



## Notice of meeting of

### Executive Member For Corporate Services and Advisory Panel

<b>To:</b>	Councillors Healey (Chair), Jamieson-Ball (Executive Member), Looker, Pierce and R Watson
<b>Date:</b>	Tuesday, 30 October 2007
<b>Time:</b>	5.30 pm
<b>Venue:</b>	Guildhall

## AGENDA

### Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

**10:00 am on Monday 29 October 2007**, if an item is called in *before* a decision is taken, *or*

**4:00 pm on Thursday 1 November 2007**, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

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

At this point, Members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

## **2. Exclusion of Press and Public**

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annex A to Agenda Item 6 (Review and Strategy for the Commercial Property Portfolio) on the grounds that it contains information relating to the business affairs of the commercial tenants of the council. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

Agenda Item 7 (Yorkshire Purchasing Organisation (YPO) Update) on the grounds that it contains information relating to the financial or business affairs of any particular person, including the authority holding that information. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

## **3. Minutes (Pages 1 - 8)**

To approve and sign the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 11 September 2007.

## **4. Public Participation**

**At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Executive Member's remit can do so. The deadline for registering is Monday 29 October 2007, at 5.00 pm.**

## **5. Forward Plan Update (Pages 9 - 18)**

To receive an update on the Resources Directorate items which are listed on the Forward Plan.

**Executive Member to consider the advice of the Advisory Panel upon the following items of business and to make a decision on those items or to note the information as required:**

### **ITEMS FOR DECISION**

**6. Review & Strategy for the Commercial Property Portfolio**  
(Pages 19 - 22)

Further to the introductory report to Corporate Services EMAP on 11 September 2007, attached to this report as Annex A is the exempt full report on the review of the Commercial Portfolio. The review forms a Service Asset Management Plan linking to the council's approved Corporate Asset Management Plan.

*(Due to the size of confidential Annex A, hard copies have only been provided to Members and key officers, but copies are available on the Council's intranet or from the report author (contact details are at the end of the report) or Democracy Support Group on 01904 551088.)*

**7. Yorkshire Purchasing Organisation (YPO) Update Report**  
(Pages 23 - 28)

This report provides an update on the current position regarding recent events at the Yorkshire Purchasing Organisation (YPO), further to the report brought to Corporate Services EMAP in September 2007 and Members' request at that meeting to be kept informed of the situation as matters progressed.

**8. Contract Design Management (CDM) Regulations - Implications for City of York Council** (Pages 29 - 58)

This report advises Members of the necessary actions to ensure the Council's obligations under these regulations are met, highlighting duties within the authority and the necessary protocols to ensure adherence, for endorsement by Members.

**9. Insurance Services Mid Term - Monitoring Report 2007/08**  
(Pages 59 - 64)

This report informs Members of the progress made by the Insurance service during 2007/08. It considers the team's key achievements in relation to the effective and efficient management of the insurance portfolio; in particular, performance of the insurance funds, efficient management of claims and Employers' Liability trends.

**ITEMS FOR INFORMATION**

**10. Supplier & Contract Management System (SCMS)** (Pages 65 - 74)

The purpose of this paper is to inform Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council.

**11. Introduction of the Local Housing Allowance** (Pages 75 - 80)

This report advises Members of the introduction of the Local Housing Allowance from April 2008 and its implications for the calculation and payment of Housing Benefit. This report is for information only and no decision is required.

**12. Update on Gershon Efficiency Savings** (Pages 81 - 86)

This report is for information only and gives an update on progress against the Gershon efficiency targets in the light of the 2006/07 out-turn (backward look) and the 2007/08 forecast (forward look).

**URGENT BUSINESS**

**13. Any Other Matters which the Executive Member decides are urgent under the Local Government Act 1972.**

Democracy Officer:

Name: Tracy Johnson

Contact details:

- Telephone – (01904) 551031
- E-mail – [tracy.johnson@york.gov.uk](mailto:tracy.johnson@york.gov.uk)

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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## About City of York Council Meetings

### Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

**A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088**

### Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

### Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধাতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোঅবী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

*Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550*

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اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ مہیا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

*Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550*

### **Holding the Executive to Account**

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

### **Scrutiny Committees**

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

### **Who Gets Agenda and Reports for our Meetings?**

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.



City of York Council

Minutes

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MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	11 SEPTEMBER 2007
PRESENT	COUNCILLORS HEALEY (CHAIR), JAMIESON-BALL (EXECUTIVE MEMBER), LOOKER (OPPOSITION SPOKESPERSON), PIERCE AND HOLVEY (SUBSTITUTE)
APOLOGIES	COUNCILLOR R WATSON

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**16. Declarations of Interest**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

None were declared.

**17. Exclusion of Press and Public**

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Annexes A, B, C, and D to Agenda Item 8 (National Non-Domestic Rates/Sundry Debtors/Council Tax And Overpaid Housing Benefit Accounts Submitted For Write-Off) on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under paragraphs 2 and 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

Annex B to Agenda Item 9 (Yorkshire Purchasing Organisation) on the grounds that it contains information relating to the financial or business affairs of any particular person, including the authority holding that information. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

**18. Minutes**

RESOLVED: That the minutes of the last meeting held on 24 July 2007 be approved and signed as a correct record.

**19. Public Participation**

It was reported that there had been no registrations to speak under the Council's Public Participation scheme.

**20. Forward Plan Update**

Members received an update on the Resources Directorate items which are listed on the Forward Plan.

Members agreed to defer Agenda Items 10,11, and 12 (Minutes 25, 26 and 27 refers) and that the meeting on 30 October be reinstated to consider these deferred items and the following items on the Forward Plan, to be brought forward from the meeting scheduled for December:

- Insurance Mid Term Monitoring Report
- Contract Design Management (CDM) Regulations
- Review and Strategy for the Commercial Portfolio

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the update on the Forward Plan be noted;
- (ii) That the meeting on 30 October be reinstated to consider the 6 items listed above.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform the Executive Member of the update of the Forward Plan.

**21. Resources First Performance & Financial Monitor:**

Members considered a report which combined performance and financial information for the Directorate of Resources for Monitor 1, 2007/08. The performance element covered key and Council Plan indicators and projects, and the financial aspect dealt with capital, revenue and Treasury Management variances.

The report advised that the directorate was forecasting a net underspend of £505k compared to a budget of £4,655k. This was a forecast variance of 0.8% compared to the gross budget of £65,198k.

Members queried whether there was a way to measure staff sickness so that long term sickness was omitted and suggested that the median could be used instead of the average. Officers reported that the figures were produced centrally, but would investigate what options there were to produce more informative sickness figures.

The Executive Member congratulated officers on getting the York Customer Centre (YCC) resolved over the summer and improving its performance, and on the ongoing improvements in benefits performance particularly new claims.

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) Note the current financial situation
- (ii) Note performance, achievements and comments
- (iii) Approve the accounting approach of using revenue reserves for dealing with the Property Trading account to be approved by the Executive
- (iv) Approve the adjustments to the capital programme subject to approval by the Executive.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: In accordance with budgetary and performance monitoring procedures.

**22. Shared Service Initiative for Audit & Fraud Services in the North Yorkshire Region**

Members received a report which advised Members of discussions between York and North Yorkshire County Council (NYCC) regarding the business benefits of moving towards a shared service solution for internal audit and fraud services.

Members had two options to consider. The first option was to confirm the agreement, in principle, to enter into a shared audit and fraud service with NYCC, together with the proposed interim shared management arrangements. The second option was to seek alternative measures to address the existing constraints on service capacity and resilience. The first option was recommended. A detailed options appraisal would be undertaken before moving to phase II of the process.

Members raised concerns about whether the planned programme of work would continue to be met and that there would be no diminution in services. Officers reported that they would ensure that there was no loss or prejudice to the council's own audit plan, and that exit strategies would be incorporated, in case the shared service did not go according to plan.

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) Note the officer discussions to date and the agreement, in principle, to develop a shared service solution with North Yorkshire County Council for the provision of audit and fraud services;
- (ii) Approve the proposed shared management arrangements as set out in this report (phase I of the proposal) from 1 October 2007 until at least March 2008, but with the option to extend this period by up to 12 months;
- (iii) Approve the commitment of resources to the arrangement on the basis of the existing audit and fraud service levels and costs.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To enable Members to consider future collaboration with North Yorkshire County Council in the delivery of internal audit and fraud services.

