosed).

**8 ANTI FRAUD CORRUPTION AND BRIBERY POLICY** (Pages 49 - 52)

To consider a report by the Head of Legal, HR and Democratic Services, on the revisions to the Council Anti-Fraud and Corruption Policy (copy enclosed).

**9 CONTRACT PROCEDURE RULES** (Pages 53 - 106)

To consider a report by the Acting Strategic Procurement Manager, which presents the revised Contract Procedure Rules prior to submission to Council for approval (copy enclosed).

**10 YOUR VOICE - USING CUSTOMER FEEDBACK** (Pages 107 - 130)

To consider a report by the Head of Customers and Education Support (copy enclosed) which provides an overview of customer engagement activity across the Authority, and includes specific examples of services utilising customer feedback to shape service design and delivery.

**11 YOUR VOICE ANNUAL REPORT 2013/14** (Pages 131 - 142)

To consider a report by the Head of Customers and Education Support (copy enclosed) which provides an overview of the feedback received via Denbighshire's customer feedback policy 'Your Voice' during the period 01.04.13 – 31.03.14.

**12 CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE**  
(Pages 143 - 146)

To consider a report by the Head of Legal, HR and Democratic Services (copy enclosed) which sought the Committees' views on transferring areas from the Committee's Terms of Reference to the Councils Standards Committee.

**13 GOVERNANCE IMPROVEMENT PLAN UPDATE** (Pages 147 - 152)

To consider a report by the Head of Internal Audit, which provides an update on the Council's Governance Improvement Plan arising from the Council's 2013/14 'annual governance statement' (copy enclosed).

**14 FEEDBACK ON CORPORATE EQUALITIES MEETING**

To receive a verbal report from Councillor M.L. Holland.

**15 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME** (Pages 153 - 156)

To consider the Committee's forward work programme (copy enclosed).

**MEMBERSHIP**

**Councillors**

Joan Butterfield  
Stuart Davies  
Peter Duffy

Martyn Holland  
Gwyneth Kensler  
Jason McLellan

**Lay Member**

Paul Whitham

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DEDDF LLYWODRAETH LEOL 2000

Cod Ymddygiad Aelodau

## DATGELU A CHOFRESTRU BUDDIANNAU

Rwyf i,  
(enw)

\*Aelod /Aelod cyfetholedig o  
(\*dileuer un)

Cyngor Sir Ddinbych

**YN CADARNHAU** fy mod wedi datgan buddiant **\*personol / personol a sy'n rhagfarnu** nas datgelwyd eisoes yn ôl darpariaeth Rhan III cod ymddygiad y Cyngor Sir i Aelodau am y canlynol:-  
(\*dileuer un)

Dyddiad Datgelu:

Pwyllgor (nodwch):

Agenda eitem

Pwnc:

Natur y Buddiant:

Llofnod

Dyddiad

**Code of Conduct for Members**

**DISCLOSURE AND REGISTRATION OF INTERESTS**

I, *(name)*

a \*member/co-opted member of

*(\*please delete as appropriate)*

**Denbighshire County Council**

**CONFIRM** that I have declared a **\*personal / personal and prejudicial** interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:-

*(\*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

Signed

Date

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1B, County Hall, Ruthin on Wednesday, 3 September 2014 at 10.00 am.

### **PRESENT**

Councillors Joan Butterfield, Martyn Holland, Gwyneth Kensler (Vice-Chair) and Jason McLellan (Chair) and Mr P. Whitham (Lay Member).

Councillors Councillors Meirick Lloyd Davies, Barbara Smith and Julian Thompson-Hill attended as observers.

### **ALSO PRESENT**

Head of Legal and Democratic Services (GW), Head of Internal Audit (IB), Head of Finance and Assets (PM), Chief Accountant (RW), Acting Strategic Procurement Manager (SA), HR Services Manager (CR), Property Manager (DL), Wales Audit Office Representatives (AV and GB) and Committee Administrator (CIW).

#### **1 APOLOGIES**

No apologies for absence were received.

#### **2 DECLARATION OF INTERESTS**

A personal interest was declared by Councillor M.L. Holland as a Director of the Enterprise Agency.

#### **3 URGENT MATTERS**

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

#### **4 MINUTES**

The Minutes of a meeting of the Corporate Governance Committee held on 21<sup>st</sup> May, 2014.

**RESOLVED** – *that the minutes be received and approved as a true and correct record.*

#### **5 BLESSED EDWARD JONES RC HIGH SCHOOL - UPDATE**

A report by the Head of Internal Audit, which provided details of Internal Audit's follow up work at Blessed Edward Jones School following its initial report in October 2013 and first follow up report in June 2014, had been circulated previously.

A report on Blessed Edward Jones School in October, 2013 had given a 'medium' assurance rating, included an action plan with 13 areas for improvement. However,

the Committee had expressed concern that the School should address its financial pressures and requested a follow up report.

The HIA explained that the follow up report in July, 2014 had showed good progress overall with the Action Plan but the Committee expressed concerns over the lack of a financial recovery plan at that stage, and a further report had been requested.

The follow up Action Plan, Appendix 1, indicated that the School had made further progress in delivering improvements and agreed its financial recovery plan.

The Chair welcomed Mr Dominic Tobin, Headteacher, and Ms Sonia Weaver, Business and Finance Manager, to the meeting. The school representatives replied to questions from Members of the Committee, and provided the following responses as to how the School would meet its budget in 2016/17.

- Changes in the school funding formula now appeared to be transparent and fair.
- The current situation experienced by the school had arisen as result of previous considerable outlays of money.
- It was felt that with the planning and organisation plan adopted the situation could be addressed entirely within a two to three year period.
- The major factor currently being negated had been the five year drop in role numbers. Details of the role numbers for years 7 and 11 were provided, together with, the effect on funding provision, the impact on the schools current status and the work currently being undertaken to address the situation.
- An assurance was provided that the school organisation and staffing structure was now more efficient, and that high quality education would be delivered to the students at the school.
- There was now a confidence in the school that the year 7 numbers would improve, and an outline for the long-term future of the school, including funding provision, was provided.
- Details of the work to promote the future of the school were provided in light of the publicity relating to the campaign for a new faith school.
- An outline of the work undertaken in respect of reconciling staffing issues in terms of contracts was outlined for the Committee.
- School Governors had become more involved in the operation of the school and had been viewed as a critical friend who was willing to submit questions and offer good positive challenge. Members were informed that the number of Governor Finance meetings had also increased, and steps were currently being taken to fill the LEA Governor vacancy on the Governing Body.
- The Headteacher would this term be commencing negotiations with staff and Governors in respect of the Teacher and Learning Responsibilities (TLRs) structure within the school.

In response to concerns raised that the matter of surplus financial reserves held by schools, and the monitoring of timescales in relation to the Recovery Plan were issues for consideration by the Scrutiny Chairs and Vice Chairs Group and the respective Scrutiny Committees, the HIA explained that it had been agreed that



Internal Audit would undertake an audit of the financial management of schools, and the Committee agreed to review the matter pending receipt of the report.

Members of the Committee noted the progress made at the school during the short period of time since the appointment of Mr Tobin as Headteacher. Following further discussion, it was:-

**RESOLVED** – *that Corporate Governance Committee:-*

(a) *receives the Internal Audit follow-up report and notes the progress made, and*

(b) *requests that the Internal Audit report on the financial management of schools be presented to the Corporate Governance Committee when completed.*

**(IB to Action)**

## **6 BUDGET PROCESS 2015/16**

A report by the Head of Finance and Assets (HFA), which provided an update on the process to deliver the revenue budget for 2015/16, had been circulated previously.

Councillor J. Thompson-Hill introduced the report. Table 1 outlined the schedule of Freedoms & Flexibilities Service Budget Meetings which had taken place. The outcomes, along with a full analysis of the service budget, had been presented for consideration at the Member Budget Workshops (MBW). Two Workshops had been afforded additional time to allow Members sufficient opportunity to discuss each service budget and service saving proposals. Additional MBW's had been arranged and added to Table 2 in the report which provided details of key events.

The Workshops had been well attended with wide ranging debate taking place and numerous questions being asked. Members had been asked to express views as to whether saving proposals should be 'adopted', 'developed', or 'deferred'. A number of proposals which Members had indicated that they would be content to adopt would be presented to Council for approval on the 9<sup>th</sup> September, 2014.

The CA emphasised that the new process which had been adopted had provided Members with the opportunity to participate fully, and had included an unprecedented level of consultation process. Members expressed their appreciation for the work undertaken and the transparency of the process adopted.

In response to a question from the WAO Representative, the CA explained that a model would be developed by the Head of Business, Planning and Performance to undertake an impact assessment.

Mr P. Whitham expressed concern that a reduction in resources might lead to a decrease in control, which could subsequently result in an increase in risk to the Authority and impact on Governance. He explained that he would be compiling a list of possible risks to be presented to the Chief Executive and Elected Members. The Chair felt that Elected Members had understood the concept that the Authority

would be presented with a situation where it would do less with less with regard to the resources available.

**RESOLVED** – *that Corporate Governance Committee receives the report and notes Members comments.*

The Chair informed the Committee that the remaining agenda items would be taken in the following order 8,15,11,9,12,10,7,13 and 14.

## **7 CORPORATE GOVERNANCE COMMITTEE ANNUAL REPORT**

A report by the Chair of the Committee provided a verbal report on the remit and work undertaken by the Corporate Governance Committee which had included:-

- Ensuring that Denbighshire had a robust governance framework.
- An audit role which included the scrutiny of internal audit reports, consideration of the findings of external audit reports, and the overview the Audit Charter.
- Corporate Risk Management, ensuring that the Authority's Risk Management System and Information Management Strategy were robust.
- A Financial Role which included overseeing the Council's Financial Management, Budget Process, Statement of Accounts, Treasury Management and Prudential Indicators.
- The receipt of external reports, with no formal recommendations having been received.
- Assisting in ensuring that the Council meets its Corporate Priorities.

Other areas, issues and topics covered by the remit of the Committee included:-

- Providing an overview of various Council policies such as the Whistle Blowing and Fraud and Corruption Policies.
- Responding to and addressing reports in the media.
- Receipt of the Annual Complaints Report.
- Overseeing Safeguarding Issues and Member Protocol for Outside Bodies.
- Addressing various specific issues as and when they arise.
- The inclusion of the new Model Constitution in the Committee's Forward Work Programme.

During the ensuing discussion Members of the Committee agreed that a report detailing the work undertaken by the Corporate Governance Committee be included on the County Council Forward Work Programme.

**RESOLVED** – *that:-*

*(a) Corporate Governance Committee receive and note the Corporate Governance Committee Annual report, and*

*(b) a report detailing the work undertaken by the Corporate Governance Committee be presented to County Council.*

**(JM (Chair) and GW to Action)**

## 8 TREASURY MANAGEMENT ANNUAL REPORT 1 - 2014/15

A report by the Head of Finance and Assets (HFA) had been circulated previously.

The HIA and CA provided an in-depth summary of the reports. The Annual TM Report 2013/14, Appendix 1, detailed the investment and borrowing activity during 2013/14, outlined the economic climate at that time and showed how the Council complied with its Prudential Indicators. The TM Update Report, Appendix 2, described the Council's TM activities during 2014/15.

TM included the management of the Council's borrowing, investments and cash flow. Approximately £0.5bn passed through the Council's bank accounts annually. Outstanding borrowing at 31<sup>st</sup> March, 2014 had been £141.65m at an average rate of 5.63% and the Council held £32.5m in investments at an average rate of 0.66%.

The role of Corporate Governance Committee, and the timetable for the provision of reports and training and reports to the Committee, had been included in the report.

Members were informed that the purpose of the Annual TM Report was to:-

- present details of capital financing, borrowing, debt rescheduling and investment transactions in 2013/14;
- report on the risk implications of treasury decisions and transactions;
- confirm compliance with treasury limits and Prudential Indicators.

The TM update report provided details of the following:-

- External economic environment
- Risks
- Activity
- Controls
- Future Activity

Denbighshire had adopted the revised CIPFA Code of Practice on TM in November, 2011 and it was a requirement of the Code for the Committee to receive TM activity updates twice a year and to review an Annual TM Report. An ambitious Corporate Plan of investing £124m in delivering its priorities over a five year period had been adopted, so it was vital that Council had a robust and effective TM function underpinning the investment and all other activities. The HFA invited attention to the Audit Review, in Appendix 2, which confirmed compliance with TM requirements.

Reference was made to two major TM issues which included changes to housing revenue account financing, and the PFI issue relating to County Hall, Ruthin. Details pertaining to the changes to housing revenue account financing were

provided by the CA, and this included the consultation process which would be reported to the Committee.

**RESOLVED** – that Corporate Governance Committee notes the performance of the Council's Treasury Management function during 2013/14, and its compliance with the required Prudential Indicators as reported in the Annual TM Report 2013/14.

## **9 PROCUREMENT OF CONSTRUCTION SERVICES - UPDATE**

A copy of a report by the Head of Internal Audit (HIA), on the follow up work of Procurement of Construction Services following its initial report in October, 2013 and the Wales Audit Office's (WAO) report of March 2014, had been circulated with the papers for the meeting.

Internal Audit (IA) had issued a report on Procurement of Construction Services in October, 2013 which had given a 'low' assurance rating, with an Action Plan which included 11 areas for improvement. The review concluded "there was considerable scope for improvement. By developing a strategic approach, there was potential to make Construction Procurement much more efficient through streamlining processes and making them more consistent, with the benefit of removing duplication."

The WAO report covered school building maintenance work, concluding that "Improvements need to be made to the current procurement arrangements to ensure that the Council can demonstrate that it is achieving value for money. In addition, the Council was not complying fully with its current contract procedure rules." The WAO Recommendation Action Plan had included six areas for improvement.

The follow up Action Plan, Appendix 1, incorporated all actions from both the Internal Audit and WAO Action Plans and showed lack of progress to date in delivering the improvements identified by the relevant services within timescale. Only 2 of the 17 risks had been addressed in full, with others in progress at various stages. In particular:-

- there was no procurement strategy in place;
- framework agreements had been delayed by several months of the agreed implementation date;
- e-sourcing roll-out was delayed by a year of the agreed implementation date; and
- revised contract procedure rules (CPRs) had not been agreed and would be delayed by a year of the agreed implementation date. This had affected the implementation of several other improvement actions. The HIA explained that a report pertaining to CPR's would be presented to the Committee in November.

In response to concerns raised by Councillor J. Butterfield regarding the need to increase the number of accredited contractors on the approved list, the Property Manager (PM) outlined the main function of the framework, and pre-qualification questionnaire, and explained that the expression of interest document had been designed to gauge interest and provide an opportunity to assess the competency of

applicants. He referred to the importance of demonstrating best value and engaging with local contractors, and confirmed that work had been undertaken with the Third Sector Liaison Group and Federation of Small Businesses to promote opportunities for small businesses.

The HFA referred to the composition of the approved list in relation to the availability of work and he highlighted the need to stimulate competition. The PM confirmed that a report would be presented to Members following completion of the Framework Agreements.

Mr P. Whitham expressed concern regarding the absence of a procurement strategy and the general lack of progress. The HIA agreed that a further progress report could be presented to the Committee at its meeting on the 17<sup>th</sup> December, 2014. Mr Whitham referred to the WOA report on school building maintenance and the importance of the concept of aggregation, and he suggested that reference to relationships with contractors incorporates gifts and hospitality.

In reply to a question from Councillor M.L. Holland, the Acting Strategic Procurement Manager (ASPM) explained that contracts for highway works in Denbighshire and Flintshire, the joint collaborative agreement, were currently being progressed. Details of the management and performance of the contracts was outlined and benefits arising from the merger of the Denbighshire and Flintshire Procurement Teams were highlighted.

**RESOLVED** – *that the Corporate Governance Committee:-*

- (a) receives the report and notes the concerns expressed regarding the lack of progress.*
- (b) agrees that the Head of Internal Audit submit a progress report to the December meeting of the Committee, and*
- (c) requests that a report be presented to Members following completion of the Framework Agreements.*

***(IB, SA and DL to Action)***

## **10 REPORT ON ARM'S LENGTH COMPANIES**

A report by the Head of Internal Audit (HIA), which outlined the preliminary work undertaken and detailed the assessment framework for the Council to gain assurance on governance and performance from its 'arms-length' organisations, had been circulated previously.

Performance Scrutiny had requested a report on how it could gain assurance on the performance of 'arms-length organisations', which the HIA agreed to develop into his project for CIPFA's Certificate in Corporate Governance. It was subsequently agreed that the report be presented to the Corporate Governance Committee as it covered a wider remit than performance.

The report, Appendix 1, formed the first phase of a project to develop a robust framework to monitor governance arrangements in 'arms-length organisations' or Council funded service providers' (CFSPs). It provided examples of good practice

and guidance from Scotland and suggested a way forward for the Council to develop a simple but effective framework which would not be too bureaucratic.

Currently the recommendations were generic, with the next phase being to develop a specific framework for the Council for implementation by the 1<sup>st</sup> April, 2015, consulting with services, CFSPs and Members. The framework could also be developed for use in partnerships and large third party contract arrangements, where the Council relied heavily on third parties to deliver key services.

The new framework for monitoring CFSPs would contribute to the Council's governance arrangements and address a significant governance weakness highlighted in its 'Annual Governance Statement' to provide stakeholders with an assurance that public money was fully accounted for and used for its intended purpose in delivering the Councils' Corporate Priorities and statutory duties. The Committee would receive further reports as phase two progressed.

The Chair questioned how historic agreements could be addressed. The HLDS highlighted the importance of identifying the nature of relationships between the Council and the respective organisations with regard to purchases, representation on controlling bodies and funding issues. He stressed the need for a definitive legal agreement which would set out roles and responsibilities, with the clarity of the agreement defining the nature of the relationship. The HLDS responded to a question from MR P. Whitham, regarding the need for an implementation plan, and provided details of the possible introduction of documentation to address the issues. He explained that current guidance on the role of Members and training provision had been based on WLGA guidance.

During the ensuing discussion the WAO Representative endorsed the actions implemented by the Authority to address the current situation. Members of the Committee noted the progress to date and agreed that a progress report be present to the January, 2015 meeting of the Committee.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) *receives the report and notes the progress to date, and*
  - (b) *requests a progress report by the Head of Internal Audit be included on the Committee's Forward Work Programme for January, 2015.*
- (IB to Action)**

## **11 STRATEGIC HUMAN RESOURCES INTERNAL AUDIT REPORT - UPDATE**

A report by the Head of Internal Audit, which detailed Internal Audit's latest work in Strategic HR, following its initial report in August 2012 and previous follow up reports, had been circulated previously.

The Committee had requested that the Strategic Human Resources be revisited to provide an assurance that the Internal Audit Action Plan had been fully implemented and the service's Improvement Plan had been achieved.

Details the latest report, Appendix 1, indicated that significant progress had been made, resulting in a new 'Medium' assurance rating. The report also commented on the commitment of the Strategic HR staff to make the project a success and provide confidence in the service making further progress.

Councillor B.A. Smith confirmed that she had been pleased with the progress made. Members of the Committee and officers thanked the HR Services Manager and her team for the work undertaken.

**RESOLVED** – *that Corporate Governance Committee receives the Internal Audit report, and notes the progress made.*

## 12 INTERNAL AUDIT PROGRESS REPORT

A report by the Head of Internal Audit (HIA), which provided an update on Internal Audit's (IA'S) latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement, had been circulated previously.

The HIA provided an update in respect of:-

- delivery of the Assurance Plan for 2014/15 (Appendix 1)
- recent IA reports issued (Appendix 2)
- management's response to issues raised (Appendix 3)
- IA's performance (Appendix 4)

A breakdown of IA's work during 2014/15, compared to the IA Assurance Plan, had been included in Appendix 1. It incorporated assurance scores and number of issues raised for the completed reviews, definitions used to form our audit assurance and the ratings used to assess the risk-levels for issues raised. Progress had been very good and the Plan was on target for completion by the 31<sup>st</sup> March, 2015.

A summary of the final IA reports issued since March, 2014 had been provided in Appendix 2. Executive summary reports and Action Plans had been included for information. Most IA reports identified risks and control weaknesses and were rated as critical, major or moderate risk. Instances where management failed to respond to follow up work, or where they exceed the agreed implementation date by more than three months, was reported. The Committee would decide whether further action should be taken.

Follow up reviews completed during 2014/15 to date had been incorporated in Appendix 3, and two follow up reports had been included as separate agenda items.

The HIA explained that IA measured its performance in two key areas:-

- Provision of 'Essential Assurance'
- 'Customer Standards'

Appendix 4 indicated performance to date for 2014/15. IA were on target to deliver 100% of 'Statutory Assurance' projects by 31<sup>st</sup> March, 2015. They were also on target to achieve 100% on all 'Customer Standards' with two exceptions:-

- For one project, IA had failed to issue a project scoping document in advance of commencing the project.
- For one project, IA had issued a draft report after 17 days rather than the agreed 10 days.

Mr P. Whitham explained that he hoped that integrating the Payroll and HR system data would address the problem of the overpayment to school leavers.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) *receives and notes Internal Audit's progress and performance in 2014/15, and*
- (b) *notes the recent Internal Audit reports issued and follow ups carried out.*

### **13 FEEDBACK ON CORPORATE EQUALITIES MEETING**

Councillor M.L. Holland provided an update on the Corporate Equalities meeting held on the 15<sup>th</sup> July, 2014.

The main points of discussion had related to:-

- Equality issues pertaining to the Residents Survey Report.
- The Staff Survey which had indicated that 22 Members of staff had considered themselves to be disabled.
- Equality Impact Assessments, with random reports submitted to Cabinet having been selected for scrutiny.

**RESOLVED** – *that Corporate Governance Committee receives and notes report.*

### **14 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

The Corporate Governance Committee's Forward Work Programme (FWP) (previously circulated) was presented for consideration.



The Committee confirmed the Corporate Governance Committee Forward Work Programme subject to the inclusion of the following reports:-

**5<sup>th</sup> November, 2014:-**

- Progress report on Clwyd Leisure.

**17<sup>th</sup> December, 2014:-**

- Update report on Construction and Procurement.

**28<sup>th</sup> January, 2015:-**

- Progress report in respect of Arm's Length Companies.

In response to a question from Councillor J. Butterfield, the HLDS agreed to provide details of the reasons for the slow progress in finalising lease documents, which often related to the lack of the provision of the necessary information from the respective Directorates.

The HLDS responded to a question from Councillor G.M. Kensler and explained that reference to the Whistling Blowing Policy had been included in the new Model Constitution.

The HIA referred to the considerable number of business items on the Committee's agenda and suggested the possibility of matters being submitted as information reports. The HLDS explained that the possibility of circulating committee agenda's, with a separate information pack, had been discussed at the recent Budget Workshops. He explained that any issues of concern highlighted by Members could be placed on a future agenda for consideration by the Committee.

**RESOLVED** – *that, subject to the above, the Committee approves the Forward Work Programme.*

## **PART II**

### **Exclusion of press and public**

**RESOLVED** – *that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972.*

## **15 COUNTY HALL - PFI**

A confidential report by the Head of Finance and Assets (HFA), which provided an update on the progress of negotiations on the future of the Ruthin PFI contract, and outlined the risks and process to completion, had been circulated previously.

A report presented to Cabinet Briefing outlining the history of the PFI and initial ideas being discussed had been circulated as Appendix 1. It had been agreed that the HFA progress the proposals discussed at a Members' Budget Workshop in July. A project group had been formed to manage the process and details of the advice received from external solicitors had been included in the report.

As a willing seller Neptune were content to waive the need to go through the formal process and selected the 'market value' option for valuation. Following discussions an initial submission had been suggested and both WG and the WLGA had been approached for a contribution.

The option of not understanding the valuation had been outlined with the possibility of there being a need to rely on a value for money judgment. As well as understanding how much Neptune required for the contract the Authority may need to understand how much it would cost to buy and run the building. This had resulted in two work streams and property related costs and the Balance Sheet and Treasury Management implications had been outlined in the report. As PFI was a mix of capital and revenue costs Finance Officers had sought advice from the Council's Treasury Management Advisers on the correct balance sheet treatment.

The PFI had been shown on the balance sheet with a long term lease liability. This had been deemed to be capital and could therefore be converted to a loan with no real implications. Any remaining amount required by Neptune would need to be treated as a revenue payment.

Details of the way in which PFI schemes were supported by Central Government, the aims of the Council's Corporate Plan, how savings could be achieved, other benefits, principals and consultations carried out had also been included in the report.

Following detailed discussion, which included the provision of responses to questions from Members and the views of the WAO Representative, it was:-

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) receive and support the principals laid out in the report, and*
- (b) request that the process proceed with caution.*

**(PM and RW to Action)**

At this point the meeting resumed in open session.

Meeting ended at 14.40 p.m.

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1A, County Hall, Ruthin on Monday, 29 September 2014 at 9.30 am.

### **PRESENT**

Councillors Martyn Holland, Gwyneth Kensler (Vice-Chair), Jason McLellan (Chair) and Mr P. Whitham (Lay Member).

Councillors B.A. Smith and M.LI. Davies attended as observers.

### **ALSO PRESENT**

Head of Internal Audit (IB), Head of Finance and Assets (PM), Chief Accountant (RW), Capital Finance Manager (VH), Technical Accountant (SJ), Wales Audit Office Representatives (AV and NR) and Committee Administrator (CIW).

#### **1 APOLOGIES**

Apologies for absence were received from Councillors Joan Butterfield and Julian Thompson-Hill and the Head of Legal and Democratic Services.

#### **2 DECLARATIONS OF INTEREST**

No Members declared any personal or prejudicial interests in any business identified to be considered at the meeting.

#### **3 URGENT MATTERS**

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

#### **4 APPROVAL OF ANNUAL STATEMENT OF ACCOUNTS 2013/14**

A copy of a report by Chief Accountant (CA) had been circulated with the papers for the meeting, together with, the Statement of Accounts 2013/14 (SA) and the Audit of Financial Statements Report (AFSR), produced by the Welsh Audit Office (WAO).

The Head of Finance and Assets (HFA) introduced the report which presented the SA for formal approval. He highlighted the importance and complex nature of the document and explained that the timescales for the production of the SA would decrease in the future. The Council had a statutory duty to produce a SA which complied with approved accounting standards, and the audited accounts were required to be formally approved by Elected Members on behalf of the Council.

The Financial Statements for 2013/14 had been approved, subject to audit, by the Chief Finance Officer on the 30<sup>th</sup> June, 2014. The draft SA had been presented to

the Committee on the 2<sup>nd</sup> July, 2014, when the CA had provided an overview of the draft SA and the process underpinning it. The Accounts and Audit Regulations required Council to formally approve the audited Accounts, containing the external Auditor's opinion, by the end of September.

The SA had been produced in compliance with the International Financial Reporting Standards (IFRS), details had been included in the report. The Chartered Institute of Public Finance and Accountancy (CIPFA) produced the IFRS based Code of Practice on Local Authority Accounting and the Council had produced the 2013/14 SA in compliance with the Code. The SA included an unqualified audit opinion and audit certificate, and had been made available for audit and open to public inspection and no representations had been received. The Accounts had been audited by the WAO who would present an overview of their findings and an assessment of the process in a report. The audit process had resulted in some technical adjustments, other corrections and amendments which had been included in the Auditor's report.

The publication of the SA underpinned the financial stewardship and governance of the Council and therefore supported all Council services and priorities. The WOA had worked closely with the Finance Team to ensure the timely and successful finalisation of the audit.

The SA had again received an unqualified audit opinion, which had been a significant achievement given the scale and complexity of the Accounts. Internal procedures would be reviewed annually to ensure that the Council continued to deliver high quality financial statements.

The Chief Accountant (CA) delivered a presentation on the Statement of Accounts which provided:–

- an overview of the accounts and main financial statements.
- an outline of the processes involved including legislative requirements and timescales together with Members' role within the process
- illustrated how figures reported in the Revenue Account had been reflected within the financial statements.
- highlighted key areas for attention including Movement in Reserves; Income and Expenditure Statement; Balance Sheet and Cash Flow Statement.
- the statutory requirement to approve the SA by the 30<sup>th</sup> September, 2014.

The CA advised that no significant issues had emerged from the WAO audit which provided assurances in terms of process and compliance.

The WAO representative (AV) provided a detailed summary of the Audit of Financial Statements Report and referred to the WAO's role within the overall process and their responsibility to report on the financial statements. He presented

an overview of the report findings and particular reference was made to the following:—

- the Appointed Auditor intended to issue an unqualified audit report once the Letter of Representation had been provided.
- a summary of the corrections made to the draft financial statement, Number 10, Page 16 of Appendix 3. These had not been significant and had not affected the conclusions within the report.
- reference was made to the quality of the supporting papers provided, and appreciation conveyed to the Finance Team for their support and assistance.
- there had been no other significant issues arising from the audit.
- financial reporting and draft financial statements had been prepared to a high standard and no material weaknesses had been identified in internal controls.
- closure of the audit could not be certified until the WAO formally responded to correspondence received from the public in relation to the draft accounts.
- confirmation provided of the independence and objectivity of the work undertaken.

In response to concerns raised regarding issues pertaining to the valuation process of assets by Property Services, the HFA provided details of the process and assured Members that work to address this matter was in progress. The WAO confirmed that there were no issues in respect of the quality of the information provided. Confirmation was also provided that following sample checks 'exit packages' had been compliant.

The following responses were provided to questions from Members:-

- The CA outlined the process, and work being undertaken, in respect of pension fund information relating to the IAS 19 requirement for employee bodies to disclose in their accounts details pertaining to assets, liabilities and transactions. The importance of ensuring the provision of a correct evaluation of the deficit was highlighted by the WAO representative.
- The WAO representative explained that the key driver for the change in timescales for the closure process for the SA had related to the whole of the Governments accounts initiative, which had ultimately been a Treasury initiative. Confirmation was provided that WG would also have to abide by the new timescales. The HFA expressed the view that the reduction in timescales would not improve the accuracy or quality of the figures produced.
- Reference to the construction figures in respect of Foryd Harbour had arisen as a result of the misclassification of costs attributable to the project.
- The adjustment required to the fixed asset register to reflect the correct valuation of the Rhyl Recycling Centre had arisen following the provision of the re-evaluation figure.

- Details of the reserves held by the Authority and the consequences of utilising them, both earmarked and general, were provided by the HFA.

The Committee expressed its satisfaction that a high level of assurance had been provided in terms of the financial accounting process and compliance. The Chair and Members of the Committee requested that the HFA convey their appreciation to the staff in the Finance Team for the excellent work undertaken.

**RESOLVED** – *that the Corporate Governance Committee:-*

*(a) approve the Statement of Accounts 2013/14, Appendix 1 to the report, and  
(b) requests that the Chair and Chief Finance Officer sign the Accounts and the Letter of Representation.*

**[JMc & PM to action]**

## **5 GOVERNANCE IMPROVEMENT PLAN**

A report by the Head of Internal Audit (HIA), which provided an update on the Council's Governance Improvement Plan (GIP) arising from the Council's 2013/14 'annual governance statement' - 'Delivering good governance and continuous improvement', had been circulated previously.

The HIA introduced the report which detailed the progress being made with the implementation of the various actions included in the GIP, to ensure that the Council had robust and effective governance arrangements in place.

The Council's latest Annual Governance Statement, 'Delivering good governance and continuous improvement', provided a transparent and balanced self-assessment of the Council's governance arrangements, highlighting any significant governance weaknesses and other areas for improvement.

Improvement areas had been included in the GIP, Appendix 1, which provided proposed actions to address weaknesses, the officers responsible for the actions and timescales. The Plan was not fully complete as not all progress updates had been provided. Where responses had been received, actions were either complete or in progress. The Committee had received separate update reports which included Strategic HR, Arms-length Organisations, and Strategic Procurement.