**23. National Non-Domestic Rates/Sundry Debtors/Council Tax And Overpaid Housing Benefit Accounts Submitted For Write-Off**

Members considered a report which asked for Member approval to write-off irrecoverable accounts each one over £2,000 in value, for National Non-Domestic Rates (Annex A), Sundry Debtors (Annex B), Housing Benefit Overpayments (Annex C) and Council Tax (Annex D) as per the attached confidential Schedules.

Members were presented with two options:

Option 1 - to approve for write-off the amount of £186,253 shown in para. 4 (the individual debts are listed in the attached confidential annexes).

Option 2 - not to approve the total write-off figure as shown in para. 4

Members requested that in future reports the personal details of individual debtors, excluding businesses, were not included.

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) approve for write-off the amount of £186,253 shown in para. 4, (the individual debts are listed in the attached annexes), taking note that each debt has a greater value than £2,000.
- (ii) note the amount of £283,583 (shown in para. 4) of accounts valued at less than £2,000 written off in the 6 months to 10<sup>th</sup> August 2007 under the Head of Finance's delegated authority.
- (iii) request officers not to name individuals in future public or private reports, subject to legal advice on Members interests.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASONS: To allow prudent management of the Authorities debt portfolio;  
To inform the Executive Member.

**24. Yorkshire Purchasing Organisation (YPO)**

Members received a paper which advised Members of the financial performance of the Yorkshire Purchasing Organisation (YPO) contained in Confidential Annex B.

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) note the contents of this report;
- (ii) consider the proposed actions contained at paragraph 12 in Confidential Annex B and refer to the Executive for a decision
- (iii) ask officers to keep Members up to date with progress.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASONS: To inform the Executive Member.  
To seek Members views on future financial planning before referring to the Executive for a decision.

**25. Supplier & Contract Management System (SCMS)**

Members received a report which informed Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council.

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) defer the report to the meeting in October

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To allow more time for discussion on decision items on the agenda and to balance the number of items on the Forward Plan more evenly between meetings.

**26. Introduction of the Local Housing Allowance**

Members considered a report which advised members of the introduction of the Local Housing Allowance from April 2008 and its implications for the calculation and payment of Housing Benefit. This report was for information only and no decision was required.

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) defer the report to the meeting in October

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To allow more time for discussion on decision items on the agenda and to balance the number of items on the Forward Plan more evenly between meetings.

**27. Update On Gershon Efficiency Savings**

Members considered a report which was for information only and gave an update on progress against the Gershon efficiency targets in the light of the 2006/07 out-turn (backward look) and the 2007/08 forecast (forward look).

Advice of the Advisory Panel

That the Executive Member be advised to:

- (i) defer the report to the meeting in October

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To allow more time for discussion on decision items on the agenda and to balance the number of items on the Forward Plan more evenly between meetings.

**28. Review and Strategy for the Council's Commercial Property Portfolio**

Members considered a report which introduced the strategic review of the commercial property portfolio which was currently being prepared, and invited Members' views on the process and options.

Officers gave a presentation which covered the following points:

- Corporate Asset Management Plan
- Non-operational properties
- Operational Properties
- Criteria for holding the premises
- Summary of Income and Outgoings
- Benchmarks for properties
- Action Plan for the Future

Officers advised Members to contact them with any additional requests or with any questions regarding the full strategic review of the commercial portfolio.

Members requested that the Resources Scrutiny Board's report on Property Management be acknowledged in the review where relevant.

Advice of the Advisory Panel

That the Executive Member be advised that:

- (i) The report be received and noted as an introduction to the full strategic review of the commercial portfolio to be presented to the next meeting.
- (ii) The views of Members expressed at this meeting be taken on board and addressed in the full review.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To provide an input into the commercial property review and inform the full report due at the next meeting.

C JAMIESON-BALL  
Executive Member

P HEALEY  
Chair of Advisory Panel

The meeting started at 5.40 pm and finished at 7.40 pm.

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CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
1	CPA Use of Resources 2007	Audit & Risk Management Liz Ackroyd	To advise Members of the outcome of the 2007 CPA UOR assessment prior to national publication by the Audit Commission (expected mid November)		CMT 17/10/2007		EBS 30/10/2007	EXEC 06/11/2007	At the Request of the Report Author
2	Thin Client Management Arrangements	Simon Wiles/ Liz Ackroyd	A review of the Client & Contractor roles within the Council - this report seeks to rationalise and streamline them.	10/10/07	CMT 24/10/2007		EBS 13/11/2007	EXEC 20/11/2007	Report at the Request of the Author Initial discussion held at EBS on 28 November Deferred from the Executive Meeting of 19/12/2006 to allow for late additions to the report and for further consultation with other Departments. Deferred again on 27/03/2007, 12/06/2007, 24/07/2007, 11/09/2007, 23/10/2007 & 6/11/2007.
3	Review and Strategy for the Commercial Portfolio*	Property Services Philip Callow/ David Baren	A more detailed follow-up report to the Introductory report to Members at CS EMAP in September. Members will be asked to select appropriate options for the future management of the commercial property portfolio from 2008/09 onwards. Tenants of commercial properties may be affected by the Member decision.	13/10/07	QCG 06/11/2007	Corporate EMAP 30/10/2007	EBS 13/11/2007	EXEC 20/11/2007	Business Cycle

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4	Reducing the Maintenance Backlog	Property Services Neil Hindhaugh	Members are asked to consider the finance and performance implications of requirements under CPA/CAA and determine where CYC is to position itself. They are also asked to approve options for inclusion in a strategy.	<b>23/09/07</b>	CMT 24/10/2007		EBS 13/11/2007	EXEC 20/11/2007	Requested by Report Author Deferred from 24/07/2007 to allow time for more consultation with Directorates. Further deferred from 11/09/2007 & 23/10/2007 because extensive input is still needed from all service areas.
5	Race Course Lease Review	Property Services Philip Callow/ David Baren	Members are asked to consider and approve the request from York Race Course to further extend the existing lease for another 50 years - bringing it back to a 99 year lease - and to approve a widening of the course. They wish to make further investment and improvements by building up conference facilities. This would have an impact on citizens of York and residents in Micklegate Ward.	<b>28/10/07</b>	QCG 06/11/2007		EBS 13/11/2007	EXEC 20/11/2007	Requested by Report Author
6	IT Development Plan 2008/09*	IT&T Tracey Carter	Members are asked to agree the funding of IT projects for 2008/9 for the whole of CYC. Members will be asked to review the benefits and risks associated with each proposal and decide which ones to fund.	<b>23/09/07</b>	CMT 31/10/2007		EBS 13/11/2007	EXEC 20/11/2007	Business Cycle Deferred from 23/10/07 because of Acting Up Arrangements/Pressure of Work
7	Energy and Water Management Policy and Practice*/Sustainability in Design	Property Services Neil Hindhaugh/ Gary Christie	As a response to the Climate Change Agenda, Members will be informed on best practice and will be asked to approve a draft policy which will generate an Action Plan to prioritise energy and water management issues and sustainability in design projects and work with external partners.	<b>04/11/07</b>	CMT 14/11/2007		EBS 27/11/2007	EXEC 04/12/2007	This is a combined report. The two original reports have been deferred from the Executive Meetings of 24 July and 23 October. This report forms part of the Action Plan arising from the report from City Strategy on the Council's Environmental Management System (EMS). It is also being scheduled to go to COG