Although the 'Annual Governance Statement' self-assessment did not directly contribute to Corporate Priorities, it provided an assessment and assurance on the delivery of the Corporate Plan, the Council's operational and financial performance, governance arrangements, community engagement etc. that were all directed towards delivering the Corporate Priorities.

If the GIP was not implemented, weaknesses would remain in the Council's governance arrangements, which could lead to:-

- adverse regulatory reports;
- poor use of public money;
- failure to improve key corporate and service areas;
- loss of stakeholder confidence; and

- an adverse impact on the Council's reputation.

In response to a request by Mr P. Whitham, that the issue pertaining to a lack of a Procurement Strategy be addressed by the end of November, 2014, the Committee agreed that a verbal progress report could be provided at the November meeting of the Committee prior to the receipt of a written report in December, 2014. Members also requested that written progress reports be provided by the HIA, at the November meeting, in respect of those areas which hadn't provided responses within the given timescales. Councillor B.A. Smith agreed to discuss the concerns raised by the Committee with the Head of Business, Improvement and Modernisation.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) receives the report, and*
- (b) requests that a verbal progress update be presented at the November, 2014 meeting of the Committee in respect of the Procurement Strategy, and*
- (c) requests that the Head of Internal Audit submits written reports to the November meeting, in respect of those areas which hadn't provided responses within the given timescales.*

**(IB to Action)**

Meeting ended at 11.00 a.m.

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**Report To:** Corporate Governance Committee

**Date of Meeting:** 5<sup>th</sup> November 2014

**Lead Member / Officer:** Councillor Julian Thompson-Hill /Paul McGrady

**Report Author:** Richard Weigh, Chief Accountant

**Title:** Budget Process 2015/16

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**1. What is the report about?**

The report gives an update on the process to deliver the revenue budget for 2015/16.

**2. What is the reason for making this report?**

To provide an update of the latest position.

**3. What are the Recommendations?**

To consider the latest update and comment as appropriate.

**4. Report details**

Since the last update, the budget process has moved into its second phase (Appendix 1 shows the illustration of the budget process for reference).

The table of key events in the process and is shown below:

*Table 1 Key Events*

Key Events	Dates	Status
Corporate Governance Committee	15 <sup>th</sup> April 2014	Completed
Council Briefing	28 <sup>th</sup> April	Completed
First Round of Budget Meetings with Services	7 <sup>th</sup> May – 4 <sup>th</sup> Aug	Completed
Update to Cabinet Briefing	12 <sup>th</sup> May	Completed
CET Review of Process	19 <sup>th</sup> May	Completed
Update to Corporate Governance Committee	21 <sup>st</sup> May	Completed
Update to Cabinet Briefing	2 <sup>nd</sup> June	Completed
Update to Corporate Governance Committee	2 <sup>nd</sup> July	Completed
Update SLT	3 <sup>rd</sup> July	Completed
Update to Cabinet Briefing	7 <sup>th</sup> July	Completed
First Member Budget Workshop	9 <sup>th</sup> July	Completed
Second Member Budget Workshop	14 <sup>th</sup> July	Completed

<b>Third Member Budget Workshop</b>	<b>26<sup>th</sup> August</b>	<b>Completed</b>
<b>Extra Workshop If Needed</b>	<b>28<sup>th</sup> August</b>	<b>Not required</b>
<b>Fourth Member Budget Workshop</b>	<b>2<sup>nd</sup> September</b>	<b>Completed</b>
<b>Update to Corporate Governance Committee</b>	<b>3<sup>rd</sup> September</b>	<b>Completed</b>
<b>County Council</b>	<b>9<sup>th</sup> September</b>	<b>Completed</b>
<b>Fifth Member Budget Workshop</b>	<b>22<sup>nd</sup> September</b>	<b>Completed</b>
<b>Phase 2 proposals developed by services</b>	<b>September/early October</b>	<b>Completed</b>
<b>Update to Cabinet Briefing</b>	<b>22<sup>nd</sup> September</b>	<b>Completed</b>
<b>Update SLT</b>	<b>2nd October</b>	<b>Completed</b>
<b>Update to Cabinet Briefing</b>	<b>6<sup>th</sup> October</b>	<b>Completed</b>
<b>Sixth Member Budget Workshop</b>	<b>8<sup>th</sup> October</b>	<b>Completed</b>
<b>Seventh Member Budget Workshop</b>	<b>13<sup>th</sup> October</b>	<b>Completed</b>
<b>Eighth Member Budget Workshop</b>	<b>20<sup>th</sup> October</b>	<b>Completed</b>
<b>Ninth Member Budget Workshop</b>	<b>27<sup>th</sup> October</b>	<b>Invites Issued</b>
<b>Update to Cabinet Briefing</b>	<b>3<sup>rd</sup> November</b>	
<b>Update to Corporate Governance Committee</b>	<b>5<sup>th</sup> November</b>	
<b>Update to Cabinet Briefing</b>	<b>8<sup>th</sup> December</b>	
<b>County Council</b>	<b>9<sup>th</sup> December</b>	
<b>Tenth Member Budget Workshop</b>	<b>12<sup>th</sup> December</b>	<b>Invites Issued</b>
<b>Update to Corporate Governance Committee</b>	<b>17<sup>th</sup> December</b>	
<b>County Council</b>	<b>3<sup>rd</sup> February 2015</b>	

The first round of budget workshops with elected members concluded on 22<sup>nd</sup> September. The papers for all workshops were issued in advance electronically and in hard copy. The workshops were well attended with wide ranging debate taking place and numerous questions being asked. Members were asked to express views as to whether saving proposals should be 'adopted', developed', or 'deferred'. In addition, members were taken through each service's budget on a page by page basis and invited to comment on each one. A number of proposals that members indicated they would be content to adopt were taken to County Council for approval on 9<sup>th</sup> September. The proposals taken to council as Phase 1 savings totalled £3.7m for 15/16 and £870k for 16/17.

The council's budget strategy had previously identified a budget gap of up to £18m over two years. This was primarily driven by indications that the council's funding settlement would be cut by 4.5%. The Draft Local Government Settlement was published on 8<sup>th</sup> October. The Settlement indicates that the cash reduction to the council's budget will be 3.7% which equates to £5.3m. With cost pressures the council has to fund, such as pay, pensions and energy increases, etc the budget gap for 2015/16 is now approximately £8.2m and estimated to be approximately £8.8m in 2016/17.

The second phase of the budget process is now almost complete with the final member workshop of Phase 2 scheduled for 29<sup>th</sup> October. So far, members have identified proposals totalling £3.2m for 2015/16 and £1.8m for 2016/17 that will be taken for approval in December. If all of the proposals being taken to the final October workshop are recommended for approval then the totals will be £4.0m for 2015/16 and £2.1m for 2016/17 from Phase 2.

Phase 2 proposals will be presented first to cabinet and then recommended to council for approval in December.

Phase 3 of the budget process will consider final proposals to balance the 2015/16 budget, including options for Council Tax and any use of reserves. These issues will be discussed at the member workshop in December before final approval in February. Phase 3 of the process will also continue to develop savings options for 2016/17.

A consultation on the impact of the budget cuts has begun and includes all elected members, staff, residents and Town and Community Councils.

**5. How does the decision contribute to the Corporate Priorities?**

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

**6. What will it cost and how will it affect other services?**

The council may need to deliver savings of approximately £17m over the next two financial years.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

An EqIA will be completed for all relevant proposals as the process develops.

**8. What consultations have been carried out with Scrutiny and others?**

The process has been considered by CET, SLT, Cabinet Briefing, Council Briefing and the Corporate Governance Committee. A wider public consultation on the impact of the budget began at the end of October.

**9. Chief Finance Officer Statement**

This will be an extremely challenging process with some tough decisions to make along the way. The engagement and support of elected members in the decision making and scrutiny of the process is crucial.

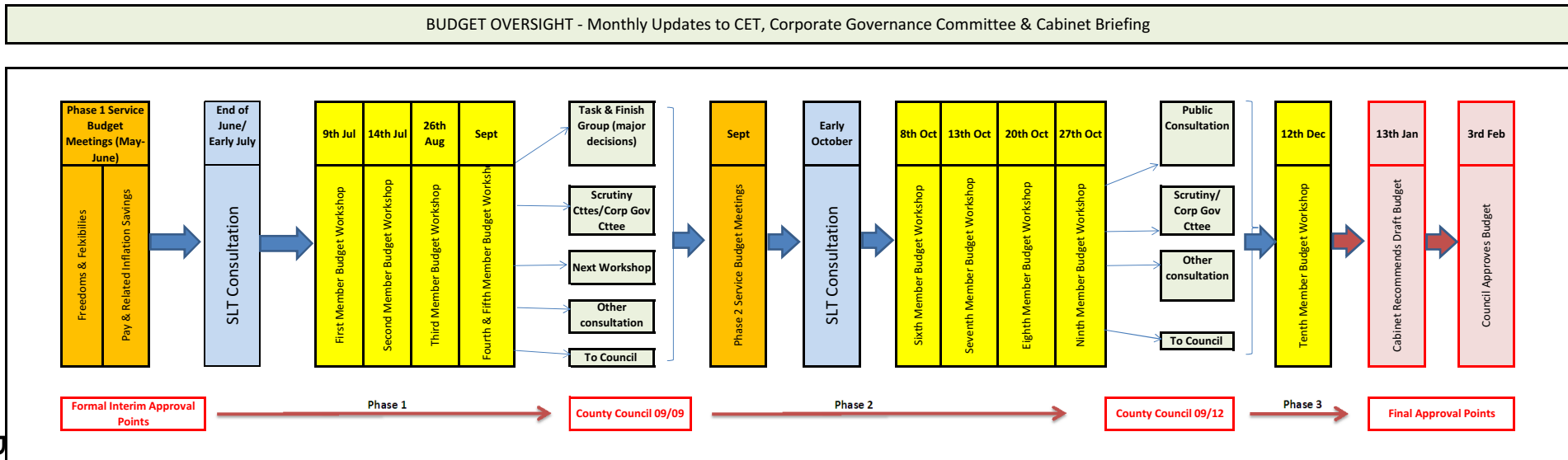
**10. What risks are there and is there anything we can do to reduce them?**

This is the most challenging financial period the council has faced and failure to deliver an effective budget strategy will put further pressure on services in future financial years.

**11. Power to make the Decision**

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

**BUDGET PROCESS 2015/16**



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**Report To: Cabinet Briefing**

**Date of Meeting: Wednesday 5 November 2014**

**Lead Member / Officer: Keith Amos**

**Report Author: Nicola Kneale**

**Title: Corporate Risk Register review, November 2014**

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**1. What is the report about?**

1.1 The October 2014 formal revision to the Corporate Risk Register.

**2. What is the reason for making this report?**

2.1 A formally updated version of the Corporate Risk Register was agreed at Cabinet Briefing and is presented for consideration at Corporate Governance.

**3. What are the recommendations?**

3.1 That Corporate Governance notes the deletions, additions and amendments to the Corporate Risk Register, and has the opportunity to comment.

**4. Report details**

4.1 The Corporate Risk Register enables the council to manage the likelihood and impact of risks that it faces by evaluating the effect of any current mitigating actions, and recording deadlines and responsibilities for further action that should enable tighter control.

4.2 The Corporate Risk Register has been developed by, and is owned by, the Corporate Executive Team. The process for reviewing the Corporate Risk Register is as follows:

- Services are encouraged to review their risk registers twice per year (according to the Corporate Risk Management methodology) prior to each Corporate Risk Register review, and also prior to their Service Performance Challenge meetings. Any issues or queries are discussed in the Service Performance Challenge meetings.
- The Corporate Improvement Team analyses all service risk registers to identify any risks of corporate significance, or any risk themes emerging across services.
- Updates on current corporate risks are collected from risk owners, and updates on mitigation actions are collected from action owners.
- Individual meetings are held with the Chief Executive and each Corporate Director to discuss the risks for which they are lead. Consideration is given

to whether the risk remains, whether the scores are accurate, and whether any new risks under their jurisdiction need to be included.

- A risk workshop is held with Cabinet and CET to review existing risks; discuss progress on agreed mitigation actions; discuss and agree new corporate risks; review and update residual risk scores; update existing controls (in light of completed actions); and agree any new actions required to mitigate risks.
- 4.3 The Corporate Risk Register is formally reviewed twice yearly by Cabinet and CET. However, any significant new or escalating risks are brought to the attention of CET (via the Corporate Improvement Team) as and when they are identified. CET then take a view as to whether that risk should be included in the Corporate Risk Register.
- 4.4 Following each formal review of the Corporate Risk Register (twice per year), the revised document is presented to Corporate Governance.
- 4.5 Actions identified to address corporate risks are included in Service Plans (where appropriate), which enables Performance Scrutiny Members to monitor progress. Any performance issues in relation to the delivery of these activities should be highlighted as part of the Service Performance Challenge process.
- 4.6 The council's Internal Audit function provides independent assurance on the effectiveness of the internal control procedures and mechanisms in place to mitigate risks across the council. It also offers independent challenge to ensure the principles and requirements of managing risk are consistently adopted throughout the council. Internal Audit Services also use information from our service and corporate risk registers to inform its forward work programme.
- 5. How does the decision contribute to the Corporate Priorities?**
- 5.1 The purpose of the Corporate Risk Register is to identify the potential future events that may have a detrimental impact on the council's ability to deliver its objectives, including its corporate priorities. The identified controls and actions are therefore crucial to the delivery of the corporate priorities.
- 6. What will it cost and how will it affect other services?**
- 6.1 The cost of developing, monitoring and reviewing the Corporate Risk Register is absorbed within existing budgets.
- 7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**
- 7.1 This Corporate Risk Register documents identified risks, and current and proposed mitigating actions. The process of developing and reviewing the document itself does not impact adversely on any people with protected characteristics. However, any new process, strategy or policy arising as a



result of a mitigating action should be equality impact assessed at service delivery level.

**8. What consultations have been carried out with Scrutiny and others?**

8.1 Details of the consultation process to review the Corporate Risk Register are contained in paragraph 4.2.

**9. Chief Finance Officer Statement**

9.1 There are no financial implications arising from the process outlined in this report for developing, monitoring and reviewing the Corporate Risk Register.

**10. What risks are there and is there anything we can do to reduce them?**

10.1 The main risk associated with the risk management process is that the registers are not regularly reviewed and do not therefore become a dynamic and meaningful management tool. However, the new process is fully integrated into the council's performance management framework, which should mitigate against this.

**11. Power to make the Decision**

11.1 Local Government Act 2000.

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The main changes made to the Corporate Risk Register are listed below, along with any points of note:

- i) No change to DCC001: *'The risk of a serious safeguarding error where the council has responsibility, resulting in serious injury or death'*. The planned mitigating actions are close to completion, but are still to be implemented.
- ii) Revision to DCC004: *'The risk that the HR framework doesn't support the organisation's aims'*. Support processes are now in place, and the Improvement Plan is progressing (annual leave guidance has been developed, the appraisal system has been reviewed and new lifecycles have been developed for managers). Enough progress has been made to justify a reduction in the residual risk score from a B2 to a C2, but there is still some work to be done around updating policies and procedures, and a strategy for developing leadership.
- iii) No change to DCC006: *'The risk that the economic and financial environment worsens beyond current expectations, leading to additional demand on services and reduced income'*. The inherent and residual risk scores remain identical, with this being a significant risk. This is because although the Freedom & Flexibilities program is identifying savings, it is still a work in progress.
- iv) Revision to DCC007: *'The risk that critical or confidential information is lost or disclosed'*. A previous mitigating action ('Roll out of information security e-learning') is fulfilled, but not all office-based staff have completed the training. Hence, an additional action has been added: to report non-completion to Cabinet, and inform SLT of this process. Other mitigating actions are due for completion at the next Corporate Risk Register review (March 2015).
- v) No change to DCC011: *'The risk of a severe weather, contamination, or public health event'*. Although there had been progress against implementation of the mitigating actions, they are not yet complete (but delivery of training to SLT and finalisation of the Incident Handbook are imminent). Until these actions are complete, the scores remain at D2. The actions we are putting in place at the moment should reduce the Impact of an emergency event (whereas mitigating actions for most risks tend to affect the Likelihood), and this should be tested by a multi-agency training exercise scheduled for October.
- vi) Revision to DCC012: *'The risk of a significantly negative report(s) from external regulators'*. No change to the score here, but the further mitigating action to merge the Annual Governance Statement and the Corporate Self-Assessment is complete.

- vii) Revision to DCC013: *'The risk of significant financial and reputational liabilities resulting from management of some Arm's Length organisations'*. There's a new mitigating action here, which is that Internal Audit will develop a robust framework for monitoring governance arrangements with 'Council Funded Service Providers'. This is expected to be delivered by March 2015, at which point the risk's score will be reviewed. It's suggested that we change the reference here from "Arm's Length Organisations" to "Council Funded Service Providers" for consistency.
- viii) No change to DCC014: *'The risk of a health & safety incident resulting in serious injury or the loss of life'*.
- ix) No change to DCC016: *'The risk that the impact of welfare reforms is more significant than anticipated by the council'*. This remains an area of uncertainty and, therefore, a risk for the Council.
- x) Revision to DCC017: *'The risk that the ICT framework does not meet the organisation's needs'*. There are two mitigating actions for this risk (Telephony Strategy, and MS Enterprise rollout), which aren't due for delivery until March 2015. Progress against them has increased our confidence in our ability to deliver these actions, but where this risk originally focussed on the ICT department itself, consideration has now broadened to consider other important IT systems that the council operates, such as Social Service's PARIS system. There are some corporate projects that have a dependency on PARIS (e.g. Vulnerable People Mapping, Central Invoice Registration), and there may be similar non-central IT systems across the Council that need to fit with the organisation's strategy. Should we consider how we respond to this situation under this risk description?
- xi) No change to DCC018: *'The risk that programme and project benefits are not fully realised'*. The Strategic Investment Group is now the only one that can approve funding for capital projects, and a representative from the Corporate Programme Office (who will seek to ensure that project benefits are articulated and appear robust) sits on the group. Nevertheless, there are still mitigating actions to be completed (some are due for completion before the next Risk Register review in March 2015), so the inherent and residual risk scores remain identical, and significant.
- xii) No change to DCC019: *'The risk that the availability of the Welsh Government's match-funding contribution towards Band A of the 21st Century Schools programme is not in line with the timescales for Denbighshire's work programme'*. The 21st Century Schools Programme is progressing, with contracts agreed (or about to be agreed) for three out of the five projects. However the scale of the project still warrants the risk level of B2 as the remaining value of

the two other projects is approximately £39m.

- xiii) Revision to DCC021: *'The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop, leading to significant misalignment between the strategic and operational direction of BCUHB and DCC'*. The residual risk's likelihood has been downgraded here, so the score is now C2. This is due to the fact that the new Chief Executive of BCUHB is now in post, and the Statutory Director of Social Services on the BCUH Board will be Nicola Stubbins, Denbighshire. We're awaiting official confirmation, but the appointment will better position Denbighshire to effectively partner the Health Board.
- xiv) New risk, DCC027: *'The risk that the decisions that are necessary to enable the delivery of a balanced budget are not taken or implemented quickly enough'*. As our settlement reduces, we need to develop and gain approval for plans as to where to stop spending in our budget. Any plans require the approval of Council, and must be implemented in a timely manner that complies with legislation. With a suggested inherent score of B1, mitigating factors in place include the Freedom & Flexibilities program, and Member involvement in its operation. It's suggested that the residual score is then a C1 (reduced likelihood). Is there any further action we need to take in order to ensure approved decisions are implemented in a timely and effective manner?
- xv) New risk, DCC028: *'The risk that the services that we scale back have a greater negative impact than we anticipated'*. When deciding where to make budget cuts, we endeavour to ensure the quality of key services. There is a risk that we haven't identified the correct services as being 'key', and/or that the changes we make are more disruptive than we anticipated. There's also the risk that we don't effectively anticipate and manage the reputational risks associated with service reductions. With a suggested inherent risk score of B2, mitigating factors in place include the fact that Impact Assessments are undertaken, and all reports ask for risks and benefits to be articulated. It's suggested that the residual score is C2 (reduced likelihood). Is there any further action we need to take to ensure we have fully considered the impact of our ideas and decisions?
- xvi) New risk, DCC029: *'Risk of successful challenge that we are illegally depriving people of their liberty'*. In March 2014 the Supreme Court ruled that all people who lack the capacity to make decisions about their care and residence and, under the responsibility of the state, are subject to continuous supervision and control and lack the option to leave their care setting are deprived of their liberty. This means that each client needs to be assessed as to whether their liberty's being jeopardised by practises in their placement. We need to train our officers in how to

assess whether liberty's being jeopardised, and the main challenge here is how to deliver that training within the given timescales.

## Risk Assessment Criteria

<b>LIKELIHOOD</b>	Event is almost certain to occur in most circumstances	>70%	<b>Almost Certain</b>	<b>A</b>					
	Event likely to occur in most circumstances	30-70%	<b>Likely</b>	<b>B</b>					
	Event will possibly occur at some time	10-30%	<b>Possible</b>	<b>C</b>					
	Event unlikely and may occur at some time	1-10%	<b>Unlikely</b>	<b>D</b>					
	Event rare and may occur only in exceptional circumstances	<1%	<b>Rare</b>	<b>E</b>					
					<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
					<b>Very Low</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>
<b>Service Performance</b>					Minor errors or disruption	Some disruption to activities/customers	Disruption to core activities/ customers	Significant disruption to core activities. Key targets missed	Unable to deliver core activities. Strategic aims compromised
<b>Reputation</b>					Trust recoverable with little effort or cost	Trust recoverable at modest cost with resource allocation within budgets	Trust recovery demands cost authorisation beyond existing budgets	Trust recoverable at considerable cost and management attention	Trust severely damaged and full recovery questionable and costly
<b>Financial</b>		<b>Cost (£)</b>		<£50k	£50k - £250k	£250k - £1 m	£1 m - £5 m	>£5m	
<b>IMPACT</b>									

### Corporate Risk Severity key

**Severity**

**Management intervention**



Minor

Risk easily managed locally no need to involve senior management



Moderate

Risk containable at Service level – senior management and SLT may need to be kept informed



Major

Intervention by SLT, Exec Group with Cabinet involvement



Critical

Significant Exec Group and Cabinet intervention

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**Report To:** Corporate Governance Committee  
**Date of Meeting:** 5 November 2014  
**Lead Member:** Julian Thompson-Hill, Leader Member for Finance & Assets  
**Report Author:** Ivan Butler – Head of Internal Audit  
**Title:** Financial Payments to Care Leavers Update

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**1. What is the report about?**

This report provides an update on progress with the action plan included in the Internal Audit report on Financial Payments to Care Leavers issued in March 2014.

**2. What is the reason for making this report?**

Corporate Governance Committee requested a progress report at its meeting of 15 April 2014.

**3. What are the Recommendations?**

The Committee reviews and comments on the progress report, particularly the lack of progress with the main issue raised, deciding whether it needs any further information or further progress reports.

**4. Report details**

Internal Audit's report on Financial Payments to Care Leavers issued on March 2014 included an action plan with four Moderate Issues that had 14 actions agreed to address the issues. When the Head of Internal Audit presented the report to the Corporate Governance Committee on 15 April 2014, the Committee expressed some concerns that the current payment process was unsustainable and requested that the Internal Audit follow-up review be reported to the Committee once completed.

Appendix 1 provides a progress update on the action plan that shows that only five actions have been completed, with a further three in progress. Six actions have not been addressed, including the main issue raised (Issue 1), which required a complete review of the process for making payments to care leavers. From our discussions, there has been no liaison between Social Services and Revenues & Benefits to discuss a corporate approach. Lack of progress on this key issue has also impacted on other issues within the action plan.

A further Internal Audit follow up is scheduled for January 2015.

**5. How does the decision contribute to the Corporate Priorities?**

Not applicable – information report only

**6. What will it cost and how will it affect other services?**

Not applicable – information report only

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

**8. What consultations have been carried out with Scrutiny and others?**

Not applicable – information report only

**9. Chief Finance Officer Statement**

There are no financial implications attached to this report.

**10. What risks are there and is there anything we can do to reduce them?**

If the Internal Audit action plan is not implemented, weaknesses will remain in the procedures for making payments to care leavers as outlined in the original Internal Audit report.

**11. Power to make the Decision**

Not applicable – information report only

# Action Plan

## Audit Follow-up Review of: Care Leavers' Service - Financial Payments

Date: October 2014

Action Plan Owner: Head of Children and Family Services

Corporate Risk/Issue Severity Key	
	<b>Critical</b> – Significant CET and Cabinet intervention
	<b>Major</b> – intervention by SLT and/or CET with Cabinet involvement
	<b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1.  Page 45	There is a need to undertake a review of the process currently in place for making payments to care leavers.	<ul style="list-style-type: none"> <li>Set up a meeting with the Head of Revenues &amp; Benefits (and other staff as required) to discuss alternative methods of procuring goods and / or making payments to care leavers <b>Service Manager-Looked After Children / Practice Leader/ Head of Revenues &amp; Benefits – May 2014</b></li> <li>Following the above, to undertake a review of the current payment process and implement changes as appropriate / required. <b>Service Manager-Looked After Children – September 2014</b></li> </ul>	<p><b>Outstanding</b></p> <p><b>In progress</b> Various providers of accounts/cards were explored. The Credit Union has cards that will meet the young people's needs with added controls, depending on their age (no overdraft, accepted in shops, used to withdraw cash). Credit Union will also accept one BACs payment and will split the money as we instruct them. The Practice Leader has met with manager of the Credit Union to progress with this</p>	<p>Service Manager-Looked After Children to meet with Acting Strategic Procurement Manager and / or Head of Revenues &amp; Benefits to consider other options that may be available in respect of procuring goods and services at discounted prices <b>Revised timescale – December 2014</b></p> <p>The Practice Leader to meet the Financial Assessment Officer who processes payments for care leavers. Further meeting planned with manager of Credit Union to finalise agreement prior to implementation. <b>Revised timescale – Dec. 2014</b></p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<p>Objectives should be considered to achieve the following:</p> <ul style="list-style-type: none"> <li>• Setting up a bank account or alternative for every care leaver as soon as possible following referral to the service to equip them to receive payments in this way and to learn about budget management.</li> <li>• Maximising value for money through negotiating with third party suppliers, e.g. Arriva for bus passes or with white good suppliers, where greater discounts can be obtained through framework agreements.</li> <li>• To explore more modern and secure ways of making payments, such as using pre-paid cards where the level of spend can be easily monitored and controlled. This would replace the need to administer transactions through the petty cash account, which is costly and labour intensive.</li> </ul> <p>Additionally, there is a need to consider cross-service working on</p>	<p>Note: Bank accounts are set up for care leavers. There is a process to support some of those who are unable to manage budgeting matters. Training, support and advice is in place and bank accounts applied for when the service is confident that this best meets the assessed needs of the individual young person.</p> <ul style="list-style-type: none"> <li>• Set up a process where six-weekly reviews of the bank account situation for each young person is monitored.</li> </ul> <p><b>Practice Leader and other Social Workers – May 2014</b></p> <ul style="list-style-type: none"> <li>• To be factored into the overall review.</li> <li>• To be factored into the overall review.</li> <li>• To be factored into the overall review.</li> </ul>	<p>option.</p> <p><b>Completed</b></p> <p><b>Outstanding</b></p> <p><b>In progress</b></p> <p><b>Outstanding</b></p>	<p>Monitor via supervision and file audits.</p> <p>Meeting to be held to discuss procurement matters (see note above)</p> <p>Arrangements to be finalised (see note above)</p> <p>Meeting to be held to discuss procurement matters (see</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	this project to take advantage of skill sets outside the social care environment, e.g. price negotiation and marketing.			note above)
2.	<p>The procedures currently in place for the Care Leavers service are in need of review but we accept that it may be practical to deal with this exercise after the previous issue has been addressed.</p> <p>Linked to this, associated areas of concern include the following:</p> <ul style="list-style-type: none"> <li>The schedule of allowances payable should be reviewed and approved by an appropriate senior manager on an annual basis.</li> <li>The same should be followed for the leaving care first home grants (if they are to continue in the same way after the review).</li> <li>All social workers dealing with care leavers may require some refresher training to help raise awareness of the need to adhere to the procedures if the service is to ensure a fair and consistent process and that the financial framework is robust.</li> </ul>	<ul style="list-style-type: none"> <li>Service Manager to review schedule <b>Service Manager-Looked After Children – April 2014</b></li> <li>Service Manager to review schedule <b>Service Manager-Looked After Children – April 2014</b></li> <li>Workshop within Practice Group meeting <b>Practice Leader – April 2014</b></li> <li>Further revision to procedures to be made to reflect any changes to the payment process (resulting from the work in Issue 1 above) <b>Service Manager-Looked After Children – After the completion of the payment process review.</b></li> </ul>	<p><b>Completed</b> Review of payment for this financial year done and no changes were made. Payments for next financial year to be agreed following confirmation of budget position</p> <p><b>Completed</b> As above</p> <p><b>Outstanding</b> Put back until new team member in post</p> <p><b>Outstanding</b></p>	<p>Service Manager-Looked After Children and finance officer to review budget position.</p> <p>As above</p> <p>To be held in November as part of team day for 14+ team and Barnardo's Personal Advisor staff. <b>Revised timescale – November 2014</b></p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
3.	<p>Until legislation is provided in respect of the Council's duty and responsibility to young people who present themselves as homeless (under the Southwark Judgement agreement) there is a need for interim guidance on the financial support that is to be provided.</p> <p>All social workers dealing with the individuals will need to be aware of its content and to adhere to it when making payments.</p>	<ul style="list-style-type: none"> <li>Interim policy and guidance to be rewritten / updated and shared with all relevant staff. <b>Service Manager-Looked After Children - April 2014</b></li> <li>Further revision to procedures to be made to reflect any changes to the payment process (resulting from the work in Issue 1 above) <b>Service Manager-Looked After Children - After the completion of the payment process review.</b></li> </ul>	<p><b>In progress</b> Update of interim policy - Completed with exception of RM adding a policy position statement</p> <p><b>Outstanding</b></p>	<p>To be discussed at Southwark Judgement implementation group and members of Housing Services. <b>Revised timescale - December 2014</b></p>
4. Page 48	<p>The service should consider setting up an agreement with the care leaver to ensure that they have a responsibility to declare a change of circumstances to their Personal Advisor or Social Worker as and when their circumstances change, e.g. when DWP benefits become payable, to mitigate the risk that the service may continue to make payments indefinitely</p>	<ul style="list-style-type: none"> <li>Work in progress - DCC, DWP and Barnardo's are currently working on a three-way confidentiality agreement that will allow certain information to be disclosed (i.e. benefit start dates). This will be followed by work on an agreement where the Care Leaver can apply for benefit six weeks prior to their 18th birthday and payment to be made soon after their 18th birthday. This will eradicate the need for a balance or a compromise in our corporate parenting 'moral' duties and ensure that we are more aware of a young person's change of circumstances. <b>Practice Leader - May 2014</b></li> <li>A form for the care leaver will also be devised where they agree to inform of change of circumstances. <b>Practice Leader - May 2014</b></li> </ul>	<p><b>Completed</b> Agreement in place and in use.</p> <p><b>Completed</b> Form in place and in use.</p>	<p>Monitor the use of the agreement via Supervision and file audits.</p> <p>Monitor the use of the form via Supervision and file audits.</p>

**Report To:** Corporate Governance Committee

**Date of Meeting:** 5<sup>th</sup> November 2014

**Lead Member / Officer:** Gary Williams, Monitoring Officer

**Report Author:** Gary Williams, Monitoring Officer

**Title:** Anti Fraud Corruption and Bribery policy

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## **1 What is the report about?**

1.1 The report is about revisions to the Council Anti-Fraud and Corruption Policy.

## **2 What is the reason for making this report?**

2.1 To enable Members to consider the updated Anti Fraud Corruption and Bribery Policy.

## **3 What are the Recommendations?**

3.1 That Members note the contents of the draft Anti Fraud, Corruption and Bribery Policy and recommend it for approval by Cabinet.

## **4 Report details.**

4.1 The Council employs over 4,000 staff and spends around £250 million per year. It commissions and provides a wide range of services to individuals and households and works with a wide range of private, public and voluntary sector organisations.

4.2 As with any other large organisation, the size and nature of the Council's services mean that there is an ongoing risk of loss due to fraud and corruption from both internal and external sources. There is also an ongoing risk of bribery as the Council provides and procures goods, works and services. The Council has therefore put in place proportionate systems to minimise this risk and these are kept under constant review. These systems and procedures are set out in the guidance at paragraph 5.12.

4.3 The Council recognises that as well as causing financial loss, fraud and corruption is also detrimental to the provision of services and damages the reputation of the Council and public bodies in general.

4.4 A draft revised Policy is attached as Appendix 1 to the report. The Policy used to be a single lengthy document. The Policy has been split into two documents. The first at Appendix 1 is a statement of Policy containing the main principles upon which the Council will approach fraud, bribery and corruption. The second

document is found at Appendix 2 to this report and is a guidance document explaining the background to and the policies and procedures that are in place to support the Policy.

- 4.5 It is important that any policy purporting to counter the threat of fraud and corruption is kept up to date and reviewed in light of new legislative, technological and professional developments.
- 4.6 The Council's existing Anti Fraud and Corruption Policy was approved in 2006.
- 4.7 Members will note that the title of the Policy has been amended to include a reference to bribery. This is to take into account changes to legislation brought about by the Bribery Act 2010. The guidance also takes into account best practice guidance such as the CIPFA "Red Book 2 - Managing the Risk of Fraud".
- 4.8 In this Policy Statement and the procedures that support it, the Council gives the clear message that it will not tolerate any impropriety by employees, elected members or third party organisations.
- 4.9 Although the Council has experienced a relatively low level of detected fraudulent activity in recent years it is most important that vigilance is maintained and that all employees, elected members and partners are aware of how to report concerns or suspicions. The guidance at Appendix 2 provides clear advice as to how, and to whom, suspicions should be reported. In addition there is a clear statement of the Council's commitment to taking robust enforcement action where illegal or corrupt activity is detected.
- 4.10 The Council will continue to adapt and adopt a pro active approach to countering fraudulent activities and Internal Audit will undertake an annual review of the effectiveness of these controls.

## **5 How does the decision contribute to the Corporate Priorities?**

- 5.1 The decision does not contribute directly to the corporate priorities, however, a robust approach to the risk of fraud and corruption supports the Council in achieving its priorities by seeking to minimise the risk of the financial and reputational damage that fraud and corruption can cause.

## **6 What will it cost and how will it affect other services?**

- 6.1 There are no direct costs associated with this report.

## **7 What consultations have been carried out and has an Equality Impact Assessment Screening been undertaken?**

- 7.1 There is no need for an equality impact assessment.



## **8 Chief Finance Officer Statement**

8.1 These Policies help enhance the Council's governance and assurance framework.

## **9 What risks are there and is there anything we can do to reduce them?**

9.1 The risk of not updating the Policy is that the Council will not have an updated strategy to combat fraud and corruption.

## **10 Power to make the Decision**

10.1 Sections 111 and 151 Local Government Act 1972.

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# **Corporate Policy for the Prevention and Detection of Fraud, Bribery and Corruption**

## **POLICY STATEMENT**

- 1 This Policy is intended to cover fraud, theft, corruption and bribery.**
- 2 The Council expects the highest standards of propriety and ethics in the delivery of its services and the management of its resources and assets.**
- 3 The Council will carry out its business fairly, honestly and openly at all times.**
- 4 The Council does not and will not tolerate any form of fraud, corruption or bribery when undertaking any of its responsibilities, including Housing / Council Tax Benefit fraud.**
- 5 The Council will prevent fraud, corruption and bribery by designing and formulating proportionate policies and systems to minimise risk.**
- 6 The Council will continue to promote the detection and investigation of fraud, corruption and bribery including the application of robust, effective sanctions and recovery procedures where it is identified.**
- 7 The Council recognises that bribery is a criminal offence. The Council does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor will it, accept bribes or improper inducements. To use a third party as a conduit to channel bribes to others is a criminal offence.**
- 8 The Council does not, and will not, engage indirectly in or otherwise encourage bribery. The Council is committed to the prevention, deterrence and detection of bribery and adopts a position of zero tolerance towards bribery.**





# Guidance on the Prevention and Detection of Fraud, Bribery and Corruption

2014

# CONTENTS

## 1. INTRODUCTION

- 1.1 Denbighshire County Council (the Council) employs around 4,500 staff and spends around £250 million per year. It commissions and provides a wide range of services to individuals and households and works with a wide range of private, public and voluntary sector organisations.
- 1.2 As with any other large organisation, the size and nature of the Council's services mean that there is an ongoing risk of loss due to fraud and corruption from both internal and external sources. There is also an ongoing risk of bribery as the Council provides and procures goods, works and services. The Council has therefore put in place proportionate systems to minimise this risk and these are kept under constant review.
- 1.3 The Council recognises that as well as causing financial loss, fraud is also detrimental to the provision of services, and damaging to the reputation of, and confidence in, the Council and public bodies in general.
- 1.4 In its policies and procedures the Council gives out the clear message that it will not tolerate any impropriety by employees, elected Members or third party organisations. These are all signs of a robust framework in place to mitigate the risk of fraud, corruption or bribery.
- 1.6 The Strategy has the full support of Members and the Council's Strategic Leadership Team.
- 1.7 The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:
  - The Local Government Ombudsman,
  - The Wales Audit Office,
  - Statutory Inspectorates such as ESTYN and the Care and Social Services Inspectorate Wales (CSSIW),
  - Her Majesty's Revenue and Customs,
  - Auditors of organisations for whom the Council acts as agents as well as those that provide direct funding for the Council e.g. European funding organisations.

## 2. ANTI FRAUD AND CORRUPTION STRATEGY

- 2.1 The previous Anti Fraud and Corruption Strategy was approved in 2006. This revised Strategy takes account of changes in legislation e.g. the Bribery Act 2010 and also best practice e.g. CIPFA's "Red Book 2 – Managing the Risk of Fraud".
- 2.2 The Strategy is based on the following principles of best practice:
- a) culture
  - b) deterrence
  - c) prevention
  - d) detection
  - e) investigation
  - f) sanctions
  - g) redress
  - h) training
- 2.3 The Council also has arrangements in place to prevent and detect Housing / Council Tax Benefit fraud which are attached as Appendix 2.



### 3. SCOPE

3.1 Fraud and corruption may take a number of forms. The relevant definitions are as follows:

#### Fraud

The Fraud Act 2006 provides definitions of the criminal offence of fraud and identifies three key offences:

- Fraud by false representation - an offence is committed if a person dishonestly makes a false representation with the intent of making a gain for himself or another; or to cause or expose the risk of loss to another.
- Fraud by failing to disclose information - an offence is committed if a person dishonestly fails to disclose to another person information which he is under a legal duty to disclose; and intends by failing to do so, to make a gain for himself or another; or to cause or expose the risk of loss to another.
- Fraud by abuse of position - an offence is committed if a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person; and dishonestly abuses that position with the intention to make a gain for himself or another; or to cause or expose the risk of loss to another

#### Theft

The Theft Act 1968 provides that an offence of theft is committed where a person dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.

#### Corruption

The Oxford English Dictionary defines corruption as dishonest or fraudulent conduct by those in power, typically involving bribery.

#### Bribery

The Bribery Act 2010 provides definitions of the criminal offence of bribery and identifies four key offences:

- Bribing another person - A person commits an offence by offering, promising or giving a financial or other advantage to another person, directly or through an intermediary either:
  - a) intending that advantage to induce a person to perform improperly a Function or to reward a person for so doing (whether or not it is the same person to whom the advantage is offered) or

- b) knowing or believing that accepting the advantage would itself be improper performance of a Function.
- Being bribed - A person commits this offence by requesting, agreeing to receive or accepting a financial or other advantage, directly or through a third party, for his or her own or someone else's benefit and,
  - a) that person intends that, as a consequence, there is improper performance of a Function or
  - b) there is improper performance of a Function (whether as a reward, in anticipation of or as a consequence of the request, agreement or acceptance).

The request, agreement or acceptance itself may be the improper performance of a Function.

- Bribery of a Foreign Public Figure – This offence will be committed if a person offers or gives a financial or other advantage to a foreign public official with the intention of influencing the foreign public official and obtaining or retaining business, where the foreign public official was neither permitted nor required by written law to be so influenced.
- Failing to prevent Bribery - A company is “strictly liable” for any bribe paid by a person performing services on its behalf, unless the organisation proves that adequate anti-bribery procedures were in place.

## 4. CULTURE

- 4.1 The Council's Code of Corporate Governance sets out its commitment to the highest ethical and moral standards and also to a culture of honesty, openness and accountability.
- 4.2 The Council has agreed a set of core values that guide its work and shape the way that it goes about achieving its vision, aims and objectives. These are:
- Unity
  - Pride
  - Respect
  - Integrity
- 4.3 All employees, partner organisations as well as organisations working on the Council's behalf, are expected to share in this commitment and to lead by example in ensuring adherence to all Council regulations, procedures, practices and codes of conduct in accordance with the Nolan Committee's "Seven Principles of Public Life" which are:
- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership
- 4.4 In addition, all elected Members and co-opted members will be expected to adhere to the "The Conduct of Members (Principles) (Wales) Order 2001". This Order adds to the seven Nolan principles set out above by including requirements in relation to Stewardship, Duty to Uphold the Law, and Equality and Respect
- 4.5 This ethical framework supports a preventative, anti fraud and corruption culture which is supported by ongoing work to detect / investigate fraud and to apply sanctions and recover losses where it is found.
- 4.6 The Council's elected members and employees play an important role in creating and maintaining this culture. The Council positively encourages

those working for or with the Council to raise concerns regarding fraud and corruption immaterial of seniority or status in the knowledge that such concerns will, wherever possible, be treated in confidence without fear of reprisals or victimisation so that they can be investigated properly and fairly. Guidelines on how to make such reports are contained in Appendix 1.

- 4.7 Members of the public are encouraged to report any concerns which they may have. This may be direct using the contact details shown in Appendix 5 or by using the Council's customer service contacts which are available on the Council's website; [www.denbighshire.gov.uk](http://www.denbighshire.gov.uk)
- 4.8 The Council will ensure that any allegations received will be taken seriously and investigated in an appropriate manner.

## 5. PREVENTION

### 5.1 Policies & Procedures

5.1.1 The Council is firmly of the belief that the best way to beat fraud and corruption is to prevent it from happening in the first instance. To achieve such an objective it is essential that the Council has in place a clear set of policies and procedures which set out the rules within which elected members, employees, consultants and contractors can work effectively. These are integral elements of the corporate internal control environment, and it is important that all members and employees are aware of their existence and at least their general content.

5.1.2 The most critical of such policy and procedural documents are as follows:-

- The Constitution, containing particularly:-
  - ✚ the Financial Regulations which include Contract Procedure Rules
  - ✚ the Code of Conduct for Members
  - ✚ the Code of Conduct for Employees
  - ✚ Schemes of Delegation
- The Code of Corporate Governance.
- Employees' Conditions of Service.

5.1.3 In addition to the above, some Departments have introduced their own measures designed to control their particular activities, for example procedure manuals.

5.1.4 It is the responsibility of Corporate Directors and Heads of Service to ensure that all employees have ready access to all of the Council's agreed policies and procedures, and, where appropriate, they receive suitable training in their operation.

5.1.5 Elected members and employees have a specific responsibility to read and understand the policies and procedures that apply to them, and subsequently act in accordance with the terms and conditions therein. The Council may take formal action against anyone who fails in their duty to comply with the agreed policies and procedures.

5.1.6 In the case of an elected member, such an occurrence could precipitate a referral to the Standards Committee by the Ombudsman. In the case of an employee, the Council may take action under its Disciplinary Policy & Procedure.

## **5.2 Internal Control**

- 5.2.1 Corporate Directors and Heads of Service are fully responsible for ensuring that all operational systems, particularly financial procedures, incorporate an appropriate level of internal control mechanisms. It is also essential that, where possible and practicable, a clear division of duties exists in the operation of a particular system, and that no individual is in a position whereby he or she can carry out a complete transaction without some form of check being built in to the process.
- 5.2.2 Heads of Service must ensure that their Risk Register accurately reflects the risk of fraud including any emerging risks.

## **5.3 Recruitment**

- 5.3.1 The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. As in other public bodies Disclosure and Barring Service (DBS) checks are undertaken for employees working with, or who may have contact with, children or vulnerable adults.

## **5.4 Joint-Working**

- 5.4.1 The Council is committed to working and co-operating with other organisations to help prevent organised fraud and corruption. As a consequence, whenever possible, the Council will be prepared to help and exchange information with other Councils and organisations to deal with fraud.
- 5.4.2 Information exchange needs to be tightly controlled, particularly in relation to data protection and human rights issues. As a consequence, the Internal Audit Department controls all such help and exchange information in consultation with, and the ultimate approval of, the Monitoring Officer.
- 5.4.3 The Council will set up confidential facilities to enable information to be passed that may prevent fraud and corruption. These may well include a dedicated telephone line and an Internet reporting facility via the Council's official web site.
- 5.4.4 Such facilities will allow members of the public, as well as elected members and employees, to advise the Internal Audit Department about specific instances of alleged fraud and corruption. The Council will, therefore, ensure that full details of the reporting facilities are widely

publicised to all potential users, and that all information received will be thoroughly investigated and subsequently dealt with, as required.

## **5.5 The Role of Elected Members**

5.5.1 As elected representatives, all elected members have a duty to the citizens and customers of the Council to protect the Council and public money from any acts of fraud and corruption. This is done through this Policy, compliance with the Members' Code of Conduct, the Council's Constitution, Financial Regulations, and relevant legislation.

5.5.2 Elected members sign an undertaking that they have read, understood and will abide by the Code of Conduct for Members when they take office. Conduct and ethical matters are specifically brought to the attention of elected members during induction and include the declaration and registration of interests. The Council's Monitoring Officer, advises elected members of new legislative or procedural requirements.

## **5.6 The Head of Paid Service, Monitoring Officer and Section 151 Officer**

5.6.1 The Head of Paid Service, Monitoring Officer and Section 151 Officer have key roles in providing advice to all elected members and staff about vires issues, maladministration, financial impropriety, probity and policy framework and budget issues.

5.6.2 The Head of Paid Service is responsible for espousing and upholding high standards of conduct by officers, ensuring oversight of compliance with the member-officer protocol and with other policies adopted by the Council.

5.6.3 The Monitoring Officer encourages the promotion and maintenance of high standards of conduct within the Council, particularly through provision of support to the Standards Committee.

5.6.4 The Section 151 Officer undertakes the statutory responsibility under the Local Government Act 1972 to ensure the proper arrangements for the administration of the Council's financial affairs. This role is supported by the work undertaken by Internal Audit.

## **5.7 The Role of Managers**

5.7.1 Managers at all levels are responsible for the communication and implementation of this Policy in their work area. They are also responsible for ensuring that their employees are aware of the Council's personnel policies and procedures and Financial Regulations and that the requirements of each are being met in their everyday business activities. In addition, managers must make their employees aware of the requirements of the Code of Conduct for Local Government Employees through the induction process.

5.7.2 Managers are expected to create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities.

## **5.8 Responsibilities of Employees**

5.8.1 Each employee is governed in their work by the Council's Financial Regulations and other policies on conduct, for example, health and safety, e-mail and internet usage, and IT security. Included in the Council's policies are guidelines on gifts and hospitality, and codes of conduct associated with professional and personal conduct and conflict of interest. These are issued to all employees when they join the Council, or are available to all on the Intranet.

5.8.2 In addition, employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the Council's assets. These will be included in induction training and procedure manuals.

5.8.3 Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management. If for any reason, they feel unable to speak to their manager they must refer the matter to one of those named below:

- Heads of Service, Corporate Directors, the Chief Executive or the Council's Monitoring Officer, who will report such concerns to the Head of Internal Audit.
- Directly to the Head of Internal Audit.
- The Council's external auditor, who, depending upon the nature of the concern, will liaise with the Head of Internal Audit.
- Trade Union representatives, who will report such concerns to the Head of Internal Audit.

## **5.9 Conflicts of Interest**

5.9.1 Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure that decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.



## **510 Role of Internal Audit**

- 5.10.1 Denbighshire Internal Audit Services independently reviews the adequacy, efficiency and effectiveness of the internal controls within the Council's systems by undertaking a comprehensive programme of work targeted at key risk areas.
- 5.10.2 Any weaknesses in internal control are reported to management with proposed recommendations to address the issues raised. It is the responsibility of management to ensure that corrective action is taken.
- 5.10.3 The independent review of the systems and the implementation of agreed recommendations contribute to the prevention and detection of fraud and corruption.

## **5.11 The Role of the External Auditor**

- 5.11.1 Independent external audit is an essential safeguard of the stewardship of public money. This is carried out through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern.

## 6. DETERRENCE

### 6.1. Disciplinary Action

- 6.1.1 Theft, fraud, bribery and corruption are serious offences against the Council, and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case, but in a consistent manner.
- 6.1.2 Members will face appropriate action under this Policy if they are found to have been involved in theft, fraud, bribery and corruption against the Council. Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner. If the matter is a breach of the Members' Code of Conduct it will also be referred to the Ombudsman.

### 6.2 Publicity

- 6.2.1 The Council's Public Relations unit (PR) will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council. PR will also try to ensure that the results of any action taken, including prosecutions, are also reported in the press.
- 6.2.2 In all cases (both elected member and officer) where the Council has suffered a financial loss, the Council will seek to recover the loss and advertise this fact.
- 6.2.3 All anti-fraud and corruption activities, including the update of this policy, will be publicised in order to make employees and the public aware of the Council's commitment to taking action on fraud and corruption, when it occurs

## 7. DETECTION & INVESTIGATION

- 7.1 This section should be read in conjunction with the Guidelines for Reporting Suspicions of Fraud & Corruption (Appendix 1) and the Prosecution Policy (Appendix 4).
- 7.2 In line with the Council's 'Code of Conduct' for Employees and 'Financial Regulations' employees must report any suspected cases of fraud and corruption to the appropriate manager, and the Head of Internal Audit must be informed by either the employee or manager. This is absolutely essential to the success of this Policy, and ensures that:
- Suspected cases of fraud and corruption are investigated correctly.
  - The Guidelines for Reporting Suspicions of Fraud & Corruption are properly implemented.
  - There is a standard approach for dealing with all suspected cases.
  - People, and the interests of the Council, are properly protected.
- 7.3 This process will apply to all the following areas:
- Fraud or corruption by elected members.
  - Internal fraud or corruption.
  - Other fraud or corruption by Council employees.
  - Fraud by contractors' employees.
  - External fraud (the public).
- 7.4 The Council's 'Whistleblowing Policy' is intended to encourage and enable staff to raise serious concerns. Employees reporting concerns in this manner are afforded certain rights under the Public Interest Disclosure Act, 1998.
- 7.5 The Head of Internal Audit will work with the Chief Executive, Corporate Directors and Heads of Service to decide on the type and course of the investigation, which will include referrals to the Police where necessary. The Council will seek prosecution of offenders and will carry out internal disciplinary procedures where appropriate. In so doing, every effort will be made to ensure that any internal proceedings do not jeopardise or prejudice the criminal case.

- 7.6 Internal Audit plays an important role in the detection of fraud and corruption. Included in its operational plans are reviews of system controls including financial controls and specific fraud and corruption tests, spot checks and unannounced visits. Procedures for the investigation of fraud and corruption are included in the Internal Audit Manual.
- 7.7 In addition to Internal Audit, there are numerous systems and management controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.
- 7.8 In some cases frauds are discovered by chance or “tip-off” and arrangements are in place to enable such information to be properly dealt with.

## 8. RECOVERY AND SANCTIONS

- 8.1 Where the Council identifies fraud then it will:
- Recover wherever appropriate **and**
  - Prosecute or apply other sanctions to perpetrators.
- 8.2 Sanctions are actions taken against individuals or organisations to reduce the risk of fraud, corruption or bribery from occurring. These will be applied in accordance with the Council's Prosecution Policy, and will be done in a comprehensive, consistent and proportionate manner with all possible sanctions – disciplinary, civil and criminal – considered.
- 8.3 Where fraud by employees is indicated, then action will be taken in accordance with the Council's disciplinary procedures. This may be in addition to any civil recovery action or criminal sanctions.
- 8.4 The Council aims to be effective in recovering any losses incurred to fraud using, as appropriate, criminal and/or civil law.

### Training

- 8.5 The continuing success of the Strategy requires all staff to be aware of fraud issues including corruption and bribery. The Council's induction process will reinforce this together with ongoing training identified through the Performance Appraisal process.
- 8.6 Staff involved in the setting up of or monitoring of internal control systems, e.g. Financial Regulations will receive specific training to ensure that their responsibilities and duties are regularly highlighted and reinforced.
- 8.7 Staff in the Internal Audit and Benefit Fraud teams will receive training in order to comply with their professional standards. This will maximise the Council's ability to prevent, detect and investigate fraud, corruption and bribery.
- 8.8 Disciplinary action will be considered against any employee who deliberately ignores such training regardless of whether it results in an actual fraud.

## 9. IMPLEMENTATION OF THE STRATEGY

- 9.1 Internal Audit will undertake an annual assessment of the effectiveness of existing counter-fraud arrangements against:
- a) CIPFA's "Red Book 2" Fraud standards.
  - b) The Audit Commission's "Managing the Risk of Fraud" assessment tool.
  - c) Guidance as to the implementation of the Bribery Act 2010 as provided by the Ministry of Justice
  - d) Other best practice / statutory guidance as required
  - e) The roles and responsibilities as set out In Appendix 1 of this Strategy.
- 9.2 CIPFA's Fraud Standards state that the foundations of an effective counter-fraud framework comprise the following five key elements:
- a) ADOPTING THE RIGHT STRATEGY
  - b) ACCURATELY IDENTIFYING RISKS
  - c) CREATING AND MAINTAINING A STRONG STRUCTURE
  - d) TAKING ACTION TO TACKLE THE PROBLEM
  - e) DEFINING SUCCESS
- 9.3 Internal Audit will report its findings to the Corporate Governance Committee and the Corporate Executive Team. The Corporate Governance Committee will also consider the effectiveness of anti fraud and corruption risk management arrangements.

### Awareness

- 9.4 The Council will maintain an up to date awareness of the types of fraud that it may be exposed to especially given the ongoing financial situation and the resourcefulness of potential fraudsters. It will review national developments and strengthen systems and procedures accordingly using the following key sources of information:
- a) Audit Commission Publications – in particular, National Fraud Initiative Newsletters, Audit Commission Fraud Reports, "Protecting the Public Purse", ICT Fraud and Abuse etc.
  - b) HM Treasury Publications – in particular; Annual Fraud Reports,
  - c) CIPFA Better Governance Forum (IPF) - Monthly 'Risk News' Newsletters etc,
  - d) National Anti-Fraud Network - Strategic Risk Assessment – Local Authority Fraud; Ongoing Alerts on website etc.

## 10. CONCLUSION

- 10.1. The Council has always prided itself on setting and maintaining high standards and a culture of openness, with core principles of unity, pride, respect and integrity. This strategy fully supports the Council's desire to maintain an honest organisation, free from fraud and corruption.
- 10.2. The Council has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in both preventative and detective techniques regarding fraudulent or corrupt activity that may affect its operation.
- 10.3. The Council will maintain a continuous review of all these systems and procedures through its Internal Audit service.
- 10.4. This policy statement will be reviewed on a regular basis, with a maximum of three years between each review to take into account new legislative, professional and technological developments.

## APPENDIX 1

# GUIDELINES ON REPORTING SUSPICIONS OF FRAUD & CORRUPTION

## What Do We Want to Know About?

1. Fraudulent or corrupt acts may include:-
  - **Systems Issues** - where a process/system exists which is prone to abuse by either employees or members of the public.
  - **Financial Issues** - where individuals or companies have fraudulently obtained money from the Council.
  - **Equipment Issues** - where the Council's equipment is used inappropriately for personal reasons.
  - **Resource Issues** - where there is a misuse of resources.
  - **Other Issues** - activities undertaken by officers of the Council which may be unlawful, breach the Council's Financial Regulations or policies, fall below established standards or practices, or amount to improper conduct.
- 2 This is clearly not an exhaustive list, but is merely indicative of the types of fraud and corruption that may well be encountered. If there is any doubt about the seriousness of a concern, an employee or member of the public can obtain advice and guidance from the Head of Internal Audit Services on 01824 706809.
- 3 Concerns or allegations which fall within the scope of other existing policies or procedures (e.g. child protection or discrimination issues) will normally be referred for consideration under those procedures.

## Safeguards

- 4 **Harassment or Victimisation** - The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Council will not tolerate harassment or victimisation and will take appropriate action to protect those who raise a concern in good faith.
- 5 **Confidentiality** - The Council will do its best to protect an individual's identity when he or she raises a concern and wishes to retain their anonymity. It must be appreciated, however, that the investigation process may reveal the source of the information, and a statement by the individual may be required as part of the evidence.



**6 Anonymous Allegations** - This Policy encourages individuals to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include:-

- The seriousness of the issue raised.
- The credibility of the concern.
- The likelihood of confirming the allegation from attributable sources.

**7 Untrue Allegations** - If an allegation is made in good faith, but is not confirmed by the investigation, no action will be taken against the originator. If, however, an individual makes malicious or vexatious allegations, action may be considered against the individual making that allegation.

## **What Should Employees Do if They Suspect Fraud or Corruption?**

8 Employees are often the first to realise that there could be something seriously wrong within an organisation; however, they may not wish to express their concerns because they may feel that by speaking out, they would be showing a degree of disloyalty to their colleagues or even to the Council itself. They may even fear harassment or victimisation. In such circumstances, it might appear easier just to ignore the concern rather than raise an issue which may just be a suspicion of malpractice.

9 The Council's 'Whistleblowing Policy' is intended to encourage and enable staff to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' to the media or other external bodies. A full copy of the 'Whistleblowing Policy' is available on the Council's intranet.

10 In essence, employees should approach the relevant Corporate Director or Head of Service, who, if they find the claim to be substantiated, will inform the Head of Internal Audit Services. The nature of the complaint will then determine the Council's course of action.

11 The Internal Audit Department can be contacted on 01824 706809, by e-mail ([ivan.butler@denbighshire.gov.uk](mailto:ivan.butler@denbighshire.gov.uk)), or by writing to the Head of Internal Audit Services at Finance and Assets, Caledfryn, Council Office, Smithfield Road, Denbigh LL16 3RJ.

12 In summary, if you become aware of a problem:

- **DO** – make an immediate note of your concerns, the details of any conversations you have heard, or documents you have seen, and note the date, time, and names of people involved.
- **DO** – pass any documents that come into your possession immediately to Internal Audit Services.

- **DO** – act promptly, as delays may result in further financial loss or the loss of evidence.
- **DON'T** – ignore the concerns, or be afraid of raising them. You will not suffer recrimination from your employer as a result of voicing a reasonably held suspicion.
- **DON'T** – approach individuals yourself or convey your suspicions to other staff, except those authorised to deal with the matter.
- **DON'T** – try to investigate the matter yourself.

### **What Should Members of the Public Do if They Suspect Fraud or Corruption?**

13 The Council actively encourages members of the public who suspect fraud and corruption to contact the Internal Audit Department in the first instance.

14 The Internal Audit Department operates independently of all other Council services, and its work includes establishing procedures with the following aims:-

- To develop an anti-fraud culture.
- To deter, prevent, detect and investigate fraud and corruption.
- To ensure that appropriate action is taken against those who commit, or seek to commit, some form of fraud or corruption.

15 The possible courses of action which could be taken by the Council are as outlined in the following Section.

### **How Will Allegations of Fraud and Corruption be dealt with by the Council?**

16 For issues raised by employees or members of the public, the action taken within the Council will depend on the nature of the concern. The matters raised may be:

- Investigated internally.
- Referred to the Police.

17 Within ten working days of a concern being reported, the complainant will be written to:

- Acknowledging that notification of the concern has been received.

- Indicating how the Council proposes to deal with the matter, subject to limitations under Data Protection and Freedom of Information legislation.
- Giving an estimate of how long the Council will take to provide a final response.

18 The Council is also committed to training and developing all employees who are, or may be, involved in investigations of alleged or actual cases of fraud and corruption. The Council will, therefore, identify and arrange to provide appropriate training as considered necessary.

## **Alternative Methods for Taking a Complaint Forward**

19 If either a member of the public or an employee feels it is right to take the matter outside these processes, the following are possible ways forward:-

- **The Local Councillor** - contact details are available from the Council's web-site or offices.
- **The Council's external auditor** - This is the organisation appointed to scrutinise the Council's finances and overall performance. By law, they must be completely independent of the Council.
- **A Trade Union** - Employees may invite their Trade Union to raise an issue on their behalf.
- **The Police** - Suspicions of fraud and corruption may be reported directly to the Police.
- **The Local Government Ombudsman** - The Ombudsman is an independent person, appointed by the government, to investigate and deal with complaints against local authorities.
- **Public Concern at Work** - This is a charitable organisation which provides free and strictly confidential legal help to any person with concerns about an alleged malpractice which they perceive as a threat to the public interest. The national website is at <http://www.pcaw.co.uk>. It can also be contacted on its dedicated national helpline on 020-7404-6609, or at [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk)
- **The Wales Audit Office (WAO)** – The WAO can be contacted by writing to the PIDA **Officer**, The Auditor General for Wales, 24 Cathedral Road, Cardiff CF11 9LJ. E-mail [whistleblowing@wao.gov.uk](mailto:whistleblowing@wao.gov.uk). Phone 01244 525980

## APPENDIX 2

# HOUSING & COUNCIL TAX BENEFITS ANTI-FRAUD STRATEGY & PROSECUTION POLICY

## BENEFITS ANTI-FRAUD STRATEGY

1. Denbighshire County Council is responsible for paying over £18m in Housing Benefit and Council Tax Benefit every year. The National Audit office estimates that 7% of housing benefit is fraudulent, which means that the risk to the Council is over £1,260,000 per year.
2. Housing and Council Tax Benefit is a public fund which assists some of the most vulnerable members of society to meet their housing costs. The Council is committed to protecting public funds and maximising awards to those who are entitled to receive them whilst ensuring that payments do not go to those who are not entitled to them.
3. The Council is therefore committed to preventing, deterring and investigating instances of benefit fraud and to taking appropriate action in cases where fraud is identified. As a part of this commitment it will work to ensure that fraud in the benefit system is minimised by:
  - **Getting it right** - benefit payments should be correct from the start.
  - **Keeping it right** - ensuring that payments are adjusted as circumstances change.
  - **Putting it right** - detecting when payments go wrong and taking prompt action to correct them, with appropriate sanctions to prevent a recurrence.
  - **Making sure the strategy works** - by monitoring progress, evaluating the strength of defences and adjusting them in the light of experience.
4. Successfully countering benefit fraud is not just the responsibility of the Benefits Section and Fraud Investigators, but involves all elected members and employees, together with assistance from the public.
5. This strategy will be supported by more detailed policies and action plans which will be updated periodically.