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

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8	Administrative Accommodation Review: End of Stage Update Report	Property Services Maria Wood	To advise Members of completion of Stage 3 of the Admin Accom Review (Finance, Timeframes, Risk & Performance of Work Streams) and identify objectives for Stage 4	04/11/07	CMT 14/11/2007		EBS 27/11/2007	EXEC 04/12/2007	Requested by Report Author
9	Information Governance Strategy.	Audit & Risk Management Robert Beane	This item seeks a decision on the adoption of a strategy for improving information governance. The vision is of an organisation employing technology to manage its information and its records, like all its other resources, efficiently, in the service of citizens.		CMT 05/12/2007				Requested by Report Author
10	Second Resources Finance and Performance Monitor	Sian Hanson/ Penny Hepworth	To provide Members with a further update on current in year progress relating to identified aims and key financial & performance indicators	23/11/07		Corporate EMAP 11/12/2007			Business Cycle (To also include second Treasury Management Monitor)
11	Procurement Mid Term Monitoring Report	Audit & Risk Management David Walker	To update Members on progress against the Procurement Strategy Action Plan and the Corporate Procurement Team Development & Work Programme 2007/08	23/11/07		Corporate EMAP 11/12/2007			Business Cycle
12	Treasury Management Monitoring Report	Finance Tom Wilkinson	To update Members on the performance of the treasury management function for the 1st seven months of the year and provide a projected outturn to 31st March 2008.	23/11/07		Corporate EMAP 11/12/2007			Business Cycle
13	Resources Departmental Strategy*	Simon Wiles	To consult and involve Members on a strategy documents which sets out the medium and long term objectives and priorities of the directorate	23/11/07		Corporate EMAP 11/12/2007			Business Cycle

**CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN**

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14	Risk Management Quarterly Report	Audit & Risk Management David Walker	To provide CMT with progress on managing the agreed key corporate risks	<b>20/12/07</b>	CMT 02/01/2007				Business Cycle
15	Mid-Term Monitor Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Richard Smith		<b>05/01/08</b>		Audit & Governance Committee 15/01/2008			Business Cycle
16	Consultation & Shaping Session on the IAS Strategic Audit Plan	Audit & Risk Management Max Thomas		<b>05/01/08</b>		Audit & Governance Committee 15/01/2008			Business Cycle
17	Shared Service Briefing and Update	Audit & Risk Management Max Thomas		<b>05/01/08</b>		Audit & Governance Committee 15/01/2008			Business Cycle
18	RIPA Inspection Report	Audit & Risk Management Robert Beane		<b>05/01/08</b>		Audit & Governance Committee 15/01/2008			Report at the request of the Author
19	Car Parking Follow Up Report	Audit & Risk Management Max Thomas		<b>05/01/08</b>		Audit & Governance Committee 15/01/2008			Report at the request of the Author
20	IT Strategy 2007-2012	IT&T Tracey Carter	Members are asked to agree the strategic objectives for use of technology in the Council over the next 5 years which will drive our investment in IT	<b>23/09/07</b>	CMT 12/12/2007		EBS 08/01/2008	EXEC 15/01/2008	Requested by Report Author Deferred from 23/10/07 because of Acting Up Arrangements/Pressure of Work

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21	Easy@York Phase 2	IT&T Tracey Carter	This report will set out a detailed scope for the second phase of the easy@york programme and will identify funding arrangements. Members will be asked to approve the recommendations made in the report		CMT 12/12/2007		EBS 08/01/2008	EXEC 15/01/2008	Requested by Report Author
22	Second Corporate Performance & Finance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.	09/12/07	CMT 19/12/2008		EBS 08/01/2008	EXEC 15/01/2008	Business Cycle
23	Second Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.	09/12/07	CMT 19/12/2008		EBS 08/01/2008	EXEC 15/01/2008	Business Cycle

**CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN**

	<b>TITLE OF REPORT</b>	<b>RESPONSIBLE DIVISION/ REPORT AUTHOR</b>	<b>FOR DECISION/ INFORMATION</b>	<b>FIRST DEADLINE FOR REPORTS TO DIRECTOR &amp; CHAIR OR EARLIEST DISTRIBUTION DATE</b>	<b>RMT/QCG/CMT DATE</b>	<b>EMAP</b>	<b>EBS</b>	<b>EXEC</b>	<b>COMMENTS/ GENERATED BY</b>
24	Resources Service Plans, including Revenue & Capital Budget Proposals 2007/08 to 2009/10*	Sian Hansom/Patrick Looker	A report to set before Members detail of the Services provided by Resources Directorate in relation to key drivers, critical success factors, current performance, budget proposals and future direction. A further report will be brought to the meeting in March for Members' approval.	05/01/08		Corporate EMAP 22/01/2008			Business Cycle
25	Annual Governance Statement	Audit & Risk Management Liz Ackroyd	Members are asked to note the new requirement for the Council to publish an annual governance statement. The AGS replaces the Statement on Internal Control	20/12/07	CMT 02/01/2008	Audit & Governance Committee 15/01/2008	EBS 22/01/2008	EXEC 29/01/2008	Report at the Request of the Author
26	Revenue Budget 2007/08 to 2009/10	Finance Peter Steed	To consolidate the budget proposals from Directorate EMAPs and consider added corporate issues with a view to setting the Council's budget.	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
27	Capital Budget 2007/08 to 2009/10	Finance Tom Wilkinson	To consider the capital budget proposals from Directorate EMAPS and consider corporate funding of the programme	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
28	Treasury Management Policy 2007/08 to 2009/10	Finance Tom Wilkinson	To conform to statutory requirements to set the Council's Treasury Management Policy & Strategy and Performance Indicators for the period to 2010	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008

**CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN**

	<b>TITLE OF REPORT</b>	<b>RESPONSIBLE DIVISION/ REPORT AUTHOR</b>	<b>FOR DECISION/ INFORMATION</b>	<b>FIRST DEADLINE FOR REPORTS TO DIRECTOR &amp; CHAIR OR EARLIEST DISTRIBUTION DATE</b>	<b>RMT/QCG/CMT DATE</b>	<b>EMAP</b>	<b>EBS</b>	<b>EXEC</b>	<b>COMMENTS/ GENERATED BY</b>
29	Accounts Submitted for Write Off	Public Service Jenny Smithson	Mid-year submission of accounts for write-off by the Executive Member and details of write-offs made by delegated authority to the Head of Finance.	01/03/08		Corporate EMAP 18/03/2008			Business Cycle
30	Resources Service Plans For Approval	Business Management Sian Hansom	This report will highlight for Members any significant amendments to the draft Service Plans which were brought to them at the January meeting.	01/03/08	RMT February 2008	Corporate EMAP 18/03/2008			Business Cycle
31	Fraud & Corruption Response Plan	Audit & Risk Management Max Thomas	Members are asked to approve the updated Fraud & Corruption Response Plan	01/03/08		Corporate EMAP 18/03/2008			Also to go to the Audit & Governance Meeting on 01/04/2008
32	Bids for Funding from the Council's Venture Fund	Finance Tom Wilkinson		10/02/08	CMT 20/02/2008		EBS 04/03/2008	EXEC 11/03/2008	Business Cycle
33	Annual Audit Letter	Audit & Risk Management Liz Ackroyd/ Alastair Newell		23/02/08	CMT 05/03/2008		EBS 18/03/2008	EXEC 25/03/2008	Business Cycle
34	Fraud & Corruption Response Plan	Audit & Risk Management Max Thomas	Members are asked to approve the updated Fraud & Corruption Response Plan	22/03/08		Audit & Governance Committee 01/04/2008			Also taken to EMAP on 18/03/2008

**CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN**

	<b>TITLE OF REPORT</b>	<b>RESPONSIBLE DIVISION/ REPORT AUTHOR</b>	<b>FOR DECISION/ INFORMATION</b>	<b>FIRST DEADLINE FOR REPORTS TO DIRECTOR &amp; CHAIR OR EARLIEST DISTRIBUTION DATE</b>	<b>RMT/QCG/CMT DATE</b>	<b>EMAP</b>	<b>EBS</b>	<b>EXEC</b>	<b>COMMENTS/ GENERATED BY</b>
35	The Annual Outturn Report of OGG (Progress against annual work Plan)	Simon Wiles/ Liz Ackroyd		<b>22/03/08</b>		Audit & Governance Committee 01/04/2008			Business Cycle
36	Risk Management Outturn Report	Audit & Risk Management David Walker		<b>22/03/08</b>		Audit & Governance Committee 01/04/2008			Business Cycle
37	Mid Point Follow Up Review of Implementation of IAS Audit Recommendations (July 2007- December 2007 Audits)	Audit & Risk Management Richard Smith		<b>22/03/08</b>		Audit & Governance Committee 01/04/2008			Business Cycle
38	Risk Management Quarterly Report	Audit & Risk Management David Walker	To provide CMT with progress on managing the agreed key corporate risks	<b>27/04/08</b>	CMT 07/05/2008				Business Cycle
39	Insurance Outturn Report	Audit & Risk Management David Walker	To provide information on the progress in delivering an efficient and effective insurance service to the Council including details on the performance of the Insurance Funds			EMAP May/June 2008			Business Cycle
40	Procurement Outturn Report	Audit & Risk Management David Walker	To provide information on the progress made in delivering an effective and efficient procurement service to the Council including details on performance and corporate procurement savings			EMAP May/June 2008			Business Cycle



CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
41	Information Management Outturn Report	Audit & Risk Management Robert Beane				EMAP May/June 2008			Business Cycle
42	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee June 2008			Business Cycle
43	The Annual Audit & Inspection Plan (Audit Commission) for 07/08 & Outturn Monitoring Report for 06/07	Audit & Risk Management Liz Ackroyd/ Audit Commission				Audit & Governance Committee June 2008			Business Cycle
44	Revenue Outturn Report* (incorporating Treasury Management Outturn Report)	Finance Janet Lornie/Tom Wilkinson	To report the final financial position on the council's revenue budgets for the financial year ending the 2006/07 and for the Executive to note overall performance and authorise relevant financial adjustments such as budget carry forwards and virements.		CMT June 2008		EBS June 2008	EXEC June 2008	Business Cycle
45	Capital Outturn Report*	Finance Tom Wilkinson	To report the final financial position on the council's xcapital programme for the financial year ending the 2006/07 and for the Executive to note overall performance and authorise relevant financial adjustments.		CMT June 2008		EBS June 2008	EXEC June 2008	Business Cycle

**CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN**

	<b>TITLE OF REPORT</b>	<b>RESPONSIBLE DIVISION/ REPORT AUTHOR</b>	<b>FOR DECISION/ INFORMATION</b>	<b>FIRST DEADLINE FOR REPORTS TO DIRECTOR &amp; CHAIR OR EARLIEST DISTRIBUTION DATE</b>	<b>RMT/QCG/CMT DATE</b>	<b>EMAP</b>	<b>EBS</b>	<b>EXEC</b>	<b>COMMENTS/ GENERATED BY</b>
46	The Statement of Accounts	Finance Janet Lornie/Peter Steed	The statement of accounts records the overall financial position of the council at the 31st March in line with the nationally set Accounting Code of Practice. It is a requirement on the council that the draft statement of accounts are considered and agreed by council by the 30th June.			Audit & Governance Committee June 2008	EBS June 2008	EXEC 26/06/2007	Council 28/06/2007
47	Risk Management Quarterly Report	Audit & Risk Management David Walker	To provide CMT with progress on managing the agreed key corporate risks	<b>24/08/08</b>	CMT 03/09/2008				Business Cycle
48	Mid Term Monitor on Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Max Thomas				Audit & Governance Committee September 2008			Business Cycle
49	First Corporate Finance & Performance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.		CMT September 2008		EBS October 2008	EXEC October 2008	Business Cycle
50	First Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.		CMT September 2008		EBS October 2008	EXEC October 2008	Business Cycle
51	Risk Management Quarterly Report	Audit & Risk Management David Walker	To provide CMT with progress on managing the agreed key corporate risks	<b>22/11/08</b>	CMT 03/012/2008				Business Cycle



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**Meeting of Executive Member for Corporate Services & Advisory Panel**      **30 October 2007**

**Executive**      **20 November 2007**

**Report of the Corporate Landlord**

**Review and Strategy for the Commercial Property Portfolio**

**Summary**

- 1 Further to the introductory report to Corporate Services EMAP on 11 September 2007, attached to this report as Annex A is the exempt full report on the review of the Commercial Portfolio. Performance has previously been monitored by the Resources Scrutiny Board. (Due to the size of confidential Annex A, hard copies have only been provided to Members and key officers, but copies are available on the Council's intranet or from the report author (contact details are at the end of this report) or Democracy Support Group on 01904 551088.)

**Background**

- 2 The review forms a **Service Asset Management Plan** linking to the council's approved Corporate Asset Management Plan. It relates to commercial properties in two categories:
  - a) Non Operational. Properties not directly part of a service, for example Shambles shops or Hospital Fields Industrial Estate, and
  - b) Operational. Properties ancillary to service use, for example housing estate shops.
- 3 **The aims of the report** are summarised as follows:-
  - a) To identify the properties. Some 220 properties in all are referred to.
  - b) To examine the background to current ownership and establish criteria for holding these premises in the future linked to Corporate Strategy.
  - c) To establish benchmarks and to audit performance for the period 2000 to 2005. Full asset valuations were undertaken in each of these years to enable growth and performance indicators to be assessed.
  - d) To recommend an action plan for the future to improve performance including setting performance indicators.

4 The **main focus** of the review is the non-operational Property Portfolio. Attached to the report are fact sheets on each group of non-operational properties setting out the benchmarks, voids and write-offs which may have occurred and recommending future policy in respect of the property. The main report summarises the outcomes and lists those properties which may be subject to review.

5 **The recommended objectives for holding property** in the future are:-

- a) Generation of revenue income to support council budgets.
- b) To improve asset value and generate capital receipts where appropriate.
- c) To provide opportunities for small businesses to support the local economy.
- d) To provide property for operational requirements and partners.
- e) To influence land use, for example retaining areas for employment use.

For operational properties, there are also the following:-

- f) To retain property in a beneficial use, for example the City Wall Museums.
- g) To support the service.

6 The recommended **performance indicators for future management** are:-

- a) Improve revenue income.
  - i) Increase the rent roll by 2½% per annum net of sales.
  - ii) Reduce the cost of management (now 20% in total).
  - iii) To increase the percentage of rent collected within the quarter due (currently 98%).
- b) Improve asset value:
  - i) To complete 20% of condition surveys for each of the next 5 year to assess repair backlogs.
  - ii) To monitor capital receipts through the Asset Management Group.
  - iii) To revalue 5 yearly.
- c) To provide small business opportunities.
  - i) To maintain full occupation – keeping the void rate to less than 3% of properties.

## **Consultation**

7 Corporate Services EMAP – On the 11 September 2007. Members accepted the introduction to the report and noted that this report followed previous examinations of the Commercial Property Portfolio by the Resources Scrutiny Board.

The Head of Housing Services – Wishes to retain the housing flats situated above several of the non-operational shop properties.

Director of Resources

## 8 **Options and Analysis**

Options and analysis relating to policy in respect of the properties will be discussed at the meeting. Any properties which may be suitable for disposal will be the subject of an individual report, as this review focuses on performance and policy only.

## 9 **Corporate Priorities**

The council's commercial properties contribute to the following priorities:

- Improve the street scene.
- Improve employment prospects.
- Improve efficiency to free resources.
- Improve partnership working to delivery better services for people in York.

## **Implications**

- 10 Financial - There are no financial implications linked to this policy review. Detailed financial implications would be given on any follow up reports concerning individual properties.
- Human Resources - There are no HR implications.
- Equalities - There are no equalities implications.
- Legal - There are no legal implications to this policy review.
- Crime and Disorder - There are no crime and disorder implications.
- IT - There are no IT implications
- Property - Property implications are included within the exempt report attached.
- Other - There are no other implications.

## **Risk Management**

- 11 There are no known risks associated with this report.

## **Recommendations**

- 12 That the Advisory Panel advise the Executive Member that:
1. The report be received and the performance of the Commercial Portfolio be noted.

2. The views of Members expressed at the meeting be referred to the Executive on 20 November to inform the council's future policy on its non-operational and operational Property Portfolios.

### Executive Recommendations

- 1 That the report be received and the performance of the council's commercial property be noted.
- 2 To recommend actions for future reports, the details of which to form an Exempt minute.

Reasons:

To provide Members input to the Commercial Property Review, to set targets for future performance and to identify actions on individual properties as determined at the meeting.

### Contact Details

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**Report Approved**  **Date** 15/10/2007

**Specialist Implications Officers:** None

**Wards Affected:**

**All**

**For further information please contact the author of the report**

**Background Papers:** None

**Annexes:**

**CONFIDENTIAL Annex A** - Exempt report entitled 'Service Asset Management Plan 2007 – 2012 – Commercial Property Portfolio'. (Copies are available on the Council's intranet or from the report author detailed above, or Democracy Support Group on 01904 551088)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## Meeting of Executive Member for Corporate Services and Advisory Panel

30<sup>th</sup> October 2007

Report of the Corporate Landlord

### Managing Health & Safety In Construction: Construction (Design And Management Regulations) 2007

#### Purpose of Report

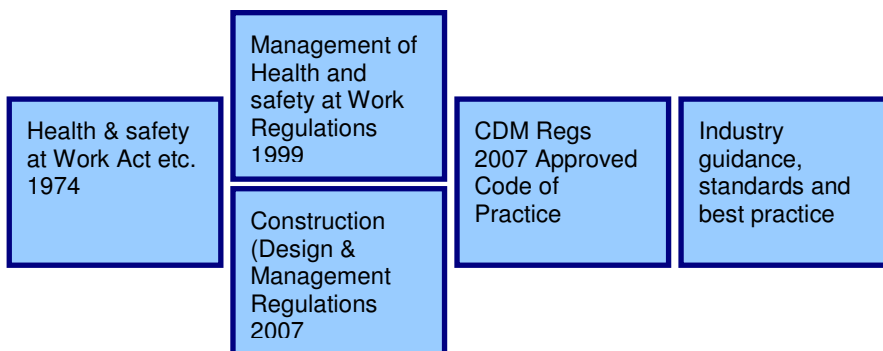
1. To advise the necessary actions to ensure the Council's obligations under these regulations are met, highlighting duties within the authority and the necessary protocols to ensure adherence, for endorsement by Members.

#### Background

##### The Regulations

2. The Construction (Design & Management) Regulations 2007 (hereafter referred to as CDM Regs 2007) aim to help structure the management of Health & Safety in the construction industry, which remains one of the most dangerous areas of work. In 2005/06, 28% of all worker deaths were in the construction industry. Based on the Labour Force Survey (LFS), the rate of reportable injury in construction was 1 790 per 100 000 workers in 2004/05 (three-year average), statistically significantly higher than the average for all industries (1 090 per 100 000 workers).
3. In addition, the structure enabled by the regulations also helps to:
  - Improve planning and management and so help ensure that the project is completed on time, within budget and to the required standards
  - Reduce costs, delays and bad publicity resulting from accidents or ill health
  - Make sure that cleaning, maintenance and repair issues have been thought through
  - Reduce whole life costs of the building/structure
  - Provide useful information for the maintenance and possible future development of the building/structure

4. A person central to initiating processes under CDM Regs 2007 is the CDM Co-ordinator, who must be appointed on projects notifiable to the Health & Safety Executive (HSE), (i.e. those lasting over 30 days or taking more than 500 person hours). This person is responsible for advising the client from the early stages of project, ensuring that all parties co-operate in the design, preparing pre start H&S information and data on completion etc.



*Hierarchy of current H&S and CDM Documentation*

#### Recent Changes

5. The CDM Regs 2007 are an update to the original 1994 regulations issued under the Health & Safety at Work Act. Important areas of change in the CDM Regs 2007 include :
- to discourage unnecessary bureaucracy, with paperwork that is proportionate to the complexity of the work and that real actions to improve safety are key.
  - welfare and amenities for construction site workers is now covered under these Regs.
  - the CDM Regs 2007 do not allow the client to transfer their duties to a third party. The appointment of an external agent to carry out tasks relating to the client's duties is still acceptable, but the client retains the responsibility to ensure their duties under these regulations are met. Arrangements for the reporting and monitoring of this role are essential.
  - greater emphasis on the vital role of the client in providing pre-construction information: the client must also engage competent designers, contractors, CDM Co-ordinators and others at an early stage, otherwise the duties required of these specialists fall to the client under the CDM Regs 2007.

#### Council Project Health & Safety

6. The last 2 points significantly affect the Authority in its role as client in the commissioning of the design, construction and safe management of all buildings and structures including highways, housing, schools, administration buildings etc. Any member or officer initiating project work must make arrangements to ensure and

satisfy themselves that duties under CDM Regs 2007 are being discharged by competent professionals, contractors and workers. This report sets out options for ensuring these arrangements are made.

7. The need for highly controlled processes in the managing of projects is further reinforced by the needs of the CDM Regs 2007 that require the evaluation of competent persons or organisations with subsequent monitoring and reporting on performance. This lends even greater weight to Council's policy of having single point responsibility for project work, with clear roles and lines of communication.
8. The CDM Regs will affect construction and related design work commissioned by any part of the Authority. Currently the Council's client's duties under CDM Regs 2007 are discharged in a somewhat ad hoc way by the various teams involved in the commissioning and management of projects: either by one of the professional teams within the Council or by one of the commissioning agencies sponsoring work within the Council. But a risk remains with the projects undertaken outside the influence of those regularly involved in construction and design related Health & Safety.
9. Please refer to Annex 1 for the HSE summary of duties that are placed on various parties by the Regulations including clients. Please see Annex 2 for detailed description of the CDM Regs 2007 changes and duties.

## **Consultation**

10. Directorates with professionally based services within the council with officers involved with discharging duties under the CDM Regs include:
  - Resources (Property Services)
  - City Strategy (Engineering Consultancy, City Development & Transport)
  - Neighbourhood Services (Building Maintenance and Civil Engineering)
  - Housing & Adult Social Services (Asset Management, Housing Services Division)

The process of consulting with the professional teams has commenced and views on the differing ways that the recommendations on CDM Regs 2007 will be acted upon will be incorporated into the final protocol.

There are potential sponsors and officers commissioning design and construction across all directorates within the Council including all schools, education planning or the leisure team within LCCS, also various departments within highways and housing etc. Information on their obligations under CDM Regs 2007 will be briefed to all relevant staff under the Recommendations.

## **Options**

### **Option A**

11. Do nothing.

12. The management of Health & Safety relating to construction and design could continue to be managed by the various parts of the organisation currently commissioning work and assembling project teams to manage the situation in their various ways.
13. The updated CDM Regs and increased vigilance needed across all Council schemes place current arrangements under greater strain, do not represent the concerted effort needed to manage the health and safety risks associated with construction design & management and would not stand up to close scrutiny by the HSE.

### **Option B**

14. A more efficient and consistent approach would be for the professionally based services within the council, with officers regularly involved with discharging duties under the CDM Regs, to be represented on the Project Board or be formally consulted by the sponsor team for all projects. This representative would provide:
  - early advice on budget allowance for Health & Safety, specific to the job
  - engage and brief specialist advisors on Health & Safety, e.g. CDM Co-ordinators
  - assurance on competence of designers and contractors relevant to safety through being party to the procurement process and tender evaluation.

The professionally based service may be already represented on the Project Board or consulted by the sponsor for certain projects, but this is not always the case and not with ensuring we meet the CDM Regs as a specific remit.

15. Those responsible for initiating project work of any kind must recognise the need for compliance with CDM Regs 2007 and make sure that project programmes and budgets are sufficiently robust to comply with them. After inception, any construction related project after must include formal assignment of CDM related duties to suitably competent people and organisations, including the Council's own client representative, CDM Co-ordinator, Designers, Principle Contractor or other Contractors.
16. It is proposed that project sponsors and project commissioning teams discharge the clients duty under CDM to allow sufficient time and resources for all stages of a project under guidance of the professional teams. All other client duties will be delegated to the professionally based services such as those indicated above, with projects referred to these services for action to meet CDM Regs 2007 under an internal fee arrangement.
17. The only exception to this regime would be where, by approval of written proposals for an alternative regime submitted to the Corporate Landlord, sponsors would themselves engage and monitor competent agents, CDM co-ordinators, designers, contractors etc.

18. The methodology for assessing competency of persons or organisations with regard to responsibilities under CDM Regs 2007 will vary depending on the scale and type of work being proposed. Please refer to Annex 3 for an indicative checklist for contractors competency. The methodology for assessing contractors would complement the Council H&S Policy utilising the Contractors Health & Safety (CHAS) Assessment Scheme. Designers, the CDM Co-ordinator and others involved in the project need to be evaluated in a similar way.
19. There are limited resources within the Council to undertake the role of CDM Co-ordinator with the regularity of work and depth of experience to carry out this duty. It is proposed therefore to externalise this service under normal procurement procedures, to provide a CDM Co-ordinator service available to all professional teams, under a long term frame work arrangement managed by Property Services. This provider would also support Council teams in providing relevant training and in providing advice on safety related to construction and design.
20. A briefing programme on CDM Regs 2007 will be implemented for Council staff involved with project management and the commissioning of design and construction work. This would include an investigation on the full extent of officers acting as client or sponsoring work within the Council. Based on this a programme to promote senior level awareness will be developed for cascade to relevant teams. The training of professional teams on the requirements of CDM Regs 2007 has commenced and is on going.