## **Role of Members and Employees**

6. Elected representatives have a duty to protect public funds from all forms of fraud or abuse. Elected members should report all information regarding

allegations of benefit fraud to the Principal Benefits Manager or Compliance Manager.

- 7 All managers should ensure that employees receive appropriate fraud awareness training, and that there are mechanisms in place for staff to report cases of suspected fraud in confidence. Employees should report suspicions of fraud to the Compliance Section.
- 8 Benefits Section employees should report any suspicions which might arise during the course of their work using the established fraud referral procedures. Compliance Team employees are responsible for the professional investigation of all suspected frauds referred to them, and for taking appropriate action against anyone who they believe has committed fraud, once they have obtained suitable evidence.

## **Prevention and Deterrence**

- 9 The Council aims to ensure that claims are correct from the start, and are kept correct, by implementing measures and processes to prevent fraud entering the system, and deterring claimants or staff from committing fraud. These include:
  - Implementing the Verification Framework.
  - Ensuring that Benefits Section employees are suitably trained in fraud awareness.
  - Encouraging staff to refer suspicions to the Compliance Team for further investigation.
  - Publicising cases where the Council has successfully prosecuted benefit fraudsters.
  - Publicising information and statistics regarding other sanctions applied by the Council.
  - Raising the awareness of claimants and the general public in the seriousness of benefit fraud, and the Council's role in minimising it.
  - Ensuring that recoverable overpayments are recovered.

## **Fraud Detection**

- 10 The Council employs a dedicated, trained, Compliance Team responsible for the detection and investigation of benefits fraud. This team liaises and works together with other Departments within the Council, other local authorities and government agencies, where appropriate, if legal gateways allow, in the detection and investigation of fraud and in applying appropriate sanctions.

11 In addition, the Council will have systems and procedures in place and use all appropriate means to assist in the detection of fraud. This includes:

- Using the Royal Mail “Do Not Redirect” scheme.
- Using the Housing Benefit Matching Service.
- Using internal and external data matching.
- Having suitable systems in place for suspicions to be reported by staff and public, including by “Hotline” and e-mail.
- Proactive visiting of claimants to verify claims.

## **Fraud Investigation**

12 The Compliance Team is responsible for investigating cases of suspected fraud which are referred to it, or which it identifies in any proactive exercise, provided that there is sufficient information to justify opening an investigations file.

13 The Compliance staff will undertake all investigations in a professional manner, ensuring that all enquiries and action undertaken complies with current legislation. This includes:

- Theft 1968
- Theft 1978
- Criminal Justice Act 1991
- Social Security Administration Act 1992
- Police and Criminal Evidence Act 1984
- Criminal Procedure and Investigations Act 1996
- Social Security Administration (Fraud) Act 1997
- Data Protection Act 1998
- Human Rights Act 1998
- Regulation of Investigatory Powers Act 2000
- Social Security Fraud Act 2001

14 The Compliance staff will be encouraged to undertake PINS (Professionalism in Security) or equivalent training, and to undertake regular internal and

external training as appropriate. The need for training is identified at regular staff development reviews and is incorporated in the Benefits Section training plan.

15 Any person subject to enquiries will, at all times, be treated with respect and in accordance with human rights, and other appropriate legislation, including equal opportunities and race relations legislation.

16 All cases will be recorded on the Council's case management system. All actions carried out and evidence collected will be recorded and retained in accordance with legislation. Management information and statistics will be held on the case management system and reports supplied to management or Members as required.

## **Sanctions**

17 A range of sanctions exist where the Council has sufficient evidence that a benefit fraud has been committed. These include:

- Prosecution
- Administrative Penalties
- Formal Cautions

18 Sanctions will be applied in accordance with the Council's Housing & Council Tax Benefits prosecution policy. Where appropriate sanctions will be applied jointly with other agencies.

## **Training and Feedback**

19 The Compliance Team will provide regular fraud awareness training for Benefits staff, and to other staff as required. Where possible, results of investigations will be provided to staff in order to help develop fraud awareness and heighten staff motivation.

## **BENEFITS PROSECUTION POLICY**

### **Fraud in the Benefits System**

20 Denbighshire County Council is committed to protecting the Public Purse through its action on fraud and abuse. The Council is aware of the high risk within the benefit system for fraud and abuse and will take positive action to prevent, detect and deter it.

21 Criminal investigations are undertaken by Denbighshire County Council's Compliance Team in accordance with all relevant current legislation and any other relevant legislative and common-law rules and with advice from the

Council's Legal Section, the Department of Works and Pensions Solicitors Branch, or their agents.

22 The Council believes that imposing appropriate sanctions and recovering any overpayments is an important part of counter fraud activity and can have a significant deterrent effect. To this end the Council will, where appropriate, consider the imposition of one of the following sanctions on perpetrators of benefit fraud:-

- Prosecution
- Administrative Penalty
- Formal Caution
- Other penalties as prescribed by regulations

23 A decision on whether to impose sanctions, and the type of sanction to be imposed, will depend upon a number of factors. All relevant factors must be considered before any decision is made.

### **Guidelines for Prosecution**

24 In accordance with the Crown Prosecution Service's "Code for Crown Prosecutors", two tests must be applied to determine whether a prosecution is appropriate:

- The "Evidential Test"
- The "Test of Public Interest"

25 If the case does not pass the Evidential Test it must not go ahead, no matter how important or serious it may be. If the case passes the Evidential Test then it must be decided whether a prosecution is in the public interest. Both of these tests must be satisfied before any prosecution action can commence.

### **The Evidential Test**

- Is there enough evidence to provide a "realistic prospect of a conviction"?
- Can the evidence be used?
- Is it likely that any evidence will be excluded?
- Is the evidence reliable?
- Are witnesses likely to weaken the prosecution case?



## **The Test of Public Interest**

26 Public interest factors may increase the need to prosecute, may suggest that another course of action would be better, or that disposal of the case may be best served by an alternative sanction. They will include consideration of the following factors:-

### **In favour of prosecution:**

- Is a conviction likely to result in a significant sentence?
- Was the defendant in a position of authority or trust?
- Does the evidence show that the defendant was a ringleader or organiser of the offence?
- Is there evidence that the offence was premeditated?
- Is there evidence that the offence was carried out by a group?
- Does the defendant have previous convictions or cautions relevant to the offence?
- Are there grounds for believing that the offence is likely to be continued or repeated?
- Is the offence widespread in the area?

### **Against prosecution:**

- Is the penalty likely to be small or nominal?
- Was the offence committed as a result of a genuine mistake or misunderstanding?
- Can the loss be described as minor and the result of a single incident?
- Has there been a long delay between the offence and the date of trial, unless:
  - the offence is serious
  - the delay has been caused in part by the defendant
  - the offence has only recently come to light
  - the complexity of the offence has meant there has been a long investigation

- Unless the offence was serious or there is a real possibility that it may be repeated:
  - is the defendant elderly?
  - is the defendant a young person?
  - is, or was, the defendant at the time of the offence, or currently suffering from significant mental or physical ill health?
- Has the defendant made voluntary disclosure?
- Has the defendant put right the loss that was caused? (but defendants must not avoid prosecution simply because they can pay compensation)
- Details may be made public that could harm sources of information.
- Has there been a failure in the investigation?
- Has there been a failure in the benefit administration?

27 This list is not exhaustive and other factors may need to be considered. The decision must be made not simply on the number of factors on each side, but must include the importance of each factor in the circumstances. Having considered these factors it may be decided that a prosecution should not proceed.

28 Although there may be factors against prosecution, it may still be decided to proceed in the public interest.

## **Administrative Penalties**

29 The Council will offer Administrative Penalties as an alternative to prosecution, in accordance with Section 115A of the Social Security Administration Act 1992 inserted by the Social Security Administration (Fraud) Act 1997. Penalties can only be used where a recoverable overpayment has occurred which is attributable to an act or omission on the part of a person and grounds exist for instituting criminal proceedings.

30 An Administrative Penalty will be offered where the case is deemed to be not so serious as to warrant a prosecution. An Administrative Penalty is a meaningful deterrent for those persons at the lower end of benefit fraud or where criminal proceedings are not a first option and a Caution is not appropriate.

31 Before proceeding with offering an Administrative Penalty, the Evidential Test must be applied and there must be sufficient evidence to provide a “realistic

prospect of a conviction”; however, it is not necessary for the person to admit the offence before an Administrative Penalty is offered

32 The amount of the Penalty will be 30% of the total recoverable overpayment. This amount is prescribed in legislation and cannot be varied.

33 Where a person declines or fails to agree to pay a Penalty, withdraws their agreement to pay a Penalty, or fails to keep an appointment to discuss an offer of a Penalty, the case must be considered for referral for legal proceedings unless exceptional circumstances apply. In addition, before proceeding with a prosecution, the Test of Public Interest must be applied.

## **Formal Cautions**

34 A Formal Caution is an oral warning given in certain circumstances to a person who has committed an offence. Formal Cautions are more appropriate for the less serious by the following methods (which must be PACE compliant):

- A tape recorded interview.
- A record of the admission in the officer’s notebook, signed by the suspect as an accurate record.
- A statement made by the suspect (after being reminded that they are under caution) and signed by the suspect as an accurate record.
- A contemporaneous interview under caution could be conducted in the absence of the suspect making a voluntary statement of admission, or for clarification where the statement does not meet the required evidential standard.

37 The person must sign a document to show that they admit the offence, agree to the Caution and that they have received one.

38 Consideration can be given to the use of a Formal Caution where:-

- The offence is minor, the amount of the overpayment is small and the Court is likely to award a minimal sentence.
- The person has not offended before.
- The person has been prosecuted or cautioned before for a similar offence within the past 5 years but the offence was minor and the current offence is also minor.
- The person’s attitude towards their offence indicates that a caution would be an appropriate punishment. Consider -
  - the wilfulness with which the person committed the offence;
  - and

- their subsequent attitude - e.g. whether they express genuine regret for what they have done.

39 This list is not exhaustive or exclusive and the categories must always be considered in the light of the circumstances of each individual case.

## **Options**

40 Where the overpayment is below £2,000 an Administrative Penalty will be considered as the first option. This figure is to be used as a guide and will not be rigidly applied but will always have regard to the Test of Public Interest and an individual's circumstances.

## **Referral to the Fraud Investigations Service**

41 The Council works closely with the Department of Works and Pensions operating under similar prosecutions practices and has a Partnership Agreement with them to support joint working activity such as joint Interviews Under Caution and joint investigations.

42 The Council will consult with the Department of Work and Pensions' Fraud Investigations Service on any case where Income Support/Job Seekers Allowance or other Department of Work and Pensions benefit is in payment and where the application of one of the above sanctions is considered appropriate.

43 The Council will co-operate with any prosecution, where appropriate, undertaken by the Department of Work and Pensions. Where such a prosecution also involves an overpayment of Housing/Council Tax Benefit, the Council will consider including any offences against the Council in any prosecution undertaken by the Department of Work and Pensions.

44 Where the Department of Work and Pensions intends to offer a Caution or Administrative Penalty to a person to whom it has overpaid benefit, and that person has also been overpaid Housing/Council Tax Benefit for the same act or omission, an officer of the Council will attend and offer a Caution or Administrative Penalty for any Housing or Council Tax Benefit overpaid, provided it is considered appropriate in line with this policy.

## **Choice of Sanctions**

45 Any decision to apply a Caution or an Administrative Penalty will be made by the Compliance Manager, or, in his absence, by the Principal Compliance Officer and recorded in the investigation file. Whenever a case is considered suitable for prosecution it will be referred to the Council's legal representative.

46 Where it is brought to the attention of the investigator that any sanction chosen could adversely affect a person's mental or physical health, this should be justified on medical grounds. In such cases it will normally be required that

written confirmation is provided by a medical practitioner stating that any action taken would –

- Have a severe impact on ongoing medical issues, and/or
- Make any condition worse.

47 In such cases a lesser sanction may be offered, or a decision may be made not to proceed with any sanction or prosecution.

### **Recovery of Debt**

48 In addition to any sanction undertaken, the Council will take all available steps to recover any overpayment or penalty arising from the fraud, including taking action in the civil courts if necessary.

### **Publicity**

49 The Council believes that information concerning successful investigations should be publicised in order to act as a deterrent to future offenders. Whenever possible, and appropriate, the outcome of any successful prosecution undertaken will be publicised in the local media, or in the Council's publications and website.

50 Non-personal information about successful cautions and sanctions will also be publicised periodically.

51 This prosecution policy is not a definitive document, and any prosecutions or other sanctions will always have regard to an individual's circumstances and legal advice provided to the Compliance Manager.

## APPENDIX 3

### STATEMENT OF EXPECTED RESPONSIBILITIES

<b>Stakeholder</b>	<b>Expected Responsibilities</b>
Chief Executive	Ultimately accountable as Head of Paid Service for the effectiveness of the Council's arrangements for countering fraud and corruption as well as corporate governance.
Head of Legal, HR and Democratic Services (Monitoring Officer)	<p>To advise Councillors and officers on ethical issues, standards and powers to ensure that the Council operates within the Law and statutory Codes of Practice. The operation of the Council's Whistleblowing Policy.</p> <p>To put in place a corporate safe recruitment policy and monitor compliance against it.</p>
Head of Finance and Assets (Section 151 Officer)	The Head of Finance has a statutory duty, under Section 151 of the Local Government Act 1972, Sections 114 and 116 of the Local Government Finance Act 1988 and Accounts and Audit Regulations 1995 to ensure the proper administration of the Council's financial affairs. This includes Internal Audit and benefit fraud.
Heads of Service	To ensure that fraud and corruption risks are considered as part of the Council's corporate risk management arrangements. To ensure that actions to mitigate risks in this area are effective. To notify the Internal Audit Manager of any fraud arising in a timely manner.
Corporate Executive Team (CET)	<p>Challenge new policies and strategies to ensure that fraud and corruption risks have been taken into account.</p> <p>Review the corporate framework designed to promote an over-riding counter-fraud culture on a regular basis. This will include monitoring and evaluating arrangements to ensure effectiveness and compliance with best practice.</p>
Corporate Governance Committee	To monitor the Council's Whistleblowing policy and consider the effectiveness of the arrangements for

	countering Fraud and Corruption.
Standards Committee	The Committee monitors and advises upon the content and requirement of Codes, Protocols and other procedures relating to standards of conduct throughout the Council.
Elected Members	To support and promote the development of a strong counter fraud culture.
External Audit / Wales Audit Office / Other Inspectorates	Statutory duty to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud, corruption and theft.
Internal Audit	Responsible for developing and implementing the Anti Fraud and Corruption Policy and Strategy and investigating any issues reported under this policy. Reporting on the effectiveness of controls to the Corporate Governance Committee. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this Strategy and that action is identified to improve controls and reduce the risk of recurrence.
Senior Managers	To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to Internal Audit. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing robust internal controls.
Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud, and to report any genuine concerns to the appropriate management, the Chief Executive, the Head of Finance and Assets(s151Officer), the Head of Legal, HR and Democratic Services (Monitoring Officer), or Internal Audit.
Public, Partners, Suppliers, Contractors and Consultants	To be aware of the possibility of fraud against the Council and report any genuine concerns or suspicions. To ensure that effective controls are in place to mitigate risks to the Council.

## APPENDIX 3

### THE 7 GUIDING PRINCIPLES ON PUBLIC LIFE

Denbighshire County Council is committed to sound corporate governance and supports the Nolan Committee's **Seven Principles of Public Life** for the conduct of Council Members and employees, namely:

- **Selflessness** – Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- **Integrity** – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Objectivity** – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.
- **Accountability** – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness** – Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty** – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – Holders of public office should promote and support these principles by leadership and example.



## APPENDIX 4

### PROSECUTION POLICY

#### Prosecution Statement

- 1 Denbighshire County Council is committed to protecting the public funds that it administers. The Council may use information received for the purposes of the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.
- 2 As a general rule, the Council seeks full redress through legal processes available to counter any internal or external fraudulent activity perpetrated against it. This redress will be actioned through either the criminal and/or civil courts as is deemed appropriate. The Council will also consider alternative actions to prosecutions where it believes it would be in the best interests of the Council to do so.

#### Decision to Seek Prosecution

- 3 The Council recognises that the decision to seek prosecution will be a serious step to take. A decision to seek prosecution, which will be taken by the Head of Finance and Assets and the Monitoring Officer under delegated authority, must not be taken without consultation with relevant agencies as appropriate.
- 4 The Council also reserves its right to pursue civil recovery action in addition to any criminal prosecution that may be undertaken.
- 5 Before any such decision is taken, the Head of Finance and Assets and the Monitoring Officer will consider the evidence available against possible defendants. They must seek to be fair, independent and objective in assessing whether a prosecution should be brought. Each case will be unique and has to be considered in its own circumstances with due regard to the Council's Equal Opportunities and other relevant policies.
- 6 Two tests in particular must be applied when deciding whether to seek prosecution:
  - **The “Evidential” Test** – There must be enough evidence to provide a “realistic” prospect of conviction. This means that a jury or Bench of Magistrates properly directed in accordance with the law is more likely than not to convict the defendant of the alleged charge. The

case will need to be proved “beyond reasonable doubt” rather than on the “balance of probabilities” as with civil cases.

- **The “Public Interest” Test** – This will depend on the seriousness of the offence and/or circumstances of the offender. Some factors may increase the need to prosecute, but others may suggest that another course of action would be better.

## **Actions Other Than Prosecution**

- 7 Where there is sufficient evidence to seek prosecution but the public interest does not require prosecution, an alternative could be to request the Police to consider using their powers to give the offender an “Official Caution”. This option is only available if there is an admission of guilt by the offender and he/she agrees to be cautioned.
- 8 The Council may consider issuing a letter to the alleged offender. This letter will state that the Council considers the matter to be very serious and by way of caution, if a similar incident occurs again, the Council will immediately seek to prosecute the offender. This option will only be used if a prosecution is not being brought or an Official Police Caution has not been administered. In the case of Council employees, this option will be considered after any possible disciplinary action has been taken and may be included as part of any written warning given.

## **Compliance with Legal Requirements**

- 9 Upon implementation of this Prosecution Policy, the Head of Finance and Assets and the Monitoring Officer will, throughout the investigative process, ensure that there is compliance with the relevant requirements of:
  - The Police and Criminal Evidence Act 1984 (PACE)
  - The Data Protection Act 1998
  - The Human Rights Act 1998
  - The Regulation of Investigatory Powers Act 2000
  - All other relevant legislation and codes of practice.

## **APPENDIX 5**

### **HOW TO REPORT ANY SUSPECTED FRAUDS, CORRUPTION, OTHER IRREGULARITIES OR CONCERNS**

#### **To Contact Denbighshire Internal Audit Services**

Contact: Ivan Butler

Tel – 01824 706809

Email – [ivan.butler@denbighshire.gov.uk](mailto:ivan.butler@denbighshire.gov.uk)

Write to – Head of Internal Audit (Confidential)

Finance and Assets

Caledfryn, Council Office, Smithfield Road, Denbigh LL16 3RJ

#### ***To contact the Council's Monitoring Officer***

Contact: Gary Williams – Head of Legal, HR and Democratic Services

Tel – 01824 712562

Email – [gary.williams@denbighshire.gov.uk](mailto:gary.williams@denbighshire.gov.uk)

Write to – The Monitoring Officer, (**Confidential**)

(Head of Legal, HR and Democratic Services)

County Hall, Wynnstay Road, Ruthin LL15 1YN

#### ***To Contact the Council's External Auditor***

Tel – 01244 525970 or

Write to – Wales Audit Office,

Unit 4, Evolution, Lakeside Business Village

St David's Park, Ewloe, CH5 3XP

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**Report To:** Corporate Governance Committee

**Date of Meeting:** 5 November 2014

**Lead Member / Officer:** Cllr Julian Thompson-Hill

**Report Author:** Stuart Andrews, Acting Strategic Procurement Manager

**Title:** Presentation of Revised Contract Procedure Rules

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**1. What is the report about?**

The presentation of the revised Contract Procedure Rules to Corporate Governance prior to submission to full Council for approval on 9 December 2014 – Appendix 1

**2. What is the reason for making this report?**

The draft Contract Procedure Rules are being presented to the Corporate Governance Committee for review and comment prior to the submission to full Council for approval and adoption on 9 December 2014

**3. What are the Recommendations?**

That the committee note and accept the revised Contract Procedure Rules and authorise their submission to full Council for approval in December 2014.

**4. Report details.**

The current Contract Procedure Rules have not been reviewed fully following their previous adoption in 2004. A review of the document has been undertaken by the Acting Strategic Procurement Manager and Deputy Monitoring Officer to update the document in line with current legislation and latest best practice procurement procedures.

**5. How does the decision contribute to the Corporate Priorities?**

The addition of clauses making the consideration of Community Benefits clauses in all contracts above £2,000,000 contributes to the priority of the Economic and Community Ambition Board, the lower of the financial thresholds will enable more lower value tender opportunities to be advertised which will allow local SME's to become aware of opportunities.

**6. What will it cost and how will it affect other services?**

There is no cost to the adoption of this document and no additional staff will be required.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

There are no implications on any of the staff or community as identified in the EqIA

**8. What consultations have been carried out with Scrutiny and others?**

Consultation has been undertaken with all Service areas of the Council with regards to the revision of the Contract Procedure Rules. All comments have been reviewed and taken into consideration where applicable and relevant to the requirement of the document.

**9. Chief Finance Officer Statement**

The Contract Procedure Rules form an important part of procurement and their revision improves the council's control of this function.

**10. What risks are there and is there anything we can do to reduce them?**

The main risk is Departments not complying with the new Contract Procedure Rules which may infringe upon UK and EU Procurement Regulations. Following the implementation of the revised document there will be a training programme for all Service areas to define the requirements of the document and the implications of non compliance.

**11. Power to make the Decision**

Section 111 of the Local Governments Act 1972.

This is a paper for information rather than decision prior to submission to full cabinet.

Documents Enclosed:

Appendix 1      Contract Procedure Rules (Revised)

Appendix 2      Summary of Key Changes

**CONTRACT PROCEDURE RULES**

**General**

1. Interpretation
2. Compliance with Contract Procedure Rules and Legislation
3. Officers' and Members Duties
4. Declaration of Interests
5. Scheme of Delegation
6. Electronic Procurement Solutions
7. Corporate Purchasing Agreements (including use of Framework Agreements) and Joint Procurement arrangements (including membership of official purchasing consortiums)

**Exemptions**

8. Exempt Contracts
9. Exemptions from Contract Procedure Rules
10. Exemption from tendering requirement

**Approved List**

11. Council Approved Lists and Vetting of Contractors

**Procurement Planning**

12. Contract value and Aggregation
13. Pre-Tender Enquiries
14. Purchasing Need and Procurement Planning Approval
15. Sustainable Procurement

**Quotations and Tenders**

16. Contracts valued at less than £10,000 (Goods, Services & Works)
17. Contracts valued between £10,001 and £25,000 (Goods, Services & Works)
18. Contracts valued between £25,001 and OJEU Threshold (Goods & Services)
19. Contracts valued over OJEU Threshold (Goods & Services)
20. Contracts valued between £25,001 and £250,000 (Works)
21. Contracts valued over £250,001 (Works)
22. Timescales for receiving Requests for Quotes and Tenders
23. Request for Quotes and/or Invitation to Tender Documentation
24. Tender Specifications
25. Tender opening
26. Late Tenders received
27. Tender Evaluation and alterations
28. Post Tender Negotiations and Tender Bid Clarifications
29. Request for Quotes /Tender Award Approvals
30. Notification of Tender Award and De-briefing Requests
31. Letters of Intent
32. Non-concluded Terms and Conditions of Contract

**Form of Contract**

33. Contracts in Writing
34. Bonds, Securities, Liquidated and other Damages

- 35. Parent Company Guarantee

**Operation of Contract**

- 36. Contract Management
- 37. Contract Performance
- 38. Termination of Contract
- 39. Contract Variations and Contract Extensions
- 40. Contract Payments
- 41. Assignments and Novation
- 42. Nominating Products/Contractors/Suppliers

**Specific Contracts**

- 43. Land Contracts
- 44. Use of Consultants.

**Other**

- 45. Retention of Contract Files
- 46. Review and Amendment of the CPR's

**Schedule 1** Table of Values



## GENERAL

### 1. Interpretation

1.1 In these Contract Procedure Rules, the following terms have the following meanings:

Approved List	a List drawn up for corporate use under CPR 11. <b>Note this facility will no longer be available after 1 April 2016</b>
Authorised Signatory	as per the Officers Scheme of Delegation
Chief Finance Officer	Head of Finance
Code of Conduct	the Code regulating the conduct of officers and members as set out in the Constitution
Contract	an agreement for the supply of goods, or services, or concessions or the execution of works
Contract File	a record of all matters relating to the contract
Contractor	a supplier of goods or services or concessions or Works to the Council
Corporate Purchasing Agreement	a contract or framework agreement which has been endorsed and approved for corporate use by the Strategic Procurement Manager and its use shall be mandatory
CPR's	these Contract Procedure Rules
Day	a calendar day unless otherwise specified
Director	Chief Executive or any other Director of the Council
EU	European Union
EU contract	a contract covered by the Public Contracts Regulations 2006
Framework Agreement	an agreement which allows a Responsible Officer to call off or undertake a mini competition to provide goods, services or works in accordance with the terms of the agreement. The Framework Agreement usually constitutes a non-binding offer with

no obligations to call off from the contractor. If the Council calls off from the contractor a binding contract comes into being.

Strategic Procurement Manager	the officer who is designated to have responsibility for the Collaborative Procurement Service
Head of Service	Head of Service of the relevant Council Service Area
Invitation to Tender	invitation to tender documents in the form required by these Rules
Monitoring Officer	the officer designated by the Council as its Statutory Monitoring Officer from time to time
Month	means a calendar month
OJEU	Official Journal of the European Union incorporating the Public Contracts Regulations 2006
OJEU threshold	the values that are determined by the European Union every two years, which are shown in schedule 1 of these Rules
Quotation	a quotation of price and any other relevant matter made without the formal issue of an invitation to tender;
Relevant Head of Service	the Head of Service whose Directorate or Department is responsible for the procurement exercise in question
Responsible Officer	any permanent or temporary staff member or any other person properly authorised by the Council to carry out any of the Council's contracts functions
Sub-OJEU	the values below the threshold that are determined by the European Union every two years, which are shown in schedule 1 of these Rules
Table of Values	the table maintained and updated by the Monitoring Officer as identified in Schedule 1
Tender	a Contractor's formal proposal submitted in response to an invitation to tender

Value for Money	means the optimum combination of whole life costs, quality and benefits to meet the Council's requirement. Such term equates to the EU procurement requirement of "most economically advantageous offer"
Working day	means any day other than a Saturday or a Sunday or a day which is a bank or a public holiday throughout Wales

1.2 Any reference to actions within these CPR's can also be undertaken by officers with the appropriate delegated authority to carry out such tasks, provided such delegated authority has been granted by the named individual.

1.3 Unless the context otherwise requires, reference to any clause, sub-clause or schedule is to a clause, sub-clause or schedule of or to these Rules.

1.4 Under these Rules, periods expressed as a certain number of days from a particular event run from the day following the day on which the event takes place. If the last day of the period falls on a Saturday, Sunday or a public holiday it will end on the next working day.

1.5 Periods will include public holidays and weekends unless these are expressly excluded or the periods are expressed as a certain number of working days.

## **2. Compliance with Contract Procedure Rules and Legislation**

2.1 These Contract Procedure Rules apply to all contracts entered into by or on behalf of the Council with the intention of procuring goods, services, concessions or works.

2.2 The Strategic Procurement Manager in consultation with the Monitoring Officer shall advise on the implementation and interpretation of the Council's Contract Procedure Rules.

2.3 Every contract entered into by the Council or on its behalf shall be entered into pursuant to, or in connection with, the Council's functions and shall comply with:

- (a) all relevant statutory provisions
- (b) the relevant EU law and the EU public procurement rules (including the EC treaty, the general principles of EU law and the EU public procurement directives implemented by the UK regulations)
- (c) the Council's constitution including these CPR's and the Council's Financial Procedure Rules
- (d) schemes of delegation

- (e) the Council's strategic objectives and policies,
  - (f) the Council's Corporate Procurement Strategy and any other relevant Council policies
- 2.4 Should there be a conflict between the provisions of the Council's Contract Procedure Rules and any provision of an EU directive or any domestic legislation, the latter shall prevail.
- 2.5 It shall be a condition of any agreement between the Council and anyone who is not an officer of the Council including Temporary Agency staff and Consultants, but who is authorised to carry out any of the Council's contracts functions, that they comply with the Council's Contract Procedure Rules and Financial Regulations as if they were an officer of the Council.
- 2.6 Any failure by officers / members to comply with any of the provisions of these Contract Procedure Rules or Financial Regulations or associated guidance adopted by the Council or UK and European legal requirements may result in disciplinary action.
- 2.7 Failure to comply with these CPR's by officers or consultants shall be reported immediately to the relevant Head of Service / Director or Chief Finance Officer or Strategic Procurement Manager or Internal Audit Manager. All failures to comply by Members shall be reported immediately to the Monitoring Officer.
- 2.8 Arrangements for Contracts made by schools operating under local management arrangements shall not be subject to these CPR's but shall be subject to their own Contract Procedure Rules.

### **3. Officers' and Members Duties**

- 3.1 The highest standards of probity are required of all officers and Members involved in the procurement, award and management of Council Contracts.
- 3.2 Officers shall always:
- (a) seek value for money
  - (b) show no undue favour to any contractor, nor discriminate against any contractor
  - (c) ensure that all procurement is in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information)
  - (d) do nothing that contravenes EU or domestic law
  - (e) ensure that adequate Contract Files are kept for Contracts upon which they are engaged
  - (f) ensure that Contracts are packaged to ensure Best Value for Money

3.3 As a general rule, Members and officers must not accept from Contractors or potential Contractors, or from any firm or organisation with whom the Council has had, is having or may have any dealings of any kind,

- (a) any gift; or
- (b) any hospitality

Without the written authorisation of the Head of Service / Director who is responsible for that officer, or in the case of Members, unless the matter has been reported to the Monitoring Officer.

3.4 Members shall comply with the Member's Code of Conduct and Officers shall comply with the Officers Code of Conduct

3.5 Members and officers may seek advice from the Monitoring Officer in respect of any matter arising out of CPR 3.3

#### **4. Declaration of Interests**

4.1 No member, employee or agent of the council shall improperly use their position to obtain any personal or private benefit from any contract entered into by the council

4.2 The following shall declare any interests which may affect the contract process;

- (a) all officers who play an influential role in any aspect of the contracts process, including those designated under a scheme of delegation in CPR 5.3;
- (b) Cabinet Members involved in the contract process;
- (c) external consultants.
- (d) anyone else who is not an officer of the Council but who is authorised to carry out any of the Council's Contract Functions

4.3 The Monitoring Officer shall ensure that Heads of Service, Directors, Cabinet Members, Officers, Consultants and anyone else who is not an officer of the Council appointed or agreed by them make declarations on their appointment and on any change in circumstances (and annually in the case of officers), and shall either certify them as acceptable or take any necessary action in respect of potential conflicts of interest.

4.4 Head of Service shall keep a register of declarations indicating the names and grades of those declaring and the nature of their declaration. Responsible Officers shall keep completed consultants' declarations on the Contract File.