## Analysis

21.

	<b>OPTION A</b>	<b>OPTION B</b>
<b>Options</b>	Status quo.	Project Board representation of, or referral by sponsors to, professional teams with CDM experience for CDM Regs compliance. Delegation of CDM tasks and duties on all projects to the Council's professional teams, with exception of budgeting. Set up CDM Co-ordinator framework and briefing for 'client' teams.
<b>Pro's and Cons</b>	Council obligations to meet the CDM Regs 2007 could be met through current arrangements, but an extensive awareness	Discharges the Council obligation to meet the CDM Regs 2007 in a consistent way. Through a structured approach opening up the

	<b>OPTION A</b>	<b>OPTION B</b>
	programme would be needed and operations potentially disrupted through staff diverting efforts to CDM. This would also lead to an inconsistent approach, losing the opportunity to develop and learn in the field of construction safety.	potential for improved planning and management of projects, also leading to more assured maintenance practice and building data. Provides the most secure protocol for future safe implementation of projects and a basis for pro-active management of construction and building safety.
<b>Financial Implications</b>	Research & briefing, £10k.	Research & briefing, £10k.
<b>Legal Implications</b>	Civil and criminal actions are brought by the HSE for breach of CDM Regulations under the Health & Safety at Work Act 1974.	Civil and criminal actions are brought by the HSE for breach of CDM Regulations under the Health & Safety at Work Act 1974.
<b>HR Implications</b>	Major awareness and training programme for staff commissioning projects outside construction related services.	Briefing for sponsors and normal continuing professional development for technical teams.
<b>Other implications as appropriate Eg: Crime Equalities Sustainability etc</b>	N/A	N/A
<b>Consultation</b>	See above	See above
<b>Recommendation</b>		Option B

## Corporate Strategy

22. This recommendation falls within Council Values in supporting and developing people, which will be achieved through improved collaboration between services and awareness of construction, design and management responsibilities through the briefing programme.

## Financial Implications

23. This report covers the processes necessary in meeting the requirements of CDM Regs 2007. The safety requirements and regimes required within projects to meet these do not differ significantly in financial terms from previous requirements. The monitoring of CDM duties undertaken on behalf of the Council as client under the regulations will fall principally to the Council's construction professional teams under these proposals. It is currently envisaged that this will be absorbed within current staffing levels. If, option B is adopted and cost pressures are revealed this will be identified and addressed as part of the monitoring and budget processes.
24. There will be a cost involved in researching client bodies within the Council to build up information on those who need to be briefed and cascade information. It will then be necessary to devise an awareness raising programme for senior managers and briefing for those directly involved with initiating project work. This research and setting up the briefing framework would cost in the region of £10,000, but can be funded through existing budgets.

### **Legal Implications**

25. The CDM Regs 2007 fall under the Health & safety at Work Act with all the civil and criminal actions available to the HSE under this legislation.

### **Human Resources (HR) and other implications**

26. Under the recommended option, briefing for sponsors and normal continuing professional development will be required for technical teams. There are no other HR, Crime & Disorder, IT, Equalities or Property implications to note.

### **Risk Management**

27. In compliance with the Councils risk management strategy the main risks that have been identified are those which could lead to the inability to meet business objectives (Strategic) and to deliver services (Operational), leading to financial loss (Financial), non-compliance with legislation (Legal & Regulatory), damage to the Council's image and reputation and failure to meet stakeholders' expectations (Governance).
28. The management of this risk provides the Council with the opportunity to provide enhanced and effective services through improved collaboration between services and awareness of construction, design and management responsibilities through the briefing programme.

## **Recommendations**

29. It is recommended that Members endorse Option B for action across Directorates involved in construction design and management.

### **Reason**

The Council is vulnerable under the Health & Safety at Work Act if construction design and management and the safe operation of buildings is compromised. The current position is that the design of buildings, the project management of construction work and the operation of premises may be carried out by various sections within the council, including schools, without real direction or monitoring in the application of the CDM Regs.

This should not be allowed to continue. Formal channels for the development of projects and the safe management of buildings under an auditable regime relative to the CDM Regs should be put in place.

### **Contact Details**

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Head of Strategic Business & Design,  
Property Services  
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**Report Approved**          *γ*          **Date** 16 October 2007

**Specialist Officers**

Tom Wilkinson, Corporate Finance Manager	Finance Services Group, Resources Health & Safety Management
Maggie Tansley, Head of Planning & Resources	Children's Services, LCCS
Stephen Forrest, HR Business Development Manager	HR business Development Team, Chief Executive Department
Ray Chaplin, Head of Engineering Consultancy	City Development & Transport, City Strategy
Richard White, Asst. Director Commercial Services	Building Maintenance and Civil Engineering, Neighbourhood Services
Maurice Howard, Capital Programme Manager	Asset Management (Housing Services), HASS
Peter Hall, Health & Safety Manager	HR, Chief Executives Department

**Wards Affected**

All 

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**For further information please contact the author of the report**

**Background Papers:** None

**Annexes:**

- Annex 1 - HSE summary of duties under CDM Regs 2007
  - Annex 2 - CITB detailed description of the CDM Regs 2007 changes and duties
  - Annex 3 - CITB indicative checklist for contractors competency.
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## **Annex 1**

### **HSE summary of duties under CDM Regs 2007**

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Regulations'). These general principles are listed in Appendix 7. Further guidance on the application of the general principles of prevention can be found in the Approved Code of Practice for the Management of Health and Safety at Work Regulations 1999.'

**Summary of the duties under the Regulations**

23 A summary of the duties and how they are applied is given in the following table and chart.

	<b>All construction projects (Part 2 of the Regulations)</b>	<b>Additional duties for notifiable projects (Part 3 of the Regulations)</b>
Clients (excluding domestic clients)	<ul style="list-style-type: none"> <li>■ Check competence and resources of all appointees</li> <li>■ Ensure there are suitable management arrangements for the project including welfare facilities</li> <li>■ Allow sufficient time and resources for all stages</li> <li>■ Provide pre-construction information to designers and contractors</li> </ul>	<ul style="list-style-type: none"> <li>■ Appoint CDM co-ordinator*</li> <li>■ Appoint principal contractor*</li> <li>■ Make sure that the construction phase does not start unless there are suitable:                             <ul style="list-style-type: none"> <li>- welfare facilities, and</li> <li>- construction phase plan in place</li> </ul> </li> <li>■ Provide information relating to the health and safety file to the CDM co-ordinator</li> <li>■ Retain and provide access to the health and safety file <b>(* There must be a CDM co-ordinator and principal contractor until the end of the construction phase)</b></li> </ul>
CDM co-ordinators		<ul style="list-style-type: none"> <li>■ Advise and assist the client with his/her duties</li> <li>■ Notify HSE</li> <li>■ Co-ordinate health and safety aspects of design work and co-operate with others involved with the project</li> <li>■ Facilitate good communication between client, designers and contractors</li> <li>■ Liaise with principal contractor regarding ongoing design</li> <li>■ Identify, collect and pass on pre-construction information</li> <li>■ Prepare/update health and safety file</li> </ul>
Designers	<ul style="list-style-type: none"> <li>■ Eliminate hazards and reduce risks during design</li> <li>■ Provide information about remaining risks</li> </ul>	<ul style="list-style-type: none"> <li>■ Check client is aware of duties and CDM co-ordinator has been appointed</li> <li>■ Provide any information needed for the health and safety file</li> </ul>

ACOP

Regulation 7

	<b>All construction projects (Part 2 of the Regulations)</b>	<b>Additional duties for notifiable projects (Part 3 of the Regulations)</b>
<b>Principal contractors</b>		<ul style="list-style-type: none"> <li>■ Plan, manage and monitor construction phase in liaison with contractor</li> <li>■ Prepare, develop and implement a written plan and site rules. (Initial plan completed before the construction phase begins)</li> <li>■ Give contractors relevant parts of the plan</li> <li>■ Make sure suitable welfare facilities are provided from the start and maintained throughout the construction phase</li> <li>■ Check competence of all appointees</li> <li>■ Ensure all workers have site inductions and any further information and training needed for the work</li> <li>■ Consult with the workers</li> <li>■ Liaise with CDM co-ordinator regarding ongoing design</li> <li>■ Secure the site</li> </ul>
<b>Contractors</b>	<ul style="list-style-type: none"> <li>■ Plan, manage and monitor own work and that of workers</li> <li>■ Check competence of all their appointees and workers</li> <li>■ Train own employees</li> <li>■ Provide information to their workers</li> <li>■ Comply with the specific requirements in Part 4 of the Regulations</li> <li>■ Ensure there are adequate welfare facilities for their workers</li> </ul>	<ul style="list-style-type: none"> <li>■ Check client is aware of duties and a CDM co-ordinator has been appointed and HSE notified before starting work</li> <li>■ Co-operate with principal contractor in planning and managing work, including reasonable directions and site rules</li> <li>■ Provide details to the principal contractor of any contractor whom he engages in connection with carrying out the work</li> <li>■ Provide any information needed for the health and safety file</li> <li>■ Inform principal contractor of problems with the plan</li> <li>■ Inform principal contractor of reportable accidents, diseases and dangerous occurrences</li> </ul>
<b>Everyone</b>	<ul style="list-style-type: none"> <li>■ Check own competence</li> <li>■ Co-operate with others and co-ordinate work so as to ensure the health and safety of construction workers and others who may be affected by the work</li> <li>■ Report obvious risks</li> <li>■ Comply with requirements in Schedule 3 and Part 4 of the Regulations for any work under their control</li> <li>■ Take account of and apply the general principles of prevention when carrying out duties</li> </ul>	

## **Annex 2**

### **CITB detailed description of the CDM Regs 2007 changes and duties**

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## Summary of key changes in CDM 2007

- Regulations are re-ordered to group duties together by duty holder and to show whether individual provisions apply to all projects, only notifiable projects or only non-notifiable projects. (The definition of 'notifiable' is unchanged, but the application provision relating to fewer than five workers on site has been removed).
- Work for domestic clients no longer needs to be notified.
- The client's agents and developer's provisions are removed; under CDM 2007 a group of clients involved in a project can now elect one or more of its members to be the only client(s).
- The role of planning supervisor ceases to exist. The 'CDM co-ordinator' is introduced to support and advise the client in discharging their duties and to co-ordinate design and planning.
- The appointment of a CDM co-ordinator, principal contractor and a written health and safety plan are only required for notifiable projects (but demolition work requires a written system of work).
- Duty holders cannot arrange for, or instruct anyone, to carry out or manage design or construction work unless that person is competent (or being supervised by someone who is) and under CDM 2007 they cannot accept an appointment/engagement unless they are competent to carry it out.
- Assessment and demonstration of competence is simplified, with new core criteria and specific ACoP material on individual and corporate competence.
- There are general co-operation and co-ordination duties on everyone involved in a project (relating to others on the same or adjoining sites) and a specific requirement to implement any preventive and protective measures on the basis of the principles specified in the Management of Health and Safety at Work Regulations 1999.
- Clients now have a duty (which already exists in the Health & Safety at Work etc. Act 1974 and Management Regulations) to take reasonable steps to ensure that managerial arrangements, made by dutyholders (including time and other resources), enable construction work to be carried out (any related structure designed for use as a place of work can be used), without risk to health or safety. Clients have the duty to ensure arrangements are maintained and reviewed throughout the project.
- Clients must tell designers and contractors how much time they have, before they start work on site, for planning and preparing construction work.
- For notifiable projects designers are prohibited from doing anything more than initial design work before the CDM co-ordinator has been appointed. In preparing or modifying a design they are required, so far as is reasonably practicable, to avoid risks to the health or safety of any person using a structure designed as a workplace. They must eliminate hazards which may give rise to risks and reduce risks from any remaining hazards.
- The civil liability exemption has been removed in relation to the employer/employee relationship. The Management Regulations have already been amended along these lines.
- Various definitions have been changed, including those of 'client', 'construction phase plan', 'construction work', 'contractor', 'design' and 'designer', 'place of work' and 'structure'.

The duties of each party under CDM 2007 are given by the dutyholder. These duties are outlined in the following section. Further details and clarification can be found in the Approved Code of Practice (ACoP) entitled 'Managing Health & Safety in Construction'.

## Clients

The role of the client has been given a higher profile in CDM 2007 to ensure that the construction team is provided with leadership and to make clients clearly accountable for the impact of their approach on the health and safety of those working on, or affected by, the project.

However, it is recognised that clients may not have the expertise or resources to plan and manage projects themselves, but they are required to make sure arrangements are in place to ensure the duties of others under CDM 2007 are carried out. There is also a duty to see that the arrangements, once agreed, are working.

Clients are also expected to take an active role in co-operating with the co-ordinator in creating the pre-construction information pack. In particular, the client should consider any specific requirements they have at this point in the procurement process, in order to avoid change and possible later conflict. Issues such as access points and any rules for contracting organisations in occupied premises need to be considered.

It should be noted that in some forms of procurement the role of the client may shift to different parties, for example, in PFI/PPP (Private Finance Initiative/Public Private Partnerships) forms of contract. Clients should anticipate this and make suitable arrangements.

Where a project is notifiable under CDM 2007, the client must appoint a CDM co-ordinator and a principal contractor. It is good practice for clients to consider for all projects (notifiable or not) whether they need health and safety assistance to ensure compliance with other legislation, such as the Management of Health and Safety at Work Regulations 1999.

## What clients must do

Clients' duties and responsibilities for all projects under regulations 4-10 and for notifiable projects under regulations 14, 15, 16 and 17 are set out in the table below.

What clients must do	
For all projects under regulations 4-10	<p>Clients must make sure that:</p> <ul style="list-style-type: none"> <li>• the designers, contractors and other team members who they propose to engage are competent (or work under the supervision of a competent person), are adequately resourced and appointed as early as is practicable</li> <li>• they allow sufficient time for each stage of the project, from concept onwards</li> <li>• they co-operate with others involved with the project as is necessary to allow them to comply with their duties under the regulations</li> <li>• they co-ordinate their own work, with others involved with the project, in order to ensure the safety of those carrying out the construction work and others who may be affected by it</li> <li>• there are effective management arrangements in place throughout the life of the project to ensure that the construction work can be carried out safely and without risk to health. (This does not mean managing the work themselves, as few clients have the expertise and resources needed and it can cause confusion)</li> <li>• all parties understand their role and how it interfaces with other parties</li> </ul>

<p>For all projects under regulations 4-10 continued</p>	<ul style="list-style-type: none"> <li>• suitable welfare facilities are provided by the principal contractor for those carrying out the construction work</li> <li>• any fixed workplace (e.g. office, shop, factory, school) being built will comply with any requirements of the Workplace (Health and Safety) Regulations 1992</li> <li>• relevant information, likely to be needed by designers, contractors or others, to plan and manage their work, is passed to them in order to comply with Regulation 10</li> <li>• contractors are given sufficient notice of the minimum time they will be allowed for planning and preparation between appointment and starting work.</li> </ul>
<p>For notifiable projects under regulations 14,15,16 and 17</p>	<p>In addition to the duties set out above clients have to:</p> <ul style="list-style-type: none"> <li>• appoint a CDM co-ordinator to advise them and assist with their duties (mainly in the design and planning stages but to include any design changes during the construction phase)</li> <li>• appoint a principal contractor to plan and manage the construction work (if possible this should be early enough for them to advise on buildability and maintainability)</li> <li>• ensure that the construction phase of notifiable projects does not start until the principal contractor has prepared a suitably developed health and safety plan and made arrangements for suitable and sufficient welfare facilities to be present from the start of the work</li> <li>• ensure the health and safety file is prepared, reviewed or updated and ready for handover at the end of the construction work. The completed file must then be kept available for any future construction work or to pass on to a new owner.</li> </ul>

### CDM co-ordinator

A new role of CDM co-ordinator has been created by CDM 2007. It is a wider role than that of the planning supervisor (which it replaces) and may be summed up as 'the client's adviser in matters relating to construction health and safety'. The role involves advising and assisting the client in undertaking the measures needed to comply with CDM 2007, including, in particular, the client's duties both at the start of the construction phase and during it.