## **5. Scheme of Delegation**

- 5.1 Any procurement carried out on behalf of the Council may only be undertaken by officers with the appropriate delegated authority to carry out such tasks.
- 5.2 Each Head of Service / Director shall receive from Cabinet delegated powers to enter into contracts (CPR 29), to grant waivers and exemptions (CPR 8, CPR 9 and CPR 10) and to approve contract variations (CPR 39) on behalf of the Council to specified financial limits.
- 5.3 Each Head of Service shall compile and maintain a scheme of delegation specific to their Department, detailing the names and grades of officers approved for the purposes of obtaining quotations, tendering, entering into contracts and placing orders on behalf of the Council and the maximum contract/ order value allocated to each officer for these purposes.
- 5.4 Each Head of Service shall supply to and agree with the Strategic Procurement Manager their scheme of delegation before the start of each financial year, and on making any amendment.
- 5.5 The Chief Finance Officer shall keep a register of all schemes of delegation and shall ensure the appropriate scheme of delegation is replicated within the purchase to pay solution (for ordering, receipting and payments) and the e-sourcing solution (for sourcing and contracting).

## **6. Electronic Procurement Solutions**

- 6.1 All purchase-to-pay processes including requisitioning, ordering, receipting and invoice payments shall be conducted via the corporate purchase-to-pay solution (where available), which has been approved by the Strategic Procurement Manager.
- 6.2 All e-sourcing processes including request for quotations, tendering, e-auctions, contract management, supplier performance management and approved list management shall be conducted via the corporate e-sourcing solution (where available), which has been approved by the Strategic Procurement Manager.
- 6.3 The use of any alternative e-procurement solutions cannot be carried out without the prior approval of the Strategic Procurement Manager.

## **7. Corporate Purchasing Agreements (including use of Framework Agreements) and Joint Procurement arrangements (including membership of official purchasing consortiums)**

- 7.1 Any membership of an official purchasing consortium which requires upfront Council commitment shall be approved by Cabinet prior to the

involvement by or on behalf of the Council.

7.2 Any joint procurement arrangement, with any other public sector organization that results in the Council being committed to contractual obligations (not including Framework Agreements) shall be approved in the following manner prior to the commitment stage:

7.2.1 by the Head of Service / Director based on a report from the Responsible Officer having consulted with the Chief Finance Officer and Strategic Procurement Manager if the Council's estimated overall contribution over the contract duration is less than £250,000

7.2.2 by the Head of Service / Director based on a report from the Responsible Officer having consulted with the Chief Finance Officer and Strategic Procurement Manager and relevant Cabinet Member, if the Council's estimated contribution over the contract duration is over £250,000 and less than £1,000,000

7.2.3 by Cabinet based on a report from the Head of Service having consulted with the Chief Finance Officer and Strategic Procurement Manager, if the Council's estimated contribution over the contract duration is over £1,000,000

7.3 The use of the following Corporate Purchasing Agreements as endorsed by the Strategic Procurement Manager shall be mandatory, unless a justification not to use them has been made in writing and has been approved by the Strategic Procurement Manager:

- Corporate Purchasing Agreements resulting from the National Procurement Service or any other approved Official purchasing consortiums
- Any other Framework Agreements and any subsequent call-off arrangements,
- Joint Procurement Arrangements,
- Electronic catalogues within the purchase-to-pay solution and
- Contracts listed within the corporate contract register

7.3.1 The Strategic Procurement Manager will undertake a consultation or benchmarking exercise before endorsing any Corporate Purchasing Agreements

7.4 The use of any Framework Agreements and /or Joint Contracts resulting from a procurement exercise involving other public bodies as the lead authority shall be approved by the Strategic Procurement Manager prior to using such arrangements. All such requests shall be made in writing to the Strategic Procurement Manager, and once approved the responsible officer shall ensure that the Framework Agreements and/or Joint Contracts shall be inputted onto the Corporate Contract Register within the e-sourcing solution (where available).

- 7.5 The Head of Service will ensure that the CPR's or equivalent of the lead authority / body will be acceptable to the Council and are to be followed throughout the procurement exercise.

## **EXEMPTIONS**

### **8. Exempt Contracts**

- 8.1 Exemptions are where contract procedure rules do not apply to certain contracts
- 8.2 The following contracts are exempt from the requirements of these CPR's:
- (a) individual agency contracts for the provision of temporary staff;
  - (b) employment contracts;
  - (c) contracts relating solely to disposal or acquisition of an interest in land with exception to Development Agreements (see CPR 43),
  - (d) internal purchases or service provision
  - (e) contracts formalising the funding of particular voluntary sector bodies, where the purpose of the contract is to provide Grant in Aid funding by the Council;
  - (f) contracts for the engagement of Counsel;
  - (g) contracts for the engagement of Expert Witness;

### **9. Exemptions from Contract Procedure Rules**

- 9.1 Waiver is where the Contract Procedure Rules are partly suspended to enable a particular course of action. This does not obviate the need to ensure that adequate and robust process is undertaken in accordance with the principles of these Contract Procedure Rules. The Council's rules and guidance will still apply.
- 9.2 Waiver from any Contract Procedure Rules requirements including obtaining quotations or tendering based on any reason that is not listed in CPR 10.2 can only be obtained from Chief Finance Officer or Monitoring Officer in accordance with CPR 10.3.

### **10 Exemption from Tendering Requirement**

- 10.1 Exemption from Tendering is where the requirement to seek market competition as per CPR 17, 18, 19 & 21 is suspended provided a justification can be demonstrated as per CPR 10.2
- 10.2 Where an exemption is sought by an Responsible Officer in respect of obtaining tenders (CPR 10.2), a report must be provided setting out the reason for requiring the exemption and to notify which exception under CPR 10.2 is applicable. The responsible officer shall consult with the Strategic Procurement Manager in preparing the report and the report shall also include a statement from Chief Finance Officer.



In order to justify an exemption it will need to demonstrate that one or more of the following reasons is applicable:

- (a) In the absence of tenders, suitable tenders (irregular or unacceptable) or applications in response to an invitation to tender by the contracting authority using the open procedure or the restricted procedure but only if the original terms of the proposed contract offered in the discontinued procedure have not been substantially altered.
- (b) The contract involved is purely for the purpose of research, experiment, study or development under the conditions stated in Public Contracts Regulations 2006
- (c) The works/goods/services can be provided only by a particular contractor for reasons that are technical, artistic, or connected with the protection of exclusive rights.
- (d) Extreme urgency brought about by events unforeseeable by the contracting authority and in accordance with the strict conditions stated in the Public Contracts Regulations 2006.
- (e) Additional works/deliveries/services are ordered under the strict conditions stated in Public Contracts Regulations 2006, which do not exceed 50% of the value of the original contract and are required which, through unforeseen circumstances, were not included in the original contract and which either are strictly necessary for the completion of the contract or, for technical or economic reasons, cannot be carried out separately;
- (f) New works/services, constituting a repetition of existing works/services and ordered in accordance with the strict conditions stated in the Public Contracts Regulations 2006. Such that new works or services are required which are a repetition of works or services carried out under the original contract (provided in the case of EU contracts they are required within three years of the original contract and the contract notice stated that a new contract might be awarded by negotiation);
- (g) That goods are required as a partial replacement or addition to existing goods or installations and obtaining them from another contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance;
- (h) That the rules of a design contest require the contract to be awarded to one of the successful candidates, provided all successful candidates are invited to negotiate;
- (i) For supplies quoted and purchased on a commodity market or for the supply of goods or materials the goods or materials are proprietary articles or are sold at a fixed price and no reasonable satisfactory alternative is available;
- (j) For the purchase of supplies on particularly advantageous terms from a supplier which is definitely winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors or a similar procedure.

- (k) Where delay attributable to the tendering process would, in the estimation of the Head of Service concerned, result in the Council incurring net expenditure or forfeiting net income in excess of the savings on the contract sum that might reasonably be expected to accrue from competitive tendering;
- (l) The engagement of actors and performers
- (m) Where the delay attributable to the Tendering process would create or increase danger to life or limb or would, in the opinion of the Head of Service / Director concerned, result in or continue an unacceptable level or standard of service.
- (n) that services are required which are categorised as Part B Health and Social Services in accordance with EU and UK legislation, and which represent a clear continuation of specific services required under an existing contract, and that a decision to both exempt the required services from obtaining quotations or tendering and award a new contract to the existing contractor **can** be justified as reasonable following **a balanced consideration in conjunction with guidance from the Monitoring Officer on the relevant public law principles, of the extent to which the new requirement meets the following criteria:**
  - i. evidence demonstrates that obtaining quotations or tendering for the required services is unlikely to secure significant improvements in value for money, or else is unlikely to secure sufficient improvement in value for money to justify the cost of obtaining quotations or tendering, or else any likely improvement in value for money will be outweighed by the potential cost of changing contractor;  
*and/or*
  - ii. the specification for the new requirement does not differ substantially from that of the existing contract;  
*and/or*
  - iii. the contract terms and conditions of the new requirement do not differ from those of the existing contract except where required by changes to the Authority's Financial Regulations (including these Contract Procedure Rules) or relevant standard contracting practices;  
*and/or*
  - iv. the equivalent annual value of the contract for the new requirement does not differ from that of the existing contract by more than +10% unless required by law;  
*and/or*
  - v. the services required have previously been tendered or been subject to competitive quotations no more than five years prior to the end of the original contract having regard to the term of the

contract to be offered and the volatility of prices and quality in the relevant sector;

*and/or*

vi. no more than two previous contracts for the required services have been exempted from obtaining quotations or tendering;

*and/or*

vii. the performance of the existing contractor in delivering the required services under the existing contract has been monitored and assessed as satisfactory or better;

*and/or*

viii. the quality of the required services as provided by the existing contractor under the existing contract has been assessed as satisfactory or better;

*and/or*

ix. improvements in value for money in respect of contract specification or contract price or service quality have already been secured or else will be secured under the terms of the new contract for the required services.

*and/or*

x. the required services, where applicable, are necessarily delivered in specific accommodation and there is a significant risk that a change in contractor would result in the loss of that accommodation to the required services or service user(s) and also a significant risk that alternative accommodation will not be secured within a reasonable and practical timescale.

*and/or*

xi. there is a reasonable probability that obtaining quotations or tendering the required services would result in significant distress or other detriment to the welfare of the service user(s) or would reverse or undermine the attainment of successful outcomes for the service user(s).

*and/or*

xii. any other valid and relevant considerations which may be identified by the Responsible Officer in consultation with the Monitoring Officer as pertinent to the relevant contractor.

10.3 Exemptions from tendering on the basis of one or more of the reasons listed in CPR 10.2 may be granted in the following manner:

(a) by the Monitoring Officer, based on a written report from the Head of Service, having consulted with the Strategic Procurement Manager and the Chief Finance Officer, if the contract value is under £1,000,000;

- (b) by a Cabinet Member in whose portfolio the service falls based on a report from the Head of Service, having consulted with the Monitoring Officer, Strategic Procurement Manager and the Chief Finance Officer, if the contract value is between £1,000,001 and £2,000,000. In the event that any Exemption under consideration is deemed sensitive or high risk then the Lead Member can request on a case by case basis that the matter is escalated to Cabinet for a decision
- (c) by Cabinet if the contract value is over £2,000,001.

10.4 No exemptions may be granted:

- (a) which would result in a breach of European or domestic law;
- (b) from CPR 3 (Officers' duties), CPR 4 (Declaration of Interests); CPR 5 (Scheme of Delegation), CPR 7 (Corporate Purchasing Agreements and Joint Procurement Arrangements);
- (c) from CPR 39 requiring approval of certain contract variations.

10.5 Exemptions from the CPR's can only be granted in the following circumstances:

- (a) at the direction of the Chief Finance Officer and Monitoring Officer subject to CPR 10.2 and CPR 10.3; or
- (b) in order to meet the requirements of European Union legislation or any domestic legislation including any regulations or directives from the National Assembly for Wales.

10.6 All single Tenders resulting from Exemption from the CPR's, Exemption from tendering or CPR waivers, shall be procured and evaluated via the e-sourcing solution (where available).

10.7 Each Head of Service shall keep a copy of the approved exemptions and waivers granted in respect of their Department, detailing the nature and value of the contract, the circumstances justifying the approval and the name of the contractor awarded. A central register of the same information will also be held on the Corporate Contract Register via the e-sourcing solution (where available).

## **APPROVED LISTS**

### **11. Council Approved Lists and Vetting of Contractors**

11.1 Quotations and Tenders for contracts which are not subject to EU Thresholds may be invited from Contractors included on the Council's Approved Lists. **The use of Approved Lists shall be discontinued from 1 April 2016**

11.2 The use of Approved Lists will need the prior approval from the

Strategic Procurement Manager and must be sought prior to set up or adoption of an Approved List.

11.3 All Approved Lists shall be compiled and maintained by named officers via the Approved List Management module within the e-sourcing solution (where available).

11.4 The Council's Approved Lists shall include all contractors that meet the Council's pre-qualification questionnaire requirements only and must not include any commercial / pricing elements.

11.5 Council Approved Lists shall:

- (a) be compiled for any goods, services or works categories as the relevant Head of Service may require up to the contract value of the OJEU threshold as identified in Schedule 1 (Goods and Services) and £250,000 (Works). Higher contract values can only be undertaken with prior approval of the Strategic Procurement Manager
- (b) include contractor who must have expressed and submitted a written request for the inclusion on the Council Approved List and has been approved.
- (c) indicate whether the contractors listed are approved for all contracts or for only some of the specified categories, values or amounts
- (d) be publicly advertised and reviewed in full at least every three years. A public advertisement must be advertised as a minimum either on the Council's own website/National Procurement Website, or at least one local newspaper circulating in the locality or in at least one appropriate trade journal
- (e) be open to receive new expressions of interest from any contractor at any time,
- (f) be an approved list prepared by another public body providing that it has been composed in a proper manner by that body and that the Responsible Officer is satisfied that the procedure used does not conflict with the Council's procedures.

11.6 The financial standing of Contractors shall be subject to continuous financial monitoring through a third party financial vetting service (where available); alternatively a manual financial checking process will need to be put in place and undertaken by the relevant corporate Finance Manager. Whenever reasonable doubts which are based on objective grounds arise as to the financial standing or technical capabilities of a contractor on a Council Approved List, Framework Agreement or Contract, the appropriate Head of Service may, in consultation with the Strategic Procurement Manager, immediately suspend that contractor from the Approved List / Framework Agreement or Contract.

- 11.6.1 Investigations of the contractor shall commence immediately by the service and be completed as soon as possible but must be completed within 28 days. Where the investigation establishes sufficient evidence justifying removal from the Approved List / Framework Agreement the relevant Head of Service may remove the contractor following consultation with the Monitoring Officer. Where the investigation has not established grounds for removal the contractor shall be reinstated to the Approved List / Framework Agreement immediately. The Strategic Procurement Manager shall be kept informed of any decision made in respect of the contractor and shall update the e-sourcing solution immediately.
- 11.7 If a contractor consistently declines to tender when invited or consistently submits tenders which are so high as to suggest that the contractor is not genuinely competing for the contracts, the Head of Service shall seek an explanation from the contractor. Subject to the explanation given by the contractor, the Head of Service may consider whether removal from the List / Framework Agreement must be recommended. Such recommendation must be made to the Strategic Procurement Manager who will decide whether to remove the contractor from the Approved List / Framework Agreement.
- 11.8 A contractor may be removed from the List / Framework Agreement if the appropriate Head of Service considers that the contractor or its staff have breached standards of conduct that are relevant to the nature of the work performed by the contractor. Action may be taken under this paragraph even if there are no doubts about the financial standing or technical capability of the contractor. Any decision to remove a contractor from a List / Framework Agreement under this paragraph shall, following an investigation be reported to the Strategic Procurement Manager. In the event that a Contractor is removed from the List / Framework Agreement, then the Senior Leadership Team shall also be notified of the decision.
- 11.8.1 The removal of any contractors from the Proactis Approved List (where available) shall be carried out by the Strategic Procurement Manager. The removal of contractors from a manual Approved List shall be carried out by the relevant Approved List administrator.
- 11.9 In the event that is deemed that the use of a specific Framework Agreement is more beneficial than the use of an Approved List for the same category of work as per CPR 7.3, the corresponding category of work on the Approved List including the Contractors shall be removed from use. This shall be done with agreement from the Approved List Manager and the Strategic Procurement Manager.
- 11.10 Where an Approved List is deemed to be in place then the creation of a tender shortlist using a combination of Approved List contractors as well as the inclusion of non Approved List contractors shall not be allowed. In the event that the tender shortlist may include non approved

contractors then this shall be subject to a separate Pre-Qualification Questionnaire vetting exercise as part of a specific Tender.

11.11 Contractors shall be invited to tender by random selection by using the e-sourcing solution (where available), save that up to 50% of tender shortlist may also include contractors:

(a) who have carried out similar work or has worked on an earlier stage of the project for the Council in the last two years and there is evidence that they have demonstrated the required performance standards. Once there is sufficient feedback available on the Contractor performance standards via the e-sourcing solution (when available), the best performing contractors shall be identified for the relevant category of work, and shall be considered for the tender short-list; or

(b) by 100% random selection from the contractors on the relevant Approved List.

11.12 Contractors shall be selected from within the appropriate work category or, where the contract involves several categories, from the most relevant category.

11.13 In all cases, the Responsible Officer shall demonstrate on the Contract File how they compiled the tender invitation.

11.14 With respect to Contractors that are on Approved Lists, Framework Agreements or that have a Contracts in place, the financial standing (see CPR 11.6), level of Insurance cover including any policy exclusions, Accreditations, level of Prosecutions any other relevant information that may be subject to change / renewal, must be checked and verified by Approved List Owner, Contract Manager or responsible officer that uses the relevant Framework Agreement.

## **PROCUREMENT PLANNING**

### **12. Contract Value and Aggregation**

12.1 Before conducting any procurement exercise the Responsible Officer will estimate and record the total monetary value and expected cost of a proposed contract, including any contract extensions, incidental or ancillary costs, net of VAT, over the full duration of the contract (not the annual value). For construction contracts, the estimate must be produced by a suitably qualified officer.

12.2 Where a service or supply contract does not stipulate a total price, the contract value shall be estimated as follows:

(a) fixed term service contracts of up to 48 months: total consideration payable over the term;

- (b) service contracts, or contracts for the hire of goods, for an indefinite (or uncertain) period or for a fixed term of more than 48 months: consideration payable in respect of each month multiplied by 48.

12.3 The contract value of regular or renewable service or supply contracts shall be estimated either:

- (a) by aggregating the value of similar contracts for the same categories of services or supplies awarded by the Council over the previous financial year or 12 months, adjusted where possible for anticipated changes in quantity or value over the next 12 months; or
- (b) by taking the estimated aggregate value during the twelve months following the first supply or service performed, or during the term of the contract where this is greater than 12 months

12.4 A contract cannot be artificially divided into two or more separate contracts, nor a valuation method selected, with the intention of avoiding these CPR's. Contracts shall be packaged to ensure best service delivery, competition and value for money.

12.5 Where a purchasing requirement is subdivided into several contracts, the estimated value of each shall be aggregated to estimate the total contract value; however:

- (a) any works contract that has an estimated value of less than the small lots provision in the Table of Values; or
- (b) any service contract that has an estimated value of less than the small lots provision in the Table of Values need not be aggregated, provided that the aggregate value of all those contracts is less than 20% of the total contract value.

12.6 The Responsible Officer must be satisfied that authority exists within the Council's approved budget for such expenditure, or will exist before expenditure is committed and that he has the delegated authority to spend from such budget.

### **13. Pre-Tender Enquiries**

13.1 Enquiries of contractors may be made before tenders are invited in order to:

- (a) establish whether goods, works or services that the Council wishes to purchase are available, and within what price range;
- (b) prepare tender documents, price estimates and contracts;
- (c) establish whether particular contractors wish to be invited to tender or quote.

13.2 In making enquiries:



- (a) no information shall be disclosed to one contractor which is not then disclosed to all those of which enquiries are made, or who are suitably invited to tender or quote;
- (b) no contractor shall be led to believe that the information they offer will necessarily lead to them being invited to tender or quote, or awarded the contract;
- (c) a written record, including notes of any meetings held, the responses and the names of all individuals present shall be kept by the Responsible Officer on the Contract File.

#### **14. Purchasing Need and Procurement Planning Approval**

14.1 The Head of Service shall, having established and identified a purchasing need, nominate a Responsible Officer to fully assess the purchasing need.

14.2 Before undertaking a procurement exercise, the Responsible Officer, shall ensure that:

- (a) All individual procurements projects over the value of £100,000 will require that a Procurement Plan checklist is completed by the Responsible Officer and sent to for approval to the Strategic Procurement Manager prior to undertaking any competitive market testing or negotiation.
- (b) With respect to procurement projects between the values of £25,000 and £100,000 a Procurement Plan checklist must still be completed and retained on contract file for inspection. Other than for Projects outlined in CPR 14.2 (c), where approval is required by the relevant Head of Service listed below, no further approval will be required.
- (c) With respect to the following specific procurement projects, additional approval to the above will be required as follows:
  - ICT procurement projects - additional approval to the above will be required from the Manager of Business Transformation & ICT or their designated Responsible Officer
  - Property and Works related procurement projects – additional approval will be required from the Property Manager – Strategic Assets or their designated Responsible Officer
  - Temporary staff Agencies (excluding Matrix) and Interim staff Agencies – additional approval will be required from Head of Human Resources & Occupational Development or their designated Responsible Officer

#### **15. Sustainable Procurement**

15.1 For all contracts exceeding £2,000,000 in value it will be mandatory to deliver a social, economic and environmental return on investment through the adoption of a community benefits approach where such benefits can be realised.

- 15.2 For all contracts below £2,000,000 in value it will be optional to deliver a social, economic and environmental return on investment through the adoption of a community benefits approach. However, even for these contracts it will be desirable to deliver relevant community benefits.
- 15.3 All contractors that will be required to deliver Community Benefits shall be required to complete the Community Benefits Toolkit as part of their contractual requirements.
- 15.4 For all contracts over £100,000 for Goods and Services the Council shall take account of social, economic and environmental issues when making procurement decisions using the sustainable risk assessment template (SRA) as part of Procurement Plan Checklist approval (CPR 14).
- 15.5 The inclusion of Sustainable Procurement requirements arising from the Sustainable Risk Assessment (SRA) under CPR 15.4 shall be at the discretion of the relevant Head of Service, having taken into considerations any financial impact of including such requirements.

## **QUOTATIONS AND TENDERING**

### **16. Contracts Valued at less than £10,000 (Goods, Services & Works)**

- 16.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.
- 16.2 Where practical, competition is required for contracts with an estimated value of less than £10,000. The need to obtain written request for quotation shall be at the Head of Service's discretion although this does not alleviate the Head of Service of his responsibility in being able to demonstrate that value for money has been obtained. The Responsible Officer shall obtain, where practical, a minimum of one request for quotation, which must be sourced from an Approved List of Contractors where such a list exists or alternatively if no Approved List is in place from the general list of registered suppliers on the e-sourcing solution (where available) or by public advertisement on the National Procurement Website.
- 16.3 The Request for Quotation shall be received through the e-sourcing solution (where available) or alternatively by written submissions. In the event that only ONE Request for Quotation is sought, then it can be in received in writing on paper or through e-mail which is not locked.
- 16.4 The Request for Quotation shall include as a minimum a technical specification, pricing schedule and Terms and Conditions.
- 16.5 A Purchase Order Must be sent via the Purchase-to-Pay solution (where available) following acceptance of the Request for Quotation /

signing of the contract.

**17. Contracts Valued between £10,001 and £25,000 (Goods, Services & Works)**

- 17.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.
- 17.2 The Responsible Officer shall invite as a minimum three Quotations, which must be sourced from an Approved List of Contractors where such a list exists or alternatively if no Approved List is in place from the general list of registered suppliers on the e-sourcing solution (where available) or by public advertisement on the National Procurement Website.
- 17.3 The Quotations shall be received electronically through the e-sourcing solution (where available) or alternatively through written submissions. All Quotations received shall NOT be opened until the specified closing time and date has elapsed.
- 17.4 The Request for Quotation shall include as a minimum a technical specification, pricing schedule and Terms and Conditions.
- 17.5 A Purchase Order Must be sent via the Purchase-to-Pay solution (where available) following signing of the contract.

**18. Contracts Valued between £25,001 and OJEU threshold (Goods & Services)**

- 18.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.
- 18.2 The Responsible Officer shall invite as a minimum four Tenders which must be sourced as a minimum through a public advertisement via the National Procurement Website. If a Restricted Procedure is undertaken then a minimum of four contractors shall be invited to Tender (subject to suitability). Exceptions to this, shall be the use Approved Lists or the supplier directory on the e-sourcing solution (where available) by prior agreement with the Strategic Procurement Manager.
- 18.3 The Tenders shall be received through the e-sourcing solution (where available) or alternatively through written submissions. All Tenders received shall NOT be opened until the specified closing time and date has elapsed.
- 18.4 A Purchase Order Must be sent via the Purchase-to-Pay solution (where available) following signing of the contract.

## **19. Contracts Valued over OJEU threshold (Goods & Services)**

- 19.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.
- 19.2 The Responsible Officer shall invite as a minimum five Tenders which must be sourced as a minimum through a public advertisement via the National Procurement Website, which will also publish the same advertisement in the Office Journal of European Union (OJEU).
- 19.3 The Tenders shall be received through the e-sourcing solution (where available) or alternatively through written submissions. All Tenders received shall NOT be opened until the specified closing time and date has elapsed.
- 19.4 All Tender notices for projects above the OJEU threshold (Goods and Services) shall be administered by the Strategic Procurement Manager.
- 19.5 A Purchase Order Must be sent via the Purchase-to-Pay solution (where available) following signing of the contract.

## **20. Contracts Valued between £25,001 and £250,000 (Works)**

- 20.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.
- 20.2 The Responsible Officer shall invite as a minimum four Tenders, which must be sourced from an Approved List of Contractors where such a list exists or alternatively if no Approved List is in place then from the general list of registered suppliers on the e-sourcing solution (where available) or by public advertisement on the National Procurement Website. If a Restricted Procedure is undertaken then a minimum of four contractors shall be invited to Tender (subject to suitability).
- 20.3 The Tenders shall be received through the e-sourcing solution (where available) or alternatively through written submissions. All Tenders received shall NOT be opened until the specified closing time and date has elapsed.
- 20.4 A Purchase Order Must be sent via the Purchase-to-Pay solution (where available) following signing of the contract.

## **21. Contracts Valued over £250,001 (Works)**

- 21.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement is in use for the particular purchasing requirement. If so, an order shall be placed under the Arrangement accordingly.

- 21.2 The Responsible Officer shall invite as a minimum five Tenders which must be sourced as a minimum through a public advertisement via the National Procurement Website. With respect to contracts above the OJEU threshold the same advertisement shall be published in the Office Journal of European Union (OJEU). Exceptions to public advertisement shall be the use of Approved Lists or the supplier directory on the e-sourcing solution (where available) only following approval from the Strategic Procurement Manager for contracts below the OJEU threshold (Works) only.
- 21.3 The Tenders shall be received through the e-sourcing solution (where available) or alternatively through written submissions. All Tenders received shall NOT be opened until the specified closing time and date has elapsed.
- 21.4 All Tender notices for projects above the OJEU threshold (Works) shall be administered by the Strategic Procurement Manager.
- 21.5 A Purchase Order Must be sent via the Purchase-to-Pay solution (where available) following signing of the contract.

## **22. Timescales for receiving requests for Requests for Quotes and Tenders**

- 22.1 For all Tenders below the OJEU threshold for Goods, Services and Works there is NO prescribed timescale duration for receipt of documentation e.g. Pre Qualification Questionnaire and / or Tender documentation, since all projects need to be assessed based on its own complexity and to allow sufficient timescales for contractors to provide suitable bids.
- 22.2 For all Tenders (Goods, Services and Works) above the OJEU threshold the timescales for various procedures **MUST** follow the process chart located in the Procurement Pages of the Intranet.

## **23. Request for Quotes and/or Invitation to Tender Documentation**

- 23.1 The Invitation to Tender documentation (including Pre Qualification Questionnaire, Invitation to Tender and Award Letters) and all other procurement documentation used shall be in compliance with the corporate standard documentation as approved or amended from time to time by the Strategic Procurement Manager.

## **24. Tender Specifications**

- 24.1 The Responsible Officer shall ensure the tender specifies the quality, performance, safety and other characteristics required of the works, services, or supplies. Specifications may include requirements relating to methods of construction, design and costing, tests, testing methods, inspection and acceptance, quality assurance, packaging, marking and

labelling.

- 24.2 Technical specifications shall be defined by reference to relevant European specifications or, where they do not exist, in the following order: to British technical specifications, British standards implementing international standards, other British standards and technical approvals or any other standards. Where an appropriate standard is current at the date of tender, all works services and supplies shall be at least of equal quality.
- 24.3 Specifications shall not refer to supplies of a particular make or source unless:
- (a) it is justified by the tender requirement; or
  - (b) the tender requirement cannot otherwise be described precisely and intelligibly, provided references are accompanied by the words 'or equivalent'

## **25. Tender Opening**

- 25.1 All Quotations under £10,000 where there is only ONE quote invited can be opened upon receipt of the single quotation. The bid shall be accessed via the e-sourcing solution (where available) or alternatively by paper bid.
- 25.2 All Quotations under £25,000 (with exception to single quotes <£10,000 see CPR 25.1) shall be opened at the same time and place after the closing time for receipt as stated in the documents or as early as reasonably practical thereafter. The tender opening shall take place as a minimum 24 hours after the closing time if using the e-sourcing solution (where available). This shall be done in the presence of at least two officers of the Council designated for the purpose by the Head of Service concerned. At least one of the Officers present must be independent of the project and not had involvement in document preparation or be involved in the evaluation of Tenders received. The bids shall be accessed via the e-sourcing solution (where available) or alternatively by paper bids.
- 25.3.1 All Tenders undertaken on the e-sourcing solution that are above £25,000 shall be opened at the same time and place after the closing time for receipt as stated in the documents or as early as reasonably practical thereafter. The tender opening shall take place as a minimum 24 hours after the closing time. This shall be done in the presence of at least two officers of the Council designated for the purpose by the Head of Service concerned. At least one of the Officers present must be independent of the project and not had involvement in document preparation or be involved in the evaluation of Tenders received. The bids shall be accessed via the e-sourcing solution (where available) or alternatively by paper bids. A Cabinet member shall always be invited to attend the tender opening and be given reasonable notice of the

arrangement. It is that Cabinet Members discretion as to whether they attend. The Tender opening will be arranged by the Head of Service.

- 25.3.2 Where Tenders are undertaken using paper documents and the value is above £100,000 then the opening shall be undertaken in the presence of two or more officers of the Council designated for the purpose by the Monitoring Officer and the Head of Service concerned. A Cabinet member shall always be invited to attend the tender opening and be given reasonable notice of the arrangement. It is that Cabinet Members discretion as to whether they attend. The Tender opening will be arranged by the Head of Service. This facility will only remain in place until the e-sourcing solution is made available to all Services.
- 25.4 Every Invitation to Tender shall state that a Bid will only be considered if it is received by a specified time and date via the E-sourcing solution (where available) or with respect to paper tenders in a sealed plain envelope with the word "Tender" and the name of the contract written on it. If the envelope bears any distinguishing matter or mark intended to indicate the identity of the sender, the Bid may be deemed invalid.
- 25.5 All Tenders shall be submitted via the e-sourcing solution (where available) or by paper. All paper Tenders shall be delivered to the named Responsible Officer who shall be responsible for the safe custody of Tenders until such time as they are officially opened.
- 25.6 On receipt, all bids received (electronically or paper based) shall be endorsed with the time and date of receipt and kept secure by the Responsible Officer until the time specified for Tender opening.
- 25.7 If a paper based Tender is opened in error, no attempt shall be made to ascertain any contents of the bid or its origin and the matter shall be reported to the appropriate Head of Service. The envelope shall be resealed immediately and signed by the designated Responsible Officer who opened the envelope and the Head of Service. If the Head of Service has reason to suspect a breach of confidentiality or irregularity has occurred, the Head of Service shall consider arranging for re-Invitation to Tender and report without delay to Internal Audit.
- 25.8 The designated persons present at the Tender opening shall record the following details of each tender:
- (a) the last date and time for the receipt of bids;
  - (b) the name of each Bidder and the amount of each bid;
  - (c) the date the Tenders were opened;
  - (d) if using the e-sourcing solution a print out of the tender opening form shall be obtained

And the record shall be signed by all designated persons present at the Tender opening.

## **26. Late Tenders received**

- 26.1 Any bid received after the specified time shall be endorsed with the time and date of receipt.
- 26.2 If all other bids have been opened, the late bid shall not be considered for evaluation and shall be opened only to ascertain the name of the contractor. No other details of the Bid shall be disclosed. The Responsible Officer shall arrange for the bid to be returned (if paper based) to the Contractor immediately. A notification letter explaining why the bid has not been considered shall be sent to the Contractor.
- 26.3 The late bid shall be considered, providing that the other bids have not been opened and that the Monitoring Officer is satisfied:
- (a) that there is evidence that the late bid was posted / submitted in time for delivery by the due date in the normal course of postal service/ internet service or
  - (b) that exceptional circumstances surround the submission of the late bid, including but not limited to technical difficulties accessing the e-sourcing solution.
- 26.4 Any decision made under CPR 26.3 is to be recorded on the Contract File signed by the Monitoring Officer and a copy of the decision is to be forwarded to the Strategic Procurement Manager.

## **27. Tender Evaluation and Alterations**

- 27.1 All Tenders above £100,000 (Goods, Services and Works) shall be evaluated and awarded on the basis of MEAT (Most Economically Advantageous Tender) only, which shall include a combination of Price and Quality criteria, unless a deviation to this requirement has been approved by the Strategic Procurement Manager through the Procurement Checklist process. (See CPR 27.3)
- 27.2 Lowest price evaluation may only be used as an option for contracts below £100,000, however it is recommended that for contracts below £100,000 that they are evaluated and awarded on a price/quality basis.
- 27.3 Where a contract is to be awarded on the basis of Most Economically Advantageous Tender (MEAT), the Bids shall be evaluated by an Evaluation Team consisting of a minimum of TWO Responsible Officers, in accordance with the criteria stated in the Tender Evaluation documents. With respect to OJEU Tenders, the Collaborative Procurement Service (CPS) staff shall be notified of the evaluation process by the Evaluation Team and the CPS staff shall be consulted following the tender evaluation process, and prior to any tender award approval of any contract in order to ensure robustness of process.



- 27.4 Any particular scoring or weighting attributable to any criteria or sub criteria must be clearly stated in the Invitation to Tender documentation. In addition, the criteria shall be strictly observed (and remain unchanged) at all times throughout the evaluation stage. It must be noted that prior disclosure of and adherence to award criteria and weightings is a fundamental requirement of the core principle of transparency. The core procurement principles (transparency, equal treatment, non-discrimination) apply even to sub-OJEU threshold procurements.
- 27.5 As a general rule no adjustment or qualification to any bid is permitted. Errors found during the examination of bids shall be dealt with in one of the following ways:-
- 27.6 Where there is an error of clerical or arithmetical transcription or computation manifest upon the face of the document which would affect the tender figure in an otherwise successful tender, the tenderer shall be given details of such errors in writing and shall be allowed the opportunity of correcting those errors and confirming the correct details.
- 27.7 Where examination of Tenders reveals other errors or omissions not stated in CPR 27.6 which would affect the Tender figure or submission, the Tenderer shall be given details of such errors and an opportunity of confirming or withdrawing its Tender.
- 27.8 In relation to Contracts, The Relevant Responsible Officer shall be responsible for scrutinising the forms of Tender in order to identify any errors or other discrepancy affecting the validity of the Tender. Where Tender amounts are compiled from a detailed Bill of Quantities, Schedule of Rates or Pricing Schedule the Responsible Officer shall also scrutinise the priced documents supporting the lowest Tender received and any others he considers appropriate. Where scrutiny reveals a discrepancy between a Tender amount and a priced Bill of Quantities, Schedule of rates or Pricing Schedule the Responsible Officer shall notify the Tenderer who shall be offered the option of either correcting the Tender amount, the rates entered in the documents remaining unaltered or withdrawing the Tender. If it is in the best interests of the Authority, the Tenderer may be given the opportunity to correct the Tender. Where a standard form of contract is being used, errors in the contract will be dealt with in accordance with the rule applicable to that form of contract.
- 27.9 With relation to Works Contracts, if the contractor withdraws, or the corrected bid is no longer the highest ranking bid, the bid from the next highest ranking contractor in competitive order will be called in to be examined in more detail.

## **28. Post Tender Negotiations and Tender Bid Clarifications**

- 28.1 Where the procurement is conducted pursuant to the Public Contracts

Regulations 2006 through either the open, restricted or competitive dialogue procedures, no post-tender negotiations are permitted. The responsible officer may seek clarification from tenderers where appropriate in consultation with the Strategic Procurement Manager. Negotiations on price are never permissible except where the negotiated procedure or electronic auctions are used. The negotiated procedure must only be used in those exceptional cases where it is lawful to do so under the Public Contracts Regulations 2006 (Regulation 14).

- 28.2 Where Sub OJEU contracts are conducted within these CPRs (i.e. they are below the relevant OJEU thresholds) the Strategic Procurement Manager may authorise negotiations if he/she considers that it is in the Council's interest to do so. Such negotiations must be undertaken by TWO responsible officers and must not distort competition, and it must be remembered that the core principles of transparency, non-discrimination and equal treatment apply to below-threshold contracts, therefore negotiations must be kept to a minimum. Negotiations must stay strictly within the boundaries authorised by the Strategic Procurement Manager and a written record must be kept of all negotiations and the final outcome.
- 28.3 At all times during the procurement process the Council shall ensure that all contractors are treated equally and in a non-discriminatory and transparent manner.
- 28.4 The Responsible Officer may negotiate a revised bid in the manner set out in CPR 28.2, provided the specification and terms of the contract remain substantially unaltered:
- (a) where tendering produced no tenders or inappropriate tenders, for example where the tender figure in an otherwise successful tender exceeds approved or budgeted expenditure, or where the sum has changed since tenders were invited; or
  - (b) where tendering was discontinued because of irregular bids, for example because contractors failed to meet the requirements specified in the bidding documents or offer variations on them, or the works, supplies or goods fail to meet the technical specification.
- 28.5 The Responsible Officer shall invite all contractors to amend their bids, in writing, in such matters (e.g. unit price, delivery, discounts or by removing elements of the old bill of quantities) as the Responsible Officer specifies. All negotiations shall be conducted by at least two officers of different disciplines, one of whom is not involved in the contract award. The Responsible Officer shall keep a written record of all negotiations, including notes of all meetings and the names of all individuals present.

28.6 Where post-tender negotiation results in a fundamental change to the specification or contract terms, then advice must be sought from the Strategic Procurement Manager or Monitoring Officer, since the contract must not be awarded but re-tendered.

## **29. Request for Quotations / Tender Award Approvals**

29.1 No contract may be awarded unless the expenditure involved has been included in approved estimates or on capital or revenue accounts, or has been otherwise approved by, or on behalf, of the Council. The Responsible Officer shall ensure that evidence of authority to spend and the budget code to be used is recorded on the Contract File.

29.2 When awarding contracts, framework agreements or mini competitions based on MEAT (Most Economically Advantageous Tender) (based on price and quality criteria); Award approvals must be undertaken in the following manner:

(a) by the Head of Service having consulted with Chief Finance Officer, Monitoring Officer and Strategic Procurement Manager if the contract value is up to £1,000,000

(b) by the Cabinet Member in whose portfolio the services falls based on a report from the Head of Service, if the contract value is between £1,000,001 and £2,000,000. (2 million)

(c) following a report made to Cabinet if the contract value is over £2,000,001. (2 million)

29.3 When awarding contracts, framework agreements or mini competitions based on lowest price only; Award approvals must be made to the Contractor submitting the lowest price, unless the quote or tender is deemed to be an abnormally low bid which cannot be justified by the bidder to be sustainable in order to deliver the contract. Contracts will be awarded to the tender which offers the lowest price in the following manner:

(a) by the Head of Service providing it does not exceed £1,000,000;

(b) by the Cabinet Member in whose portfolio the services falls based on a report from the Head of Service, if the contract value is between £1,000,001 and £2,000,000. (2 million)

(c) following a report made to Cabinet if the contract value is over £2,000,001. (2 million)

29.4 The Responsible Officer shall following obtaining approval for Tender Award and having received no legal challenges during the "Standstill" period, ensure all Contracts are in writing as per CPR 33 and that a

Purchase Order is entered on to the Purchase-to-Pay solution (where available), once the contract has been signed.

- 29.5 The Responsible Officer shall record all contracts awarded by their Department, on a Corporate Contract Register via the E-sourcing solution (where available).
- 29.6 The Responsible Officer shall send a Contract Award Notice to the OJEU within 48 days of the award with respect to an above OJEU contract and shall publish a Contract Award Note to be published on the National Procurement Website for any other contracts below the OJEU threshold. The requirement to publish a contract award notice also applies to “Part B” services contracts (such as health and social care, and legal services) where the value exceeds the relevant OJEU threshold.
- 29.7 If a contract is to be awarded to a department of the Council, a record of the contract must be published in the Corporate Contract Register on the e-sourcing solution (where available) and a Service Level Agreement must be signed between the relevant Head of Services.

### **30. Notification of Tender Award and De-briefing requests**

- 30.1 Prior to awarding any contract following a report to Lead Member or Cabinet, the Responsible Officer should note the Council’s 5 day Call-In procedure to be implemented before Contract Award notifications are made to contractors. Guidance is available on the Council’s Intranet site.
- 30.2 ‘Standstill’ letters to be issued as part of the OJEU tender process under the Public Contracts Regulations 2006 or optionally as part of any Sub-OJEU tender process must not be issued prior to confirmation of tender award (CPR 29).
- 30.3 There must be a mandatory standstill period between communicating the award decision to all tenders and conclusion of the contract with respect to OJEU tenders. This standstill period shall be 10 calendar days if sent electronically or 15 days for notices sent by other methods. Where the last day of the standstill period is not a working day, the standstill period is extended to midnight at the end of the next working day.
- 30.4 With respect to tender awards involving mini competition’s undertaken within a Framework Agreement or tender awards with respect to Sub-OJEU tenders, it is still advisable to include a Standstill period as per CPR 30.1, CPR 30.2 and CPR 30.3, in particular where there is a risk of challenge such voluntary standstill should be considered by the Responsible Officer.
- 30.5 The Notification letters which are sent to any Contractor who was successful and unsuccessful at either Pre Qualification or Tender Award stage shall be sent promptly once the decision has been made at either selection or award stage. The Contractor shall be informed of the

reasons for being unsuccessful and shall also be informed of the characteristics and relative advantages of the successful contractor as well as the name of contractor awarded the contract. For tender procedures that are below the OJEU thresholds the Responsible Officer shall, within 15 days of receipt of a request in writing from any contractor who was unsuccessful, inform them of the reasons why they were unsuccessful and, if an admissible tender was submitted, the characteristics and relative advantages of the successful tender as well as the name of the contractor awarded the contract (subject to certain exceptions e.g. commercial confidentiality)

### **31. Letters of Intent**

31.1 Letters of Intent must only be used in exceptional circumstances after prior approval in writing has been obtained from the Monitoring Officer and shall only be used in exceptional circumstances as follows:

- (a) where the contractor is required to provide services goods or works prior to formal written acceptance by the Council; or
- (b) where all the contractual terms and conditions have been agreed and there would be an unacceptable delay in waiting for the contractual documentation to be completed.

### **32. Non-concluded Terms and Conditions of Contract**

32.1 The council must always ensure that terms and conditions are fully agreed, by including them in the bidding documents and requiring contractors to accept them as part of the bidding process.

32.2 Where the Terms and Conditions of contract are not fully agreed, no contractor shall be allowed to commence delivery of goods, works or services until all Terms and Conditions have been agreed and signature or written agreement of both parties obtained.

32.3 The Council must in no circumstances contemplate entering into a contract on the contractor's own standard terms and conditions, or negotiate terms which are significantly different to those included or referred to at tender stage, without the prior approval of the Monitoring Officer and subject to CPR 28.

## **FORM OF CONTRACT**

### **33. Contracts in Writing**

33.1 The following contracts shall be in writing and executed under seal:

- (a) if the Council wishes to enforce the contract for more than six years after its end;

- (b) where the price paid or received under contract is a nominal price or there is no consideration and does not reflect the value of the works goods or services;
- (c) where there is any doubt about the authority of the person signing for the other contracting party;
- (d) where it is required by law; or
- (e) where the total value of the Contract exceeds £250,000.
- (f) where the appropriate national form of contract used is drafted as a 'deed'.

The seal must not be affixed without the authority of Cabinet, Cabinet Member or Head of Service acting under delegated powers. The sealing of documents is facilitated through Legal Services who shall arrange the signing and sealing with the Council Chairman and a second authorised signatory.

- 33.2 All contracts, whether made via a Purchase Order number, 'under seal' or 'under hand' (ie not sealed but still signed ), will require an official Purchase Order to be created on the Purchase-to-Pay solution (where available).
- 33.3 All contracts up to £250,000 and made 'under hand', shall be in writing on the Council's general standard terms and conditions of business as available on the Council website and procurement pages of the intranet, subject to CPR 33.4 & 33.5, and signed by one authorised signatory. Approval in respect of the use of alternative terms and conditions shall be approved by the Monitoring Officer during the procurement planning stage.
- 33.4 Where there is an appropriate national standard form of contract, that standard form shall be used, subject to any amendments as may be agreed with the Monitoring Officer in consultation with relevant Head of Service.
- 33.5 Where bespoke terms and conditions are likely to be required for a particular project or scheme, based on its complexity, value, importance or risk level; then the Responsible Officer shall contact Legal Services at the procurement planning stages (CPR 12 to 15), to seek advice; give consideration to Legal Services sitting on the any project team or board at this early stage; and take into consideration the professional judgement of procurement and legal officers on the appropriateness of any bespoke terms that should be incorporated.
- 33.6 Emergency contracts awarded under CPR 10.2(d) need not be in writing before commencement but must be confirmed in writing as soon as possible.
- 33.7 All contracts, whether electronic copies or manual, (save for those which are sealed), shall be retained by the relevant Service for a minimum of 6 years from the expiry date of the contract. Sealed

contracts shall be retained in the Council's Deed Store by Legal Services, usually for a period of 12 years from the date of expiry of the contract.

- 33.8 The Responsible Officer shall ensure that all contracts signed 'under hand' are scanned and saved in the e-sourcing solution (where available).
- 33.9 Commencement of any contract shall not take place until the written contract is finalised except in cases of emergency or in accordance with rule 31, following which the written contract shall be finalised as soon as practicable.

#### **34. Surety/Securities**

- 34.1 The Responsible Officer shall undertake a risk assessment for all contracts (whether works or goods or services), over £100,000, to determine whether a form of surety is to be required as part of the contract terms and conditions. The nature of the surety, whether in the form of a bond, parent company guarantee or vesting certificate or otherwise, will be dictated by the outcome of the risk assessment and the form shall be approved by the Monitoring Officer.

#### **35. Remedies for breach of contract and Service Level Agreements**

- 35.1 The Responsible Officer shall ensure that the agreed remedies for breaches of the contract are incorporated into the terms and conditions as advertised. The type specified will depend on the nature of the contract and may be in the form of liquidated damages or service credits (payment or repayment of price) if the supplier does not meet service levels.
- 35.2 The level of remedy shall be a genuine and reasonable pre-estimate of anticipated loss based on the facts at the time the contract is made.
- 35.3 Advice shall be sought from the Monitoring Officer, on the main elements of any Service Level Agreement that forms part of the main contract. This should reflect the Service's explicit business objectives, describes service deliverables, sets performance standards, sets reporting and remedial mechanisms, compensation events and any other agreed remedies.
- 35.4 Advice shall be obtained from the Monitoring Officer before agreeing any exclusive remedies under the main contract or any Service Level Agreement.

## **OPERATION OF CONTRACT**

### **36. Contract Management**

- 36.1 All contracts must have a named contract manager for the entirety of the contract.
- 36.2 All contracts which are strategically critical and / or high risk and / or high value and / or high profile as determined by the relevant Head of Service within their own service area, are to be subject to a minimum monthly formal contract review with the contractor. Monthly reviews (or as determined by the provision in the contract whichever is the shorter) shall be undertaken by the named contract manager and any contractual issues reported to the relevant Head of Service / Project Sponsor.
- 36.3 All contract management activities shall be undertaken via the e-sourcing solution (where available).

### **37. Contract Performance**

- 37.1 All Contractors shall be subjected to contract performance reviews, which shall be undertaken via the e-sourcing solution (where available) through feedback received from external and internal stakeholders. If practical, a performance review shall be undertaken at the end of each completed contract / job. This shall include a requirement to record good and bad performance including complaints, issues and defects arising under a contract and to monitor the aggregation of contractor defaults including performance issues.
- 37.2 Incidents of poor performance shall first be raised with the contractor in writing, or at a meeting where notes are made and sent to the contractor. In cases of particularly poor performance, or persistent poor performance, the Responsible Officer shall consider whether to recommend suspension or exclusion from the Council's Approved List or Framework Agreement (CPR 11) or to terminate early the contract as per CPR 38.
- 37.3 A customer satisfaction form will be devised and issued on a random and periodic basis to contractors in order for them to express their views and opinions on the operation of the approved list, framework agreement or contract.

### **38. Termination of Contract**

- 38.1 Contracts of less than £250,000 may be terminated early by the relevant Head of Service / Director in consultation with the Monitoring Officer based on a written report by the Head of Service / Director.
- 38.2 Contracts with a value above £250,001 may be terminated early only by the Monitoring Officer in consultation with the Chief Finance Officer,



Strategic Procurement Manager and Portfolio Lead Member based on a written report by the Head of Service / Director.

38.3 Any contracts that are terminated early must be recorded against the contract entry on the Corporate Contract Register.

### **39. Contract Variations and Contract Extensions**

- 39.1 No variation or extension may be made to the Contract if the proposed variation would:
- (a) extend the Contract period by more than 50% or more than three calendar months, whichever is the greater; or
  - (b) add more than 20% to the agreed Contract sum; or
  - (c) mean the works, services or goods to be added to or deleted from the original Contract are substantially different in scope: or
  - (d) be in breach of EU Regulations.

UNLESS IT HAS BEEN APPROVED BY:

- 1) By the relevant Head of Service / Director if the Contract value is under £250,000 (including the aggregated value of variations) based on a written report by the Responsible Officer providing that the variation costs can be met within the budget;
  - 2) By the Monitoring Officer, in consultation with the Chief Finance Officer based on a written report from the Head of Service / Director, if the Contract value is between £250,001 and £1,000,000 (including the aggregated value of variations), providing that the variation costs can be met within budget;
  - 3) by the Monitoring Officer and Chief Finance Officer, based on a written report from the Head of Service having consulted with the Strategic Procurement Manager, Other Statutory Officer(s) and Cabinet Member if the contract value is over £1,000,001 (including aggregated value of variations), providing the variation costs can be met within budget.
- 39.2 The value of a variation or extension shall be calculated by taking the aggregate value of all variations or extensions made to the Contract. No variation, which adds to the cost of the Contract, shall be made until funding has been identified by the relevant Head of Service / Director.
- 39.3 Subject to CPR 39.1 and the provisions of the Contract, every other variation or extension shall, unless otherwise deemed appropriate, be authorised in writing by the relevant Head of Service / Director or the Responsible Officer as delegated by the Head of Service / Director, providing that the variation costs can be met within budget.
- 39.4 CPR 39.1 shall not apply in cases of emergency or where the cost of

Contract delay would exceed the variation/extension costs. In such cases, the variation or extension may be approved by the appropriate Head of Service / Director providing that the same is reported as soon as practicable under the applicable thresholds as in CPR 39.1 to report on the impact of a variation order on a Contract, including budget implications.

- 39.5 For the avoidance of doubt, no variation may be made to a contract if the proposed variation would mean the works, services or goods to be added to the original contract are substantially different in scope or type to those contemplated by the original procurement exercise.
- 39.6 As soon as it becomes known or apparent that the total cost of a scheme including variations will or is likely to exceed the contract sum by more than 5%, the contract manager must inform the Chief Finance Officer or delegated Corporate Finance Manager immediately for financial monitoring purposes who may then inform the responsible officer of any further financial requirements to be complied with.
- 39.7 Contract variations which change any significant term of the contract (particularly as to price, quality or balance of risk) have the potential to amount to a new contract variations must therefore only be considered where:
- (a) The proposed variation is within the scope of the original tender (including any possible extensions or options which were included in the contract notice/advertisement or tender documents);
  - (b) The proposed variation does not significantly exceed the value of the original tender (including any possible extensions or options which were included in the contract notice/advertisement or tender documents);
  - (c) Variations of the type proposed were contemplated at the time the original procurement exercise was carried out; or
  - (d) The variation is permitted under the terms and conditions of the contract (provided that those terms and conditions were known to tenderers at the time of the original tender).
- 39.8 However, variations which alter the balance of risk in favour of the Council may in certain circumstances be judged not to be anti-competitive and thus may be permissible. Permission of the Monitoring Officer must always be sought to determine if the variation is deemed significant.
- 39.9 The decision to extend the contract period (term) may only be made before the original expiry date, where it is in accordance with the terms and conditions of the original contract.
- 39.10 Where the terms of the contract and or original procurement exercise do not expressly provide for extension then such contract may only be extended in exceptional circumstances, where legislation permits and value for money issues have been addressed. Such decision shall be

made by the relevant Responsible Officer in consultation with the Strategic Procurement Manager and Monitoring Officer.

- 39.11 Contract variations shall be entered on the e-sourcing solution (where available) and an amendment shall be made to the original Purchase Order via the Purchase-to-Pay solution (where available).

#### **40. Contract Payments**

- 40.1 The relevant Head of Service shall notify the Chief Finance Officer the contract value as soon as possible after any formal contract has been entered into by either ensuring a Purchase Order is submitted on the purchase-to-pay solution (where available) or by written notification, and shall make available the contract documents and accepted tenders to the Internal Audit Manager for inspection as and when required.
- 40.2 Where contracts provide for payment to be made by instalments, the relevant Head of Service shall arrange for the keeping of a Contract Register to show the state of account on each Contract between the Council and the Contractor in respect of all Contracts.
- 40.3 Payments to contractors on account of contracts shall be made only on a certificate issued by the relevant Head of Service / Director (or private consultant whenever engaged by the Council) as appropriate, or by an officer nominated by him. The names of officers authorised to approve such records shall be sent to the Chief Finance Officer by each Head of Service, together with specimen signatures (if applicable), and shall be amended on the occasion of any change.
- 40.4 The Internal Audit Manager shall, to the extent he considers necessary, examine final accounts for contracts and he shall be entitled to make all such enquiries and receive such information and explanations as he may require, in order to satisfy himself as to the accuracy of the accounts.
- 40.5 The Chief Finance Officer may at his discretion set off any sums due from a contractor to the Council against any sums due from the Council to the contractor.
- 40.6 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Monitoring Officer and Chief Finance Officer before a settlement is reached.
- 40.7 Where completion of a contract is delayed beyond the original contract period or extended contract period within the terms of the contract, it shall be the duty of the relevant Head of Service / Director, in consultation with the Chief Finance Officer and Monitoring Officer, to consider what appropriate action, if any, must be taken in respect of a claim for liquidated damages by the Council under the contract.

40.8 The Responsible Officer approving invoices should be different to the Responsible Officer engaging the contractor to ensure proper segregation of duties

#### **41. Assignments and Novation**

41.1 When any request for Assignment or Novation of any contract is made it must be referred to the Monitoring Officer at the earliest possible instance.

#### **42. Nominating Products/Contractors/Suppliers**

42.1 The core procurement principles of transparency, non-discrimination and equal treatment are undermined by the nomination of products and suppliers.

42.2 Councils must first of all seek to specify goods and services by reference to objective, non-product specific descriptions. Equivalent goods or services are nearly always capable of being specified. If this is not possible for genuine technical reasons, and a particular type of product or service or method of production or delivery has to be stated, then the words “or equivalent” must always be added.

42.3 It is permissible to provide potential main or principal contractors with lists of council-approved suppliers or sub-contractors provided that it is made clear to the main/principal contractors that they are completely free to sub-contract to whoever they wish subject to the Council’s right to consent which shall not be withheld unreasonably subject to meeting the council’s reasonable requirements, such as technical standards, financial standing or insurance levels.

#### **43. Land Contracts**

43.1 All land transactions must comply with Section 120 -123 of the Local Government Act 1972.

43.2 Any Land Contracts which are deemed to be Development Agreements, where:

- the Council requires or specifies works to be undertaken by the Developer
- the Developer enters into an enforceable written obligation (under a development agreement to carry out the work and
- there is some pecuniary interest –which need not necessarily be a cash payment- in carry out the work

The appointment of a Developer may be subject to the Public Contracts Regulations 2006 and CPR 19 & 21 of these Rules. Any Land Contracts which involve Development Agreements shall be notified to the Monitoring Officer and advice sought.

#### **44. Use of Consultants**

- 44.1 The engagement of consultants must be approved, in the first instance, by the Relevant Head of Service / Director and such approval shall be recorded on a Corporate Register of Consultants that may be in place centrally.
- 44.2 When calculating the estimated value of the contract due consideration must be given to any follow on work that may result from the original contract. Where it is proposed that consultants are engaged by the Council, the Relevant Head of Service shall ensure that:-
- (a) there is a clear identification of need. In particular, the availability of in-house resources must be considered before seeking to engage external consultants;
  - (b) a budget has been agreed;
  - (c) a project brief has been prepared;
  - (d) Tenders have been invited in accordance with these CPRs, including any in-house bids unless CPR 10 applies;
  - (e) comprehensive criteria, against which proposals will be evaluated, are set
  - (f) the selection decision is clearly documented;
  - (g) a formal agreement or detailed letter of engagement is prepared and signed;
  - (h) fee payments and progress are monitored;
  - (i) a detailed Contract File is maintained;
  - (j) performance is reviewed and adequate management monitoring and reporting is in place, including implementation of any recommendations made by consultants.
  - (k) there is a clear requirement for knowledge and skills transfer from the consultant to in-house staff
- 44.3 Consultants shall be required to provide evidence of and maintain professional indemnity policies to the satisfaction of the Relevant Head of Service for the periods specified in the respective agreement. The sum insured shall be not less than £1 million but Head of Service may require a greater or lesser sum in appropriate cases further to consultation with the Monitoring Officer. The excess for any one claim shall be no less than £50,000 except with the approval of the Chief Finance Officer
- 44.4 For the engagement of technical external staff as architects, surveyors, engineers and lawyers, the Relevant Head of Service shall annually review the level of use of such external staff
- 44.5 Where consultants or technical external staff as architects, surveyors, engineers or lawyers are appointed to be responsible for supervision of a contract on behalf of the Council, it shall be a condition of appointment that they shall comply with these Rules and Financial Procedure Rules, in relation to that contract, as if they were an Officer of the Council and that, on completion of the contract, they shall submit

all relevant records to the Relevant Head of Service.

#### **45. Retention of Contract Files**

45.1 The Contract File prepared for all contracts over £10,000 must be kept for six years from the end of the contract term unless the contract was executed under seal, in which case the contract must be kept for twelve years from the end of the contract term. With respect contracts funded by Wales European Funding Office grants, the Contract Files shall be kept for twenty years from the end of the contract term.

45.2 Documents relating to unsuccessful tenderers may be micro filed or electronically scanned or stored by some other suitable method after 12 months from award of contract, provided there is no dispute about the award.

#### **46. Review and Amendment of the CPR's**

46.1 The Strategic Procurement Manager in conjunction with the Monitoring Officer shall continually review Contract Procedure Rules and shall undertake a formal review every three years.

## **Schedule 1**

### **Table of Values**

The relevant EU Thresholds for the period between 1<sup>st</sup> January 2014 and 31<sup>st</sup> December 2015 are as follows:

#### **Contract provisions**

Works	SDR € 5,186,000	<b>£4,322,012</b>
Supplies and Services	SDR € 207,000	<b>£ 172,514</b>

#### **Small lots provisions**

Works	€1,000,000	<b>£833,400</b>
Services	€ 80,000	<b>£ 66,672</b>

#### **Prior Information Notices**

##### **Thresholds**

Works	€ 5,186,000	<b>£4,322,012</b>
Supplies and Services	€ 750,000	<b>£ 625,050</b>

The EU Thresholds are published in the “C” series of the Official Journal of the European Union in the November preceding the 1st January revision.

Any queries regarding the thresholds must be referred to the Council’s Collaborative Procurement Service.

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**Summary of key amendments / changes between the new CPR's and the current CPR's**

Contract Procedure Rules clause	CPR section	Rationale / Comments	Status
2.8	Compliance with CPR's & Legislation	Recognise that schools will have their own version of the CPR's, which shall be based on these CPR's	Addition
6.1 & 6.2 & 6.3	Electronic Procurement Solutions	To ensure that all procurement activities are undertaken on the Proactis e-procurement solutions, once the service areas have had all modules implemented. The use of any other e-procurement solution cannot be used without prior approval from the Strategic Procurement Manager	Addition
7.1 & 7.2	Corporate Purchasing Agreements and Joint Procurement Arrangements	Cabinet approval required to join membership of official purchasing consortiums. Joint procurement arrangements (excluding framework agreements) with other public sector organisations to require prior approval from either Chief Officer or Cabinet subject to contract values	Amendment
7.3	Corporate Purchasing Agreements and Joint Procurement Arrangements	Use of Corporate Purchasing Agreements as approved by the Strategic Procurement Manager to be mandatory unless justification not to use them can be made, which shall require SPM agreement	
10.2 (n)	Exemption from Tendering Requirement	Exemption from Tendering has been extended to cover provision for existing social care contracts that are due to be re-tendered. This will allow for a justification to be made provided a number of the criteria can be demonstrated in order to defend a Judicial Review challenge.	Amendment

10.3	Exemption from Tendering Requirement	Tender Exemptions can only be approved by Chief Finance Officer or Monitoring Officer depending on contract values up to £1m. The approval of the Lead Cabinet Member for tender exemptions between £1m and £2m has been added. Cabinet approval is now required for exemptions from tendering that exceed £2m. This change will streamline a burdensome process e.g. cabinet report based on a technical judgement. However, in the event that any Exemption under consideration is deemed sensitive or high risk then the Lead Member can request on a case by case basis that the matter is escalated to Cabinet for a decision.	Amendment
10.6	Exemption from Tendering Requirement	Contracts deriving from single Tender actions, still need to be procured and evaluated on the e-sourcing solution.	Addition
11.0 (Various)	Council Approved Lists	<p>Use of approved lists shall be restricted to contracts up to £25,000 (Goods &amp; Services) and £250,000 (Works). There is a requirement from the Welsh Procurement Policy from Welsh Government that all procurements above £25,000 to be subject to public advertisement. The use of Approved Lists will require approval of the Strategic Procurement Manager. Tender lists created from Approved Lists shall be created by a combination of random selection as well as from existing contractors who have performed to satisfactory standards.</p> <p>Various changes have been incorporated in order to implement a number of Internal Audit Recommendations arising from the Approved List Management Audit.</p> <p>It should be noted that from April 2016 the use of Approved Lists within the authority will be discontinued. They will be replaced by Framework Agreements or Term Contracts dependent on the requirement.</p>	Amendment

14.2	Procurement Plan Checklist Approval	All individual procurement projects above £100,000 will require a procurement plan checklist to be completed and approved as a minimum by the Strategic Procurement Manager, prior to undertaking any market testing. This new process will ensure that procurement projects are procured in a robust manner and be compliant with these CPR's, OJEU rules, Welsh Procurement Policy and general procurement best practice. There will need to be extra approvals in respect of projects involving ICT, Property and Temporary staff and Interim staff (excluding Matrix). All projects below £100,000 will also require the completion of the Procurement Plan Checklist and shall be retained on contract file. However, only projects relating to ICT, Property / Works and HR need prior approval.	Addition
15.1	Sustainable Procurement	All contracts above £2,000,000 will need to consider community benefits including social, environmental and economic factors. All contracts below £2,000,000 will also need to consider these factors on an optional basis. This is in alignment with the Welsh Procurement Policy	Addition
15.4 & 15.5	Sustainable Procurement	All contracts above £100,000 for Goods and Services shall also complete the Sustainable Risk Assessment template. This is in alignment with the Welsh Procurement Policy. However the Head of Service will have the option of including sustainable procurement requirement in Tenders, subject to the perceived financial considerations	Addition
16.0	Contracts less than £10,000 (Goods, Services & Works)	Request for Quotations can now only be used for contracts up to £10,000, which shall where it's not practical only require only a single quotation to be obtained. However value for money still needs to be demonstrated.	Amendment
17.0	Contracts between £10,001 and £25,000 (Goods, Services & Works)	All contracts for Goods, Services and Works between £10,001 and £25,000 shall require three written quotations. The upper threshold has been reduced to allow a lower level for public advertisement of tendering opportunities.	Amendment

18.0	Contracts valued between £25,001 and OJEU threshold	All contracts for goods and services above £25,000 shall be subject to a public advertisement as per Welsh Procurement Policy, unless an exemption is approved by the Strategic Procurement Manager	Addition
20.0	Contracts valued between £25,001 and £250,000 (Works)	Approved Lists for Works where available can only be used up to £250,000. A public advertisement will be required generally for all contracts above this value. This is a deviation on the Welsh Procurement Policy for practical reasons in dealing with high volume of bids from construction contractors	Amendment
25.0 & 25.2, 25.3b & 25.4	Tender Opening	All tenders above £10,000 shall be opened at the same time and place after the closing time for receipt of bids has elapsed. Currently quotations can be opened as they are received. This is a perceived risk that could allow officer collusion with suppliers and lead to fraud. All Tenders shall be undertaken on the e-sourcing solution (where available). All Tenders will now be opened at the same time by TWO designated officers (one of which shall be independent of the project) as selected by Head of Service. There will be a requirement for Officers from Legal and Democratic Services to be involved where paper tenders are received over the value of £100,000 until the e-sourcing solution is made available to all Services. The introduction of e-sourcing will prevent any tampering of any tenders, since the tender are locked once submitted electronically.	Amendment
26.3	Late Invitation to Tenders Received	Late bids may be still considered, providing the other bids have not been opened, subject to Monitoring Officer approval based on exceptional circumstances.	Amendment
27.1 & 27.2 & 27.3	Tender Evaluation	All Tenders above £100,000 shall be evaluated on price and quality. Price only evaluation can only be used for contracts below £100,000. When tenders are evaluated based on price and quality a tender evaluation team shall be arranged consisting of at least two officers. For OJEU tenders, the Corporate Procurement Unit will need to be consulted	Amendment

		following the evaluation process prior to the award of any contract	
28.2	Post Tender Negotiation	A minimum of TWO officers needs to be involved in any tender negotiation for sub –OJEU tenders.	Amendment
29.0 & 29.2 & 29.5	Tender Award Approvals	Tender Award approvals have been changed to include the need for Head of Service, Monitoring Officer and Chief Finance Officer approval subject to contract values up to £1,000,000, for contract values between £1,000,001 and £2,000,000 Lead Member approval must be given, for contracts exceeding £2,000,001 then Cabinet approval must be obtained. This change has been undertaken in order to streamline the process, which is based on technical judgement. This new process will also ensure that a robust quality assurance process is in place regarding tender awards, since there is an increasing risk of supplier legal challenges. All contract awarded will be required to be inputted onto a corporate contract register.	Amendment
31.1	Letter of Intent	Letters of Intent may only be used in exceptional circumstances after approval being obtained by Monitoring Officer	Amendment
32.3	Non-concluded Terms of Conditions of Contract	The Council should not enter into contracts on the suppliers terms and conditions, without upfront approval of the Monitoring Officer	Addition
33.2 & 33.3 & 33.4	Contracts in Writing	There will be a requirement for formal form of agreements to be developed and signed for various contract values. This addresses the current issues, whereby majority of contracts are not signed by both parties, and use of standalone purchase orders is not deemed robust.	Amendment
33.7 & 33.9	Contracts in Writing	All contracts above £10,000 save those which are sealed, shall be stored and retained by the relevant department. Work shall not commence on any contract (except for emergency works) until the signed contract has been returned since there are	Addition

		historical examples of contracts being sent out in Directorates and contracts have commenced before the return of signed contracts from contractors.	
36.2	Contract Management	All contracts that are strategically critical / high risk, high value or high profile shall be subject to monthly contract reviews	Addition
37.1 & 37.2	Contract Performance	Contracts shall be subject to regular performance reviews and if practical at the end of each contract / job a performance review shall be carried out to identify good and bad contractor performance, as well as identifying complaints etc	Amendment
38.0	Termination of Contract	Changes to how Termination of Contracts can be approved. Now 2 levels including Head of Service and the Monitoring Officer.	Addition
39.1 & 39.3	Contract Variations	Changes to Contract Variation approvals. Now 3 levels Head of Service, Monitoring Officer and Chief Finance Officer subject to contract and variation values. The same 3 levels are consistent with other clauses e.g. Tender Award. Cabinet is no longer required to approve contract variations above £1m. Contracts below £250,000 including variations can be approved by Head of Service	Amendment
40.8	Contract Payments	The Responsible Officer approving invoices should be different to the Responsible Officer engaging the contractor to ensure proper segregation of duties	Addition
43.0	Land Contracts	Changes to reflect case law on Development Agreements, which may be subject to OJEU regulations	Amendment
44.1 & 44.2	Use of Consultants	Use of consultants to be approved by Head of Service and all approvals shall be recorded on a central corporate register of consultants.	Amendment
45.0	Retention of Contract Files	Changes to reflect need to retain WEFO funded projects for 20 years	Amendment

Presentation of the Draft Contract  
Procedure Rules to Corporate Governance  
21 October 2014

Equality Impact Assessment

## <Title of the proposal being assessed>

**Contact:** Stuart Andrews, Finance and Assets

**Updated:** 21.10.14

### 1. What type of proposal / decision is being assessed?

A new or revised policy
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### 2. What is the purpose of this proposal / decision, and what change (to staff or the community) will occur as a result of its implementation?

The adoption by Corporate Governance of the Draft Contract Procedure Rules prior to submission to full Council. There will be no effect on the staff or community following implementation.
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### 3. Does this proposal / decision require an equality impact assessment? If no, please explain why.

*Please note: if the proposal will have an impact on people (staff or the community) then an equality impact assessment **must** be undertaken*

<b>No</b>	The proposal is for the adoption of the revised Contract Procedure Rules which will have no effect on people, either staff or in the community as this is an internal set of regulations
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### 4. Please provide a summary of the steps taken, and the information used, to carry out this assessment, including any engagement undertaken

*(Please refer to section 1 in the toolkit for guidance)*

Consultation has been undertaken with all Service areas of the Council and there are no detrimental effects on any staff group as identified in the EIA Toolkit,
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### 5. Will this proposal / decision have a positive impact on any of the protected characteristics (age; disability; gender-reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation)?



*(Please refer to section 1 in the toolkit for a description of the protected characteristics)*

There will be no changes following this proposal

**6. Will this proposal / decision have a disproportionate negative impact on any of the protected characteristics (age; disability; gender-reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation)?**

No

**7. Has the proposal / decision been amended to eliminate or reduce any potential disproportionate negative impact? If no, please explain why.**

No	There will be no changes following this proposal
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**8. Have you identified any further actions to address and / or monitor any potential negative impact(s)?**

No	This proposal is for the adoption of the revised Contract Procedure Rules where there are no further actions.
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Action(s)	Owner	By when?
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## 9. Declaration

Every reasonable effort has been made to eliminate or reduce any potential disproportionate impact on people sharing protected characteristics. The actual impact of the proposal / decision will be reviewed at the appropriate stage.

Review Date:	01.11.2017
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Name of Lead Officer for Equality Impact Assessment	Date
Stuart Andrews	21.10.14

**Please note you will be required to publish the outcome of the equality impact assessment if you identify a substantial likely impact.**

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**Report To:** Corporate Governance Committee

**Date of Meeting:** 5<sup>th</sup> November 2014

**Lead Member / Officer:** Councillor Hugh Irving, Lead Member for Customers and Communities  
Jackie Walley, Head of Customers and Education Support

**Report Author:** Clare O’Gorman, Corporate Complaints Officer

**Title:** Your Voice – using customer feedback

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**1. What is the report about?**

The report will provide the Committee with an overview of customer engagement activity across the authority and include specific examples of services utilising customer feedback to shape service design and delivery.

**2. What is the reason for making this report?**

The report has been produced following debate at Performance Scrutiny Committee regarding how the authority responds to and acts upon customer feedback.

**3. What are the Recommendations?**

That the Committee note and comment on the authority’s use of customer feedback.

**4. Report details**

Continually looking for ways to improve our services should be an intrinsic part of our business activity. Using customer feedback in this process is important and can provide opportunities to improve service design and delivery whilst instilling public confidence that the authority does listen to and act upon customer feedback.

All services were asked to provide examples of how they engage with their customers, with a specific focus on using feedback when planning and delivering services.

Please see appendix 1 for detail.

**5. How does the decision contribute to the Corporate Priorities?**

The Your Voice scheme directly contributes to the corporate aim of:  
*An excellent council, close to the community.*

**6. What will it cost and how will it affect other services?**

All costs relating to customer feedback are absorbed within existing budgets.

- 7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

Not applicable.

- 8. What consultations have been carried out with Scrutiny and others?**

Monthly reporting to the Senior Leadership Team, quarterly reporting to Performance Scrutiny Committee and annual reporting to Corporate Governance Committee.

- 9. Chief Finance Officer Statement**

There are no obvious financial implications arising from the report.

- 10. What risks are there and is there anything we can do to reduce them?**

By not dealing with customer feedback effectively, the reputation of the council may suffer.

- 11. Power to make the Decision**

This is a paper for information, rather than for decision.



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**Extract from minutes:**

**20.02.14 - RESOLVED** – that the Performance Scrutiny Committee:-

(a) note the performance of services in responding to complaints, and

(b) recommends that work be undertaken with the Council's services to enable a report to be presented to Members in the autumn on the Council's performance in dealing with complaints and the nature of complaints received.

The following information has been received and it is clear that some services have this practice well embedded and others are yet to establish processes to collate and use the information. We will work with all services to promote the good practice across the authority and implement as appropriate.

<b>Service:</b> Business Improvement & Modernisation
<b>Lead Member:</b> Councillor Barbara Smith/Hugh Evans
<p><b>Customer engagement via:</b></p> <ul style="list-style-type: none"> <li>• Resident's survey</li> <li>• DCC website</li> <li>• Customer satisfaction questions in Archives</li> <li>• Public engagement regarding corporate and wellbeing plans</li> <li>• Coordinating engagement with Town &amp; Community Councils</li> <li>• Internal surveys on service quality</li> <li>• SOCITM</li> <li>• Archives' blog and open days</li> </ul>
<p><b>Monitoring activity via:</b></p> <ul style="list-style-type: none"> <li>• Town &amp; Community Council cluster groups</li> <li>• Customer feedback to Archives</li> <li>• SOCITM</li> </ul>
<p><b>Customer feedback influencing service design and delivery:</b></p> <ul style="list-style-type: none"> <li>• Feedback from a regional stakeholder meeting informed the Strategic Equality Plans of the individual public authorities that</li> </ul>

make up the North Wales Public Sector Equality Network.

- Businesses told us what they wanted to see in our Economic & Community Ambition strategy. We de-prioritised the things they didn't see as very important. Key areas for businesses were improving broadband, improving procurement opportunities, reducing red tape, increasing the availability of business premises in certain parts of the county, improving 'soft skills' amongst the future workforce and stepping up our engagement with businesses to understand their needs better. We are acting on all of these issues.

**Complaints shaping service:**

- Internal changes to ICT processes following customer feedback
- ICT service desk systems improved

**Service:** Legal, HR & Democratic Services

**Lead Member:** Councillor Barbara Smith

**Customer engagement via:**

- Customer feedback forms given at each Registration Service appointment
- Website – Survey Monkey, Registration Service
- Customer feedback forms made available in Coroner's waiting room (on day of inquest)
- Your Voice leaflets available at Register Office reception

**Monitoring activity via:**

- Feedback forms received and collated – all feedback to be discussed at quarterly Registration Service Team Meetings
- Feedback forms received and collated – all feedback to be discussed at quarterly meeting with Coroner

**Customer feedback influencing service design and delivery:**

- Negative feedback regarding poor access/suitability of office facilities – exploring possibilities of relocation of Register Office which would provide accessible and improved facilities for customers.

**Complaints shaping service:**



Complaint	Action
No complaints received about Registration Service. Negative feedback received regarding unsuitable office accommodation at Rhyl Register Office.	Included within Legal, HR & Democratic Services Risk Register. Business Case produced with a view to relocate Registrars to Rhyl Town Hall.

**Service: Customers and Education Support**  
**Lead Member: Councillor Hugh Irving**

**Customer engagement via:**

- DCC website
- Formal consultation with stakeholders
- Your Voice scheme
- Modernising Education Newsletter
- Education in Denbighshire blog
- Business planning – consulting and engaging with colleagues to ensure our business planning is effective and reflective of our service priorities
- Utilising Supportworks for One calls so that One users have one place to log all their requirements and they can be dealt with in a timely manner

**Monitoring activity via:**

- SOCITM website rating
- Your Voice scheme and reporting structure
- Feedback from consultations
- Using the Sims helpdesk and monitoring of the calls to help develop our training and support offered to schools
- Review of the way ICT calls are logged by school

**Customer feedback influencing service design and delivery:**

- Website was not specific enough regarding the bulky items that the council would / would not collect. We updated the list on the bulky item collection web page so that this included more examples of the types of items we collect.
- Customer commented that photos of Plas Newydd should be added to website. We added a Flickr slideshow to the Plas Newydd web page.
- Several customers commented that the Council's archive indexes were no longer available. We developed a new online archives facility.
- Several customers commented that the language switch feature (Cymraeg / English) should direct them to the same page in the equivalent language (not just the home page). We re-instated the language switch feature on the website so that customers are now re-directed to the same page - but in the equivalent language.
- Several customers unable to find Glasdir and Jillings reports easily on the website. We updated our search engine to include a quick link to improve access.
- Customer unable to find Chief Executive and Chairman email easily on website. Email addresses made more visible on website.
- Customer unable to find information about / applications for allotments in Denbighshire. Allotments web page and enquiry form added to website.
- School organisation documents were difficult to comprehend due to the required information to conform to legislation. Use of more plain language in documents, summary sections of key points.
- Requirement to engage with children and young people on school organisation proposals. Age appropriate documents produced for children and use of specialist staff to engage with children at all age ranges.
- Questionnaires issued with school organisation proposals. Questionnaires amended to focus on issues directly associated with the proposal rather than background information which would be useful for analysis.
- Concerns from local residents regarding the impact of the Rhyl new school proposal. Concerns from residents about access from Tynewydd Road led to the actual positioning of the school to be amended so that the access and front of the school was from Grange Road.
- Concerns from local residents over the plans for car and bus parking at Prestatyn High School. Service ensured more in-depth discussions with interested parties including bus operators leading to amendments to design.
- Ensuring that school requirements are met over school design. Extensive consultations with schools in the design process to ensure that the requirements of the schools' needs are met within available resources.
- The Schools Forum suggested that it would be useful to have a single point of access for all Sims advice and guidance which we implemented.
- School Funding Formula Review - we undertook a detailed consultation on this to produce a simplified and transparent

formula for schools. Including working directly with groups in schools to design how specific elements would look.

- Traded and Support Services - worked with schools to understand what their needs were in terms of services bought in from the LA and how these services could be delivered differently or not at all.
- Transport Policy - consulted with schools, elected members and the wider community on changes to central pick up points for schools. We are redesigning our processes to ensure we link transport eligibility to the admissions process as early as possible.
- Training for governors and schools - collected information on what schools needed in terms of training and how it could be best delivered (e-learning, school based, evenings).

#### Complaints shaping service:

Complaint	Action
Incorrect information given to customer by call handler.	Staff training for all staff in CCSC.
Unhappy with service at Ruthin One Stop Shop – not happy with new machine, too many staff and difficulty getting through to correct department via phone.	Staffing levels reviewed. New process for taking payments implemented so customer does not have to call another building.
Length of time waiting to get through to CCSC.	Review of call volumes and staffing.
Poor service provided by staff.	Customer services training provided to all staff.
Delays due to staff not inputting information correctly.	Staff training.
Inability to take card payments at the Harbour Master's office.	Installation of terminal.
Recorded message incorrect.	Re-record with correct information.

**Service:** Environment  
**Lead Member:** Councillor David Smith

#### Customer engagement via:

- DCC website
- Advice on recycling via the refuse service's Recycling Advisors
- Consultation with councillors and residents concerning all trees that are removed or replaced in the Prestatyn MAG area
- Customer surveys

- “Bin it to win it” scheme to encourage correct disposal of litter or dog fouling

**Monitoring activity via:**

- Overall analysis of CRMs, covering outcome status (upheld/not upheld/partly upheld), response time, areas of highest demand and type (Public Spaces, Street Cleansing, Refuse – Other, etc.)
- Detailed analysis of dog fouling CRMs
- Detailed analysis of fly tipping CRMs

**Customer feedback influencing service design and delivery:**

- Installation of new bins along promenade in Prestatyn in response to CRMs concerning littering and dog mess.
- Dog fouling campaign as a response to level of CRMs concerning the issue.
- School meals surveys as a contributing factor to how the service is delivered.
- Introduction of more focused sweeping in Prestatyn in response to CRMs.
- Proactively dealing with seagulls in Rhyl in response to CRMs / White Rose Manager.
- Change of focus from scheduled work to demand based response – particularly with Ruthin Street Cleansing.

**Complaints shaping service:**

Complaint	Action
Complaints concerning street sweeping during school start and finish times causing traffic and health & safety issues.	Avoidance of street sweeping around school start & finish times.

**Service:** Finance and Assets  
**Lead Member:** Councillor Julian Thompson-Hill

**Customer engagement via:**

- Website
- Landlord Forums
- Welfare Reform Groups

- liaison groups
- Third Sector Providers
- Internal Departments
- Face to face visits and comments / complaints
- Suppliers and contractors

**Monitoring activity via:**

- Number of comments & complaints
- Feedback from various groups and the third sector and face to face responses
- Feedback from suppliers and contractors
- Feedback from internal customers

**Customer feedback influencing service design and delivery:**

- Complaints about Bailiffs
- Make it easier to sign up to Direct Debit
- More flexibility on payment dates
- Feedback to suppliers and contractors is built into the procurement process – all bidders are given feedback on their tender submissions. This is mandatory for tenders via the OJEU process.

**Complaints shaping service:**

Complaint	Action
Bailiffs – accused of assault	Body worn cameras issued, complaints have reduced to nil
Incorrect classification of exemption	Used more relevant case law in response to customer
Setting up Direct Debits taking days to process	Changed to paperless direct debit. The details are now taken over the phone and the mandate is set up within one day, by using new processes
More choices to pay, over 12 months rather than 10 months	New Direct Debit options offered to run for 12 months

Agricultural Estate – complaint re: time taken to resolve issues around the general management of the estate and communication with tenants.	Chartered land agent appointed by Property as a focused additional resource. Introductory meetings arranged and letters sent to all tenant farmers explaining the changes within the department and giving relevant contact details.
Student finance – customer complained that she had different replies to her query from members of the team.	All the team were reminded of the legislation.

<b>Service:                   Housing &amp; Community Development</b> <b>Lead Member:       Councillor Hugh Irving</b>
<b>Customer engagement via:</b> <ul style="list-style-type: none"> <li>• Formal consultation with internal and external stakeholders (Service Standards, Environmental Projects, Tenancy Agreement, Local Housing Strategy etc)</li> <li>• Consultation events countywide (daytime and evenings) - roadshows and drop-ins for specific environmental improvement projects</li> <li>• Housing web queries</li> <li>• Twitter &amp; Facebook (via website)</li> <li>• Planned estate walkabouts</li> <li>• Residents Associations and informal residents groups</li> <li>• Tenants Federation</li> <li>• Volunteer Green &amp; Clean Rangers</li> <li>• Tenants Newsletter</li> <li>• Complaints/Compliments/Comments (your voice)</li> <li>• Questionnaires &amp; Survey Monkey</li> <li>• Postal &amp; face to face (reception presence Brighton Road &amp; County Hall)</li> <li>• Customer Feedback - Property Services Repairs &amp; Maintenance Team</li> <li>• DTARF - Property Services Manager / Principal Officer, Maintenance attend the repairs sub group meetings of the</li> </ul>

Denbighshire Tenants & Residents Federation

- Meetings and joint working with various internal and external partners i.e. Communities First Team, Older People's Strategy Development Officer, Coleg Llandrillo, Countryside Services
- Environmental Grant scheme

We are just about to send out star surveys to all of our tenants which will capture tenant satisfaction in a number of our service areas including repairs & maintenance, rents, neighbourhoods etc. In addition to this we will be contacting all tenants whom we do not have any profile information on – this gives us better information on who we are communicating with and their preferred method of communication so we can reach more people and improve communications.

**Monitoring activity via:**

- Your voice complaints/compliments/comments procedure (CRM system) – establishing a formal way to review feedback (positive and negative)
- Dedicated officer for Facebook and Twitter
- Forums, resident groups and Tenants Federation
- Green & Clean Rangers feedback on grounds maintenance works and contract cleaning
- Dedicated officers for Housing web queries
- Local Housing Strategy (once adopted) – Strategic Housing Partnership with RSLs will monitor progress and regular reports to Scrutiny
- Feedback from consultations
- Results from Property Services surveys are analysed and feedback received is used to improve service delivery
- Minutes from Estate Walkabouts
- Survey Monkey & Questionnaire analysis
- System Thinking reviews including review of complaints
- Specific service area performance challenge meetings
- Feedback from Scrutiny, Cabinet and Full Council on specific topics – e.g. Local Housing Strategy, SARTH, Tenancy Agreement, etc
- Feedback from partner organisations

**Customer feedback influencing service design and delivery:**

- Green rangers have had input in to the new ground maintenance contract that is currently out for tender. They will also be

included in the evaluation panel as part of the tendering process.

- Questionnaire feedback for Repairs & Maintenance was included in the systems thinking review and recommendations were made based on what customers told us such as; during property viewing the officer couldn't answer some of the customer questions in relation to other service for example when are the bins collected? A recommendation has been made to develop a FAQ list and answers to some of the most popular questions.
- Number of unofficial complaints around the length of time customers left waiting to see homelessness officers during drop in times and a congested reception area has led to the removal of the drop in and anytime access introduced (operating within council core hours).
- Feedback from RSLs in terms of the Social Housing Grant programme and any other bids for a specific purpose e.g. Housing Finance Grant.
- Feedback from Property Service surveys is used to improve service delivery.
- A representative from the Denbighshire Tenants & Residents Federation had a representative on the panel for the evaluation of the tenders for the contract to outsource the stores.
- Environmental Projects – comments and feedback from tenants and residents at consultation events has led to changed design and plans.
- Feedback and joint working has led to developing training programmes with partners for tenants and to developing projects for the benefit of our tenants i.e. environmental projects with Countryside Service, intergenerational projects.

#### Complaints shaping service:

Complaint	Action
Liberty gas contract - no Welsh speakers available at the call centre.	We have reviewed our contract with Liberty Gas in order to ascertain whether this level of service is acceptable within the terms. There is no specific reference to Welsh language provision within the contract and this is something we will rectify – Liberty now have access to Language Line.
Contractor failing to turn up for planned appointments and not notifying the customer.	Regular contract meeting now held with contractor and missed appointments are monitored, discussed and as a result this has improved and better communication with customers is in place.
Lack of communication/call backs from Homelessness Officer and customer worried they will be homeless soon.	Line manager to remind staff to keep in regular contact with customers. Staff attended Denbighshire Way training for Housing.



<p>The wording of our final letter from Liberty Gas requesting access to service the gas appliances is threatening due to the letter implying that legal proceedings may be taken should access not be permitted.</p>	<p>We reviewed the wording of the letter and removed a section about the 'notice of seeking possession' should access not be allowed. We also added a further sentence at the end of the letter advising tenants that if their service had now been completed then to disregard the final notice. The change was implemented by us rewording the letter and advising Liberty to update their system with the revised standard letter, Liberty immediately updated their system and also arranged for the new letter to be translated into Welsh.</p>
<p><b>Comment</b> - The trees that have been cut down for safety reasons have exposed the back of garages which are in a poor condition, paints and graffiti are not a good introduction to Ruthin on one of the main routes into the town. Shrubs are to be planted to act as a screen but these will take a time to mature and in the meantime could have the garages painted preferably green to blend into the landscape and stop them being such an eyesore.</p>	<p>Order has been placed with painting contractors to proceed with the work.</p>

<p><b>Service:</b> Planning and Public Protection  <b>Lead Member:</b> Councillor David Smith</p>
<p><b>Monitoring activity via:</b></p> <ul style="list-style-type: none"> <li>• Complaints</li> </ul>
<p><b>Customer feedback influencing service design and delivery:</b></p> <ul style="list-style-type: none"> <li>• Citizens Advice consumer service review following feedback.</li> <li>• Following Ombudsman recommendation - 'give more mention to the assessment provided by one of the objectors', officers have reviewed the Planning Committee report process to ensure that, where objections are received by specialist groups, bodies or individuals, the nature of their objections will be explained in more detail in the summary section of the report.</li> </ul>

Where DCC specialist Officers have differing views to the objectors, the Officers will attempt to explain in more detail to Members, both within the report and at Committee, why they have a different opinion.

**Complaints shaping service:**

<b>Complaint</b>	<b>Action</b>
Complainant believed that the Officer should have taken her mother to a more private location to issue FPN.	Kingdom Security Environmental Officers have been advised to consider all the circumstances of engagement.
Complaints regarding CCTV staff.	Customer care training delivered to staff.
Complaints regarding Community Safety Enforcement officers.	Denbighshire Way and Conflict Management training delivered to staff.
FPN - a reminder letter for payment was sent in error.	A procedure is now in place to avoid a reoccurrence - currently one officer does the task of cross referencing payments as they come in. Two officers will from now on review those payments against the list of none payers after a period of 28 days before letters are dispatched.
Officer conduct - Community Safety Enforcement.	Manager has brought the matter to the Officer's attention and spoken to him regarding his approach.
Information not provided or made available during the planning application process; lack of clear information on the website which states when representations on applications should be made.	Necessary adjustments to the electronic system to ensure the date by which representations should be made within the consultation period on any application is made clear on the website.

<b>Service:</b>	<b>Highways and Infrastructure</b>
<b>Lead Member:</b>	<b>Councillor David Smith</b>
<b>Customer engagement via:</b>	
<ul style="list-style-type: none"> <li>• DCC website</li> <li>• Customer feedback surveys (for example feedback on the National Standards Bikeability training delivered by Cycle</li> </ul>	

Experience Ltd) <ul style="list-style-type: none"> <li>• Rights of Way actively work with customers via the Statutory Local Access Forum, regular meetings with user groups such as the Ramblers' Association and British Horse Society, as well as attending Community Council meetings</li> <li>• Rights of Way regularly consult with the wider public when making orders and, if the public identify areas to improve, will give these areas due consideration</li> </ul>									
<b>Monitoring activity via:</b> <ul style="list-style-type: none"> <li>• CRM analysis</li> </ul>									
<b>Customer feedback influencing service design and delivery:</b> <ul style="list-style-type: none"> <li>• Forums and bus surgeries held regularly in the past by Passenger Transport as part of bus service design.</li> </ul>									
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**Service:** Communication, Marketing and Leisure  
**Lead Member:** Councillor Huw Jones

**Customer engagement via:**

- Stakeholder workshops
- Evaluation of Youth Work sessions
- Active Young People surveys (5x60 / Dragon Sport)
- Comments boxes on customer receptions
- Family Information Service outreach work
- Youth Service locality newsletters
- Tourism Forums
- Press releases
- County Voice / What's On (new electronic County Voice will have built in customer feedback mechanism)
- Campaigns (e.g. Dog Fouling, Fostering)
- Marketing of events (e.g. Eisteddfod, Denbigh & Flint)
- Temporary Advice Centre / Emergency Rest Centre (Rhyl floods)
- Visitor Surveys (Tourism)
- Survey Monkey / Facebook surveys
- Facebook and Twitter pages
- Integrated Children's Centres parent evenings, letters to parents, newsletters
- GP referral information and education sessions
- Support for community clubs
- Rhyl Talented Athlete Scheme
- Children with Disabilities project engagement with parents

**Monitoring activity via:**

- Customer complaints / feedback reviewed at monthly Lead Officer Group meetings
- Customer Service Group with representatives from all parts of CML meet monthly to review customer feedback and plan future changes and initiatives
- Research undertaken during events (e.g. "Open for Business" event at Llangollen Pavilion)
- Economic Impact Assessments (e.g. Rhyl Harbour opening, Rhyl Air Show, Proms on the Proms)
- Corporate Communications weekly feedback meetings with Customer Services on current issues to inform press stories
- Your Voice reports
- Facebook and Twitter posts
- Survey results

- Stakeholder event results
- GP Referral client feedback forms
- Family Information Service monitoring forms
- Integrated Children's Centre childcare inspections reports
- Sport Wales KPIs
- Community Chest grants awarded
- Sport Wales self-assessment

#### **Customer feedback influencing service design and delivery:**

- Stakeholder workshops informed Leisure Strategy and Library Strategy.
- Workshops with tourism businesses shaped the Destination Management Plan and priorities.
- Refurbishment of Ruthin Leisure Centre.
- New Prestatyn Library+ model and opening hours.
- Worked with residents on designs for fascia of Denbigh Leisure Centre following feedback.
- Youth Service open access sessions split into junior/senior sessions following discussion with young people.
- Christmas opening hours at Leisure Centres.
- Introduction of parent portal and direct debit for swimming lessons.
- Fitness suites were too busy at Rhyl and Denbigh. We have added new fitness rooms in Rhyl and have plans to expand Denbigh.
- 5 x 60 programmes influenced by young people.
- GP Referral timetable changed.

#### **Complaints shaping service:**

<b>Complaint</b>	<b>Action</b>
Process for booking swimming lessons (having to queue from early morning).	Parent portal and direct debit introduced and has been well received.
Prestatyn One Stop Shop only open half day in new Library+.	Additional post now in place to cover community need.
Only being able to book fitness classes on the day.	Can now book 7 days in advance. Online booking facility to be introduced shortly.
No access to fitness suites or classes for under 16s.	Junior fitness memberships introduced for 11-15 year olds.

Inconsistent communication from lifeguards regarding use of equipment in public swimming and lack of clear direction on website or at reception.	All duty officers informed to ensure consistent message. Website updated to make situation clearer to customers.
Inconsistent Officer communication with Members raised at Scrutiny.	New Member protocols introduced.
Concession holder locations at Rhyl Air Show.	New booking procedure introduced with agreed location and payment up front.

<p><b>Service: HR</b></p> <p><b>Lead Member: Councillor Barbara Smith</b></p>
<p><b>Customer engagement via:</b></p> <ul style="list-style-type: none"> <li>• Customer service feedback button on the HR intranet site</li> <li>• Customer service feedback button on every email signature</li> <li>• Confidential email address to allow customers to provide confidential feedback direct to senior managers within the service</li> <li>• At the end of each case or project a feedback form is provided to the manager to comment on the service they have received</li> <li>• Annual customer service survey</li> </ul>
<p><b>Customer feedback influencing service design and delivery:</b></p> <ul style="list-style-type: none"> <li>• <b>HR Improvement Plan Phase 1</b> This plan was developed as a direct result of customer feedback received and centred on the main areas of concerns that had been identified. Examples include: <ul style="list-style-type: none"> <li>○ Improving the transaction service</li> <li>○ Changes to the performance appraisal system on itrent</li> <li>○ Development of the HR intranet page and document store</li> <li>○ Introduction of a HR training plan and competency framework</li> </ul> </li> <li>• <b>Middle Managers Feedback</b> Senior managers from HR attended all the departmental managers' team meetings during February / March this year, in</li> </ul>

order to gain their views on three keys areas:

- *Has the service you receive from HR direct improved over the past few months? If so in what way?*
- *What areas of improvement would you like to see the service concentrate on over the next 12 months?*
- *How can HR facilitate you as a senior manager working more independently on HR matters? What support do you need; what tools do HR need to develop/improve in order to support you?*

The feedback gathered from these meetings has been used to evaluate the success of the HR Improvement Plan Phase 1 and has been fundamental to building up phase 2 of the HR Improvement Plan.

**Service: Adult Social Services**  
**Lead Member: Councillor Bobby Feeley**

**Customer engagement via:**

- Feedback Fortnight
- Carers' Week

**Monitoring activity via:**

- 'Have your say' questionnaire which is sent out to a random selection of people who have received a service from the Intake Team. If respondents raise any issues, we contact them. We also provide an annual summary which is shared with respondents who have indicated that they want a copy of the summary.
- The customer service standards are in place; some of this information is gained at the point of the service users reassessment and is captured on PARIS. Each quarter the data is analysed and findings are shared with managers.
- Complaints:
  - Each quarter, a full analysis is completed and presented to the senior management teams - Adults and Children's
  - Following a complaint being made, we look at what lessons can be learned. An action plan is drawn up and monitored until all the actions have been completed.
- We do record praise/compliments and report on the numbers, we include the details in the annual report alongside the reason for the praise.
- Quarterly and annual reporting.

**Service: Children and Family Services**  
**Lead Member: Councillor Bobby Feeley**

**Customer engagement via:**

- Fun days
- Surveys/questionnaires
- Consultation events
- Focus groups
- Workshops
- Complaints system
- Have your Say surveys – to gain service user views (children, young people, parents/carers) on the impact the Children & Family Service is having on their lives and how useful the service they've received is/has been, specific surveys for various target groups have been devised

**Monitoring activity via:**

- Statutory reviews and visits
- Planning meetings, reviews and assessments
- Inspections
- End of Placement reports – these are completed by social workers, foster carers, parents and children/ young people at the end of a placement
- Family Support exit questionnaires – to gain service user feedback when a case is closed the Family Support Team
- Foster Carer self-assessments

**Customer feedback influencing service design and delivery:**

- The Leaving Care Team's name changed to the **14+ Group** following feedback from the young people.

**Complaints shaping service:**

Complaint	Action
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Complainant unhappy with the foster placement and in particular to the foster carers. Complainant felt they were unable to deal with their needs in particular to self-harming. Complainant also felt that issues were not taken seriously until moved which at that point had reached crisis point.

Future training session on self-harm identified.

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**Report To:** Corporate Governance Committee

**Date of Meeting:** 5<sup>th</sup> November 2014

**Lead Member / Officer:** Councillor Hugh Irving, Lead Member for Customers and Communities  
Jackie Walley, Head of Customers and Education Support

**Report Author:** Clare O’Gorman, Corporate Complaints Officer

**Title:** Your Voice annual report 2013/14

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## **1. What is the report about?**

The report provides an overview of the feedback received via Denbighshire County Council’s customer feedback policy ‘Your Voice’ during the period 01.04.13 – 31.03.14. This report excludes social services data which is reported separately.

## **2. What is the reason for making this report?**

To provide the Committee with an overview of the volumes and types of feedback received during 2013/14.

To provide the Committee with information regarding the Public Service Ombudsman for Wales’ annual report and accompanying letter.

## **3. What are the Recommendations?**

That the Committee note and comment on the performance of services.

## **4. Report details**

Headlines for 2013/14 (please see appendix 1 for further detail).

- A total of 510 complaints were recorded – a decrease of 8% compared to the previous year’s total of 556.
- Overall performance for the year is 96% (488/510) of complaints responded to within the ‘Your Voice’ timescales. This is an improvement on the 2012/13 figure of 93% and exceeds the corporate target of 95%.
- The number of complaints successfully dealt with at stage 1 decreased to 91% (down from 94% last year).
- A total of 749 compliments were recorded – a decrease of 9% compared to the previous year’s total of 820.

- A total of 67 suggestions were recorded – an increase of 319% compared to the previous year's total of 16. This is an area we are going to promote to encourage more feedback in order to shape our services.

## **Public Services Ombudsman for Wales**

Thirty six complaints were made to the Ombudsman during 2013/14. This is higher than the Welsh local authority average, see appendix 2 for further detail. This in itself is not a concern as only two complaints were taken into investigation by the Ombudsman during 2013/14. This equals the Welsh local authority average. Both complaints concerned social services. One section 21 report was issued and concerned Adult Social Services. Section 21 reports are issued by the Ombudsman when the public body agrees to implement any recommendations made by the Ombudsman, and confirms she's satisfied that there is no public interest involved. Summaries of the complaints are included as appendix 3.

Four complaints of Members breaching their code of conduct were made during 2013/14. The same number as last year, see appendix 4 for further detail.

### **5. How does the decision contribute to the Corporate Priorities?**

The Your Voice scheme directly contributes to the corporate aim of:  
*An excellent council, close to the community.*

### **6. What will it cost and how will it affect other services?**

All costs relating to customer feedback are absorbed within existing budgets.

### **7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

Not applicable.

### **8. What consultations have been carried out with Scrutiny and others?**

Monthly reporting to the Senior Leadership Team, quarterly reporting to Performance Scrutiny Committee and annual reporting to Corporate Governance Committee.

### **9. Chief Finance Officer Statement**

There are no obvious financial implications arising from the report.

### **10. What risks are there and is there anything we can do to reduce them?**

By not dealing with complaints effectively, the reputation of the council may suffer.

### **11. Power to make the Decision**

This is a paper for information, rather than for decision.

## Appendix 1

Table 1: complaints by service including timescale performance – 3 year comparison

Service Area	Full Year 2011-2012				Full Year 2012-2013				Fu
	Recd	Within	%	Status	Recd	Within	%	Status	
Business Planning and Performance	1	1	100%	– G	0	0	–	–	6
Legal and Democratic Services	6	3	50%	– R	3	3	100%	▲ G	6
Customers and Education Support	19	16	84%	– O	25	24	96%	▲ G	24
Environment	142	137	96%	– G	201	198	99%	▲ G	121
Finance and Assets	25	21	84%	– O	24	19	79%	▼ R	39
Housing Services	79	33	42%	– R	86	75	87%	▲ O	67
Planning and Public Protection	97	85	88%	– O	66	65	98%	▲ G	80
Highways and Infrastructure	69	56	81%	– O	100	84	84%	▲ O	91
Communication, Marketing and Leisure	51	43	84%	– O	45	44	98%	▲ G	63
Education	4	3	75%	– R	1	1	100%	▲ G	4
Other	1	0	0%	– R	5	2	40%	▲ R	9
	<b>494</b>	<b>398</b>	<b>81%</b>	– O	<b>556</b>	<b>515</b>	<b>93%</b>	▲ G	<b>510</b>

Table 2: timescale performance at each complaint stage for 2013/14

YTD	Count	Within	%
Stage 1	459	447	97%
Stage 2	43	34	79%
Stage 3	8	7	88%
<sup>1</sup> PSOW	0	0	-
<b>TOTAL</b>	<b>510</b>	<b>488</b>	<b>96%</b>

Table 3: compliments by service – 3 year comparison

Service Area	2011/12	2012/13	2013/14
Social Services Adults	332	355	219
Social Services Children		49	58
Business Planning and Performance	4	0	4
Legal and Democratic Services	1	2	1
Customers and Education Support	23	19	49
Environment	181	212	165
Finance and Assets	0	1	0
Housing Services	43	56	62
Regeneration	0	2	0
Planning and Public Protection	25	25	46
Highways and Infrastructure	42	75	75
Communication, Marketing and Leisure	39	24	70
	<b>690</b>	<b>820</b>	<b>749</b>

<sup>1</sup> Public Services Ombudsman for Wales

Table 4: social services complaints data – 3 year comparison

<b>Service Area</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Social Services	93	118	97

Public Services Ombudsman for Wales – complaints data 2013/14

Chart 1: comparison of complaints received by the Ombudsman with average, adjusted for population distribution

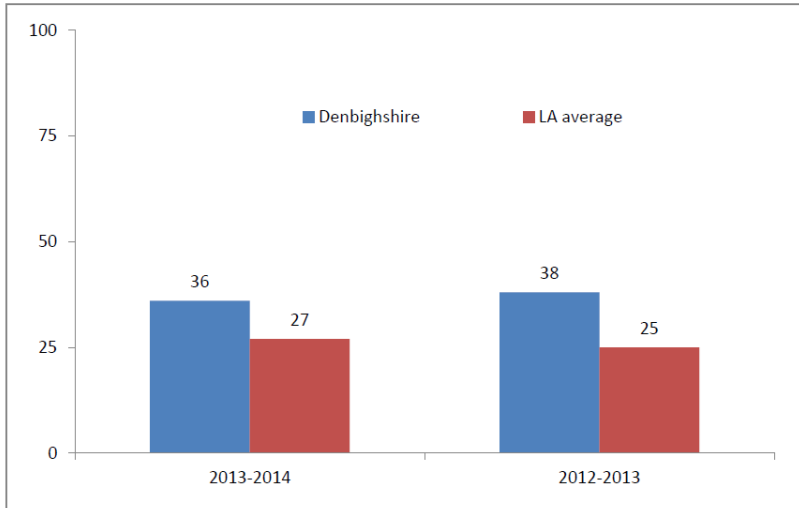
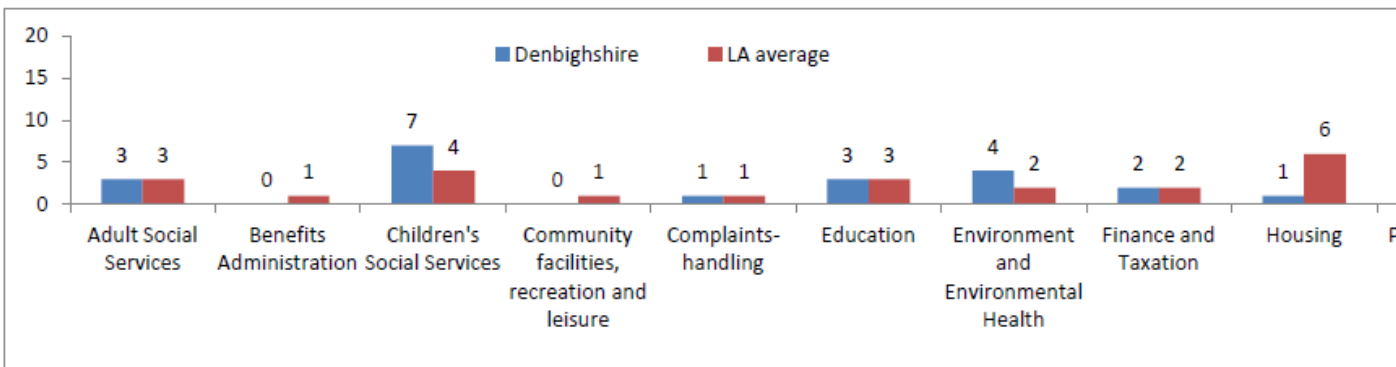


Chart 2: comparison of complaints by subject category with LA average



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**Public Services Ombudsman for Wales – investigation summaries****Social Services – Adult****Upheld****April 2013 – Services for vulnerable adults – Denbighshire County Council**

Mr A and Mrs B complained about Denbighshire County Council. The complaint was about many issues relating to the care provided to Miss C, particularly during the last months of her life, whilst she was in receipt of domiciliary care from a care agency (the Agency). Miss C was diagnosed with cerebral palsy at a young age. The Council partly funded and contracted with the Agency to provide Miss C with domiciliary care on its behalf. A complaint was also made about the Council's complaints handling process, in particular, regarding its second Stage 2 investigation report.

Mr A and Mrs B also complained about the Care and Social Services Inspectorate for Wales' (CSSIW) actions following the Council's complaints investigation, specifically, that it failed to undertake its own investigation of the issues raised in their complaint to the Council.

Having reviewed all the available information and documentation, and having obtained a professional view from two of the Ombudsman's professional advisers, the complaint was partly upheld against the Council. The Ombudsman found that there were inadequacies in the Council's care review and contract monitoring role which the Council accepted. However, the Ombudsman concluded that the overall standard of care provided to Miss C was reasonable. Issues about potential vulnerability and adult protection concerns were fully considered during the investigation. The Ombudsman concluded that Miss C had the mental capacity to make her own decisions and that the issues raised as part of the complaint did not meet the threshold of significant harm for triggering adult protection processes. The Ombudsman found some inadequacies in the second Stage 2 investigation report and its recommendations but in general, concluded that the Council's complaints process was reasonably managed.

The Ombudsman concluded that from a regulatory perspective, the action taken by CSSIW in response to the complainants' concerns had been appropriate. The complaint was not upheld against CSSIW.

The Ombudsman recommended that the Council provide Mr A and Mrs B with a written apology for the failings identified and provide evidence of the action taken to ensure that it effectively carries out its assessment and contractual role in circumstances where care is provided on its behalf by an agency.

**Case reference 201104048**

## **Social Services - Children**

### **Quick fixes & Voluntary settlements**

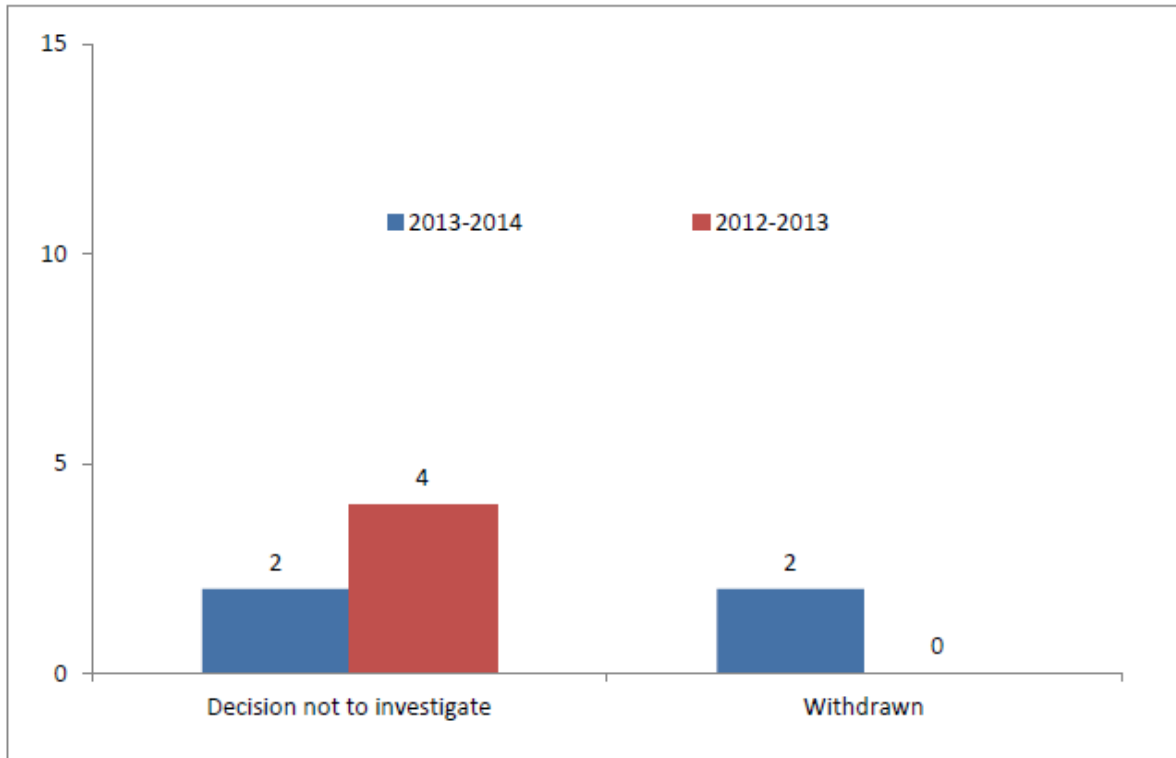
#### **September 2013 – Other – Denbighshire County Council**

Mrs B complained that the Council had failed to provide services to support her family in caring for her son, who has autism and a number of complex needs. She also complained that communication between professionals and the family had been poor.

In a meeting with Mrs B, the Council apologised for its failings and updated Mrs B on the implementation of the previously agreed "corrective action plan". It put in place a package of support for Mrs B's son, including partially funding a college placement and making direct payments to Mrs B to assist the family to access support for him at weekends and holidays.

**Case reference 201301441**

Chart 3: code of conduct complaints



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<b>Report To:</b>	<b>Corporate Governance Committee</b>
<b>Date of Meeting:</b>	<b>5<sup>th</sup> November 2014</b>
<b>Lead Member / Officer:</b> <b>Democratic</b>	<b>Gary Williams, Monitoring Officer/ Head of Legal and Services.</b>
<b>Report Author:</b>	<b>Lisa Jones, Deputy Monitoring Officer.</b>
<b>Title:</b>	<b>Corporate Governance Committee Terms of Reference</b>

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**1. What is the report about?**

To seek Members views on transferring areas from this Committee's Terms of Reference, to the Councils Standards Committee.

**2. What is the reason for making this report?**

Members will be aware that the Committee's work load is increasing and the reason for this report is to generate a debate and obtain a view on transferring areas that could potentially be dealt with by Standards Committee.

**3. What are the Recommendations?**

That the Corporate Governance Committee provide a steer in respect of the details suggested in the report.

**4. Report details.**

The Council's Standards Committee current 'jurisdiction' only covers monitoring compliance with the Members Code of Conduct, raising standards of ethics and probity, training on the Code of Conduct and complaints regarding members and dealing with references from the Public Services Ombudsman for Wales (PSOW) ; including playing a role in the Councils Self Regulatory Protocol. The Committee is scheduled to meet approximately every other month and meetings are completed within 2 hours. Membership of the Standards Committee comprises 2 County Councillors, 4 independent members who are recruited via a public advert and 1 Community Council member. The Committee can only be quorate when the majority in attendance are independent.

Some local authorities have extended the remit of their Standards Committees to cover issues such as whistleblowing and complaints to the PSOW by members of the public regarding maladministration.

There is an opportunity therefore for the Council to consider increasing the workload of this Committee and transferring it to the Standards Committee. The final decision is one for the Full Council and would be incorporated in the review of the Constitution; however this report is seeking the views of the Corporate Governance Committee on whether there is an appetite for this approach.

Discussions between the respective Chairs of these Committees appears to be that there is room for debate on transferring some or all of the following areas to Standards Committee (in addition to it retaining its current remit) : -

- a) Whistleblowing
- b) Indemnities for Officers and Members,
- c) Complaints including PSOW Complaints by members of the public about the Council (maladministration)
- d) Information Commissioner Complaints and review of the Councils activities under the Information Legislation (Data Protection and FOI)

**5. How does the decision contribute to the Corporate Priorities?**

Improved practices will contribute to the priority of becoming a high performing Council.

**6. What will it cost and how will it affect other services?**

There are no implications for services as they will still be required to present their reports to a committee. There may be some increase in attendance costs to independent members of the Standards Committee as they may need to sit for a longer period in Committee. All other costs are met under current resources.

**7. What consultations have been carried out.**

There has been initial consultation with both Chair of Corporate Governance and Standards Committee. The issues were very briefly debated at Standards Committee on the 18<sup>th</sup> July 2014 and there was an interest in taking on a wider remit.

**8. Chief Finance Officer Statement**

Not required at this stage, but will be required if there is proposals to transfer areas to another committee.

**9. What risks are there and is there anything we can do to reduce them?**

There are risks that there could be a duplication of work if matters are taken to both Committees.

**10. Power to make the Decision**

No decision is required as the final decision on this issue would be one for the Full Council under the Local Government Act 2000.

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**Report To:** Corporate Governance Committee

**Date of Meeting:** 5 November 2014

**Lead Member / Officer:** Barbara Smith – Lead Member for Modernising & Performance

**Report Author:** Ivan Butler – Head of Internal Audit

**Title:** Governance Improvement Plan

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## **1. What is the report about?**

This report provides an update on the Council's Governance Improvement Plan arising from the Council's 2013/14 'annual governance statement' - *'Delivering good governance and continuous improvement'*.

## **2. What is the reason for making this report?**

The update on the Governance Improvement Plan to Corporate Governance Committee on 29 September 2014 had some gaps where the Head of Internal Audit had not received a response from key officers. The Committee requested an update on those outstanding items at its next meeting.

## **3. What are the Recommendations?**

The Committee reviews and comments on the progress report.

## **4. Report details.**

The Council's latest 'annual governance statement' was entitled *'Delivering good governance and continuous improvement'*. This document provided a transparent and balanced self-assessment of the Council's governance arrangements, highlighting any significant governance weaknesses and other areas for improvement.

The improvement areas were included in a Governance Improvement Plan that also provided proposed actions to address the weaknesses, officers responsible for the actions, and timescales.

The first update to the Corporate Governance Committee on 29 September 2014 was incomplete, as responses had not been provided to enable the Head of Internal Audit to update the entire Plan. These responses have now been received and are included in Appendix 1.

**5. How does the decision contribute to the Corporate Priorities?**

While the 'annual governance statement' self-assessment does not directly contribute to Corporate Priorities, it provides an assessment and assurance on the delivery of the Corporate Plan, the Council's operational and financial performance, governance arrangements, community engagement etc. that are all directed towards delivering the Corporate Priorities.

**6. What will it cost and how will it affect other services?**

There are no costs attached to this report and the only impact on services is where the report identifies improvement areas; however, services will already be aware of these and should be building this into their service planning.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

**8. What consultations have been carried out with Scrutiny and others?**

This is an information report only. The only consultation has been with the officers with responsibility for implementing the actions identified within the Governance Improvement Plan.

**9. Chief Finance Officer Statement**

There are no financial implications attached to this report.

**10. What risks are there and is there anything we can do to reduce them?**

If the Governance Improvement Plan is not implemented, weaknesses will remain in the Council's governance arrangements, which could lead to:

- adverse regulatory reports;
- poor use of public money;
- failure to improve key corporate and service areas;
- loss of stakeholder confidence; and
- an adverse impact on the Council's reputation.

**11. Power to make the Decision**

There is no decision required for this report but there is a requirement under the local Government (Wales) Measure 2011 for the 'audit committee' to oversee the Council's corporate governance arrangements.

## Governance Improvement Action Plan – Progress Report October 2014 (items outstanding from September 2014 only)

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<b>Significant Governance Issues</b>				
<p>Our Internal Audit service provided a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy is out of date. Internal Audit's recent follow up of the improvement action plan shows that, although we have developed a new draft strategy and Contract Procedure Rules, progress with improvement is slow and behind schedule.</p> <p>Also in procurement, we are involved in the development of some key projects but the creation of the National Procurement Service has also added to the complexity of procurement arrangements and led to a loss of staff to the new organisation, with potential further staffing losses.</p> <p>We are aware that we are entering a critical period in relation to strategic procurement and the major changes that we are making; therefore, we will need to keep this area under regular review to ensure that the identified improvements are implemented and that the strategic programmes of change are successfully delivered.</p>	<p>The Council is fundamentally changing significant elements of its procurement. In May 2014, Cabinet approved the merger of Flintshire and Denbighshire procurement teams to create a larger more robust team. It also approved the move towards category management in conjunction with Flintshire and Gwynedd.</p>	<p>Head of Finance &amp; Assets</p>	<p>New team in place July 2014. Move to Category Management to take place up to 2016.</p>	<p><b>In Progress</b></p> <p>The contract notice will be issued in October 2014. A Pre-Qualification Questionnaire (PQQ) will be available at this time. Return of PQQ will be November 2014 with the Invitation to Tender (ITT) issued to short listed bidders in December 2014. Return for ITT's is end January 2015 with a Category Management partner appointed in March 2015.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<b>Equalities</b>				
<p>We are continuing our work to improve awareness of equalities issues. But Internal Audit's staff survey found that there is still work to do to improve awareness of corporate equalities arrangements.</p>	<p>The Corporate Equalities Group (CEG) will discuss the Internal Audit report at its July 2014 meeting. At the same meeting, the Group will consider for approval a new e-learning training module on equalities issues. Following approval, this new module will be rolled out.</p>	<p>Head of Business Improvement &amp; Modernisation</p>	<p>Autumn 2014</p>	<p><b>In progress</b> CEG is considering the E-learning module at its meeting on 14 October 2014. It should then be rolled out corporately. In response to the Internal Audit report, CEG anticipates that the e-learning will increase awareness of equalities issues across the Council.</p>
<b>Policy Framework</b>				
<p>Our environmental policy is out of date and we do not have a formal corporate approach to environmental management that would help to demonstrate our values and ethics by committing to ensuring that we help to maintain, enhance and use natural resources sustainably now and in the future.</p>	<p>There are currently no plans to revisit our existing policies; however, sustainability is now a core principle in our community planning and is reflected in Denbighshire's draft Well-being Plan, due for publication in November 2014.</p>	<p>Head of Business Improvement &amp; Modernisation</p>	<p>November 2014</p>	<p>We have no plans to update the current policy. No further action is planned.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<b>Regulations &amp; Standards</b>				
<p>We have made significant improvements in information governance during the year; however, we recognise that we still have a lot of work to do but have identified this in our Information Management Strategy, for example:</p> <ul style="list-style-type: none"> <li>• develop e-learning modules for several areas of training;</li> <li>• improve the policy framework in areas such as email, records management and information security;</li> <li>• digitise catalogues and collections in our archives;</li> <li>• enhance our Publication Scheme and Disclosure Logs;</li> <li>• revise and embed the corporate retention schedule; and</li> <li>• achieve PSN accreditation for 2014.</li> </ul>	<p>We will continue to implement the Information Strategy</p> <p>E-learning on data protection is now in place</p> <p>Other actions on-going</p>	<p>Head of Business Improvement &amp; Modernisation</p>	<p>Roll out to be completed September 2014</p>	<p><b>In progress</b></p> <p>Data protection training e-learning has now been completed by more than 1000 members of staff. The Corporate Information Manager is continuing to collate responses to understand where there are gaps in take-up.</p> <p>PSN accreditation for 2014 has been achieved.</p> <p>A business case for the further roll-out of Egress secure e-mail system is being considered by Senior Leadership Team in November 2014.</p> <p>The archives/records management services are currently under review, with a proposal to expand the level of digitisation.</p>
<b>Stakeholder Engagement</b>				
<p>Our latest resident survey highlighted that most people do not feel well-informed about the Council's performance and a range of other issues asked in the survey.</p>	<p>We will continue to publish user-friendly performance information on the Council's website.</p>	<p>Head of Business Improvement &amp; Modernisation</p>	<p>On-going</p>	<p>No further action is planned</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<p>The value of effective business engagement is only just being recognised, which means that we have a lot more work to do before we see the benefits that result from recent developments. We need to ensure that effective opportunities exist for businesses to provide feedback on the delivery of the Economic and Community Ambition Strategy / Programme and identify what we need to do to make engagement with the Council a valuable activity for businesses. In the longer term, as key stakeholders in the delivery of the overall vision for our economy, we need to increase business participation in making decisions about how we plan and invest Council budgets and resources for greatest economic effect.</p>	<p>Leader and Corporate Director for Economic and Community Ambition to undertake annual visits to Business Groups and to the Top 10 businesses in the county to ensure that we are doing all we can to support local businesses and facilitate easy and accessible contact with senior decision makers within the Council.</p>	<p>Leader &amp; Corporate Director for Community Ambition</p>	<p>Annual</p>	<p><b>Outstanding</b></p> <p>Visits to top 10 businesses have not progressed yet. Priority has been given to supporting the budget/Freedoms and Flexibilities process instead. In terms of business engagement more generally, good progress being made at an operational level both through the Economic Development Team and the Better Regulation project being led by the Public Protection Manager.</p>
	<p>Annual survey of businesses. The results of the first survey are currently being collated and will inform how we work with businesses in future.</p>	<p>Economic &amp; Business Development Manager</p>	<p>Annually in June</p>	<p><b>Complete</b></p> <p>Survey complete and results being analysed for reporting to and discussion at the Economic Ambition Programme Board.</p>

## Corporate Governance Committee Forward Work Programme

<b>17 Dec 2014</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans
	4	Forward Work Programme	
		<b>Reports</b>	
	5	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady
	6	Governance Improvement Plan	Head of Internal Audit, Ivan Butler
	7	Construction and Procurement Services - Update	Head of Internal Audit, Ivan Butler
	8	Clwyd Leisure Review	Business, Improvement & Modernisation / Hannah L Jones
	9	New Model Constitution	Head of Legal and Democratic Services / Gary Williams
<b>28 Jan 2015</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit Services, Ivan Butler / Cllr Julian Thompson-Hill
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans
	5	Forward Work Programme	
		<b>Reports</b>	
	6	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady
	7	Treasury Management Strategy Statement and	Head of Finance & Assets, Paul McGrady

## Corporate Governance Committee Forward Work Programme

		Prudential Indicators 2015/16	
	8	Treasury Management Annual Report 2014/15	Head of Finance & Assets, Paul McGrady
	9	Arm's Length Companies - Update	Head of Internal Audit Services, Ivan Butler
<b>25 March 2015</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans
	4	Forward Work Programme	
		<b>Reports</b>	
	5	Budget Process 2016/17	Head of Finance & Assets, Paul McGrady
	6	Governance Improvement Plan	Head of Internal Audit, Ivan Butler
	7	Internal Audit Strategy	Head of Internal Audit, Ivan Butler
	8	Reports of Complaints Received	Head of Customers & Education Support / J. Walley
	9	Information Management Strategy, Freedom of Information Report	Corporate Information Manager / Craig Berry
<b>20 May 2015</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit, Ivan Butler / Cllr Julian Thompson-Hill
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans



## Corporate Governance Committee Forward Work Programme

	5	Forward Work Programme	
		<b>Reports</b>	
	6	Budget Process 2016/17	Head of Finance & Assets, Paul McGrady

NB The exact date of publication of occasional reports by for example Wales Audit Office or Annual Reports by the Ombudsman are not presently known. They will be assigned a meeting date as soon as practicable.

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