### What CDM co-ordinators must do

Under Regulations 4 to 7, 20 and 21 the CDM co-ordinator is required to ensure that suitable arrangements are made and implemented for the co-ordination of health and safety measures during planning and preparation for the construction phase.

The CDM co-ordinators' duties are set out in the following table.

<p>What CDM co-ordinators must do</p>	
<p>For all projects under regulations 4 to 7, 20 and 21</p>	<p>CDM co-ordinators are responsible for co-ordinating:</p> <ul style="list-style-type: none"> <li>• the contents of the health and safety file</li> <li>• the information the principal contractor needs to prepare the construction phase plan</li> <li>• any design development which may affect planning and management</li> </ul>

of the construction phase. This will include managing changes to design during the construction phase, where co-operation is needed between designers, principal contractors and contractors. CDM co-ordinators must recognise that during the construction phase the site is controlled by the principal contractor, who remains responsible for implementing good practice. A good way of carrying out this duty would be to read the construction health and safety plan as it develops. CDM co-ordinators should advise and assist clients with their duties by:

- appointing competent designers and contractors
- ensuring adequate arrangements are in place for managing the project
- notifying HSE about the project
- co-ordinating design work, planning and other preparation for construction, where relevant to health and safety
- locating the information needed by designers and contractors and advising the client if surveys need to be commissioned to fill significant gaps
- managing the flow of health and safety information between clients, designers and contractors
- advising the client on the suitability of the initial construction phase plan and the arrangements made to ensure that welfare facilities are on site from the start of the project
- producing or updating a relevant, user-friendly, health and safety file that is suitable for future use at the end of the construction phase.

### What CDM co-ordinators do not have to do

It is essential to fully understand the role of the CDM co-ordinators and hence understand that they do not have to:

- approve the appointment of designers, principal contractors or contractors, although they normally advise clients about competence and resources
- approve or check designs, although they have to be satisfied that the design process addresses the need to eliminate and control risks
- approve the principal contractor's construction phase health and safety plan, although they need the ability to advise clients on its adequacy at the start of construction
- supervise the principal contractor's implementation of the construction phase health and safety plan
- supervise or monitor construction work (this is the responsibility of the principal contractor)
- deal directly with parties under the control of the principal contractor, who does have a duty to co-operate in order to let the CDM co-ordinators carry out their tasks.

### Designers

CDM 2007 recognises the key role designers have in construction health and safety projects.

Designers shall not commence work in relation to the project unless their client is aware of their duties under the regulations. This, in turn, will help to ensure that the client's requirements are clearly understood by encouraging discussion and co-operation.

A new duty placed on the designer is, as far as is reasonably practicable, to 'eliminate hazards which may give rise to risks' and to 'reduce risks from any remaining hazards'. This is a new requirement

and requires designers to consider if they are introducing a hazardous material or process. In practice there are potential hazards in almost everything, so a pragmatic view will need to be taken of all the factors to be considered in the design. These factors will include:

- health and safety
- cost
- fitness for purpose
- aesthetics
- buildability
- maintenance
- environmental impact.

The regulations do not prescribe design outcomes but they do require designers to consider the various factors and to reach reasoned, professional decisions. Put simply, designers must not produce designs which cannot be constructed, used and maintained in reasonable safety and with proper consideration of health issues.

Designers need to recognise that the amount of effort put in to eliminating hazards and reducing risk should depend upon the degree of risk.

### Who are designers?

Designers include everyone who prepares or specifies designs for construction work, including variations. This refers not only to the drawings, design details and specifications, but also to specifiers of quality, including lists of specific requirements and materials which they wish to prohibit.

A client may become a designer by insisting upon a specific material or design detail. A contractor may become a designer by designing specific details of their section of work or by temporary works required for the project.

Designers therefore include:

- architects, civil and structural engineers, building surveyors, landscape architects, other consultants, manufacturers and design practices (of whatever discipline) contributing to, or having overall responsibility for, any part of the design, for example drainage engineers designing the drainage for a new development
- anyone who specifies or alters a design, or who specifies the use of a particular method of work or material, such as a design manager or quantity surveyor who insists on specific material or a client who stipulates a particular layout for a new building
- building service designers, engineering practices or others who design plant which forms part of the permanent structure (including lifts, heating, ventilation and electrical systems), for example a specialist provider of permanent fire extinguisher installations
- those purchasing materials where the choice has been left open, for example those who purchase building blocks and decide the weights that bricklayers must handle in doing so
- contractors carrying out design work as part of their contribution to a project, such as an engineering contractor providing design, procurement and construction management services
- temporary works engineers, including those designing auxiliary structures, such as formwork, falsework, façade retention schemes, scaffolding and sheet piling
- interior designers, including shop-fitters who also develop the design
- heritage organisations who specify how work is to be done in detail, for example providing detailed requirements to stabilise existing structures

- those determining how building and structures are altered, for example during refurbishment where this has the potential for partial or complete collapse.

Local authority or government officials may provide advice relating to designs and relevant statutory requirements, for example the building regulations, but this does not make them designers. This is because these are 'fixed' requirements where the designer has no choice in respect of compliance. However, if the statutory bodies require particular features, which are not statutory requirements and included or excluded (e.g. stipulating) the use of hazardous substances for cleaning or the absence of edge protection on flat roof(s), then they are designers and must ensure that they comply with these regulations.

Manufacturers supplying standardised products that can be used in any project are not designers under CDM 2007, although they may have duties under supply legislation. The person who selects the product is a designer and must take account of health and safety issues arising from its use. If a product is purpose made for a project, the person who prepares the specification is a designer under CDM 2007 and so is the manufacturer who develops the detailed design.

### What designers must do

Designers' duties under regulations 4, 5, 6, 11, 12 and 18 are set out below.

What designers must do	
For all projects under regulations 4, 5, 6, 11, 12 and 18	<p>Designers must:</p> <ul style="list-style-type: none"> <li>• ensure they are competent to address the health and safety issues likely to arise from the design</li> <li>• ensure that clients are aware of their duties</li> <li>• when carrying out design work, eliminate hazards, so far as is reasonably practicable, and reduce risks associated with those hazards which remain, taking account of the information supplied by the client</li> <li>• provide adequate information about any significant risks associated with the design</li> <li>• co-ordinate their work with others in order to improve the way in which risks are managed and controlled</li> <li>• co-operate with the CDM co-ordinator, principal contractor and with any other designers or contractors as necessary to allow them to comply with their duties. This includes providing any information needed for the pre-construction information pack or health and safety file.</li> </ul>
For notifiable projects	<ul style="list-style-type: none"> <li>• ensure the client has appointed a CDM co-ordinator and notified HSE (designers must not start design work unless the client has done so).</li> </ul>

When carrying out the duties given above designers need to consider the hazards and risks to those who will:

- carry out construction work
- clean or maintain the permanent fixtures and fittings
- use a structure designed as a place of work
- demolish all or part of the structure
- or may be affected by such work, for example customers or the general public.

## What designers do not have to do

Under CDM 2007, designers do not have to:

- take into account or provide information about unforeseeable hazards and risks
- design for possible future uses of structures that cannot reasonably be anticipated from their design brief
- specify construction methods, except where the design assumes or requires a particular construction or erection sequence, or where a competent contractor might need such information
- exercise any health and safety management function over contractors or others
- be concerned about trivial risks.

Designers are not legally required to keep records of the process through which they achieve a safe design, but it can be useful to record as to why certain key decisions are made. Brief records of the points considered, the conclusions reached and the basis for those conclusions can be very helpful when designs are passed from one designer to another. This will reduce the likelihood of important decisions being altered by those who may not fully understand the implications of doing so.

Too much paperwork is as bad as too little, because useless information may hide something that is necessary. Large volumes of paperwork listing generic hazards and risks, most of which are well known to competent contractors and others who use the design, are positively harmful and suggest a lack of understanding on the part of the designer.

## The principal contractor

- Their main duty is to properly plan, manage and co-ordinate work during the construction phase in order to ensure that hazards are identified and risks are properly controlled.
- The principal contractor has a duty to liaise with all of the other CDM, In particular:
  - consulting with the workforce – directly or via their (sub)contractors;
  - co-operating with designers and co-ordinators — particularly if any changes occur to design; ensuring the clients is are aware of his their duties.
- However, whilst the principal contractor is under a duty to co-operate and have systems which allow and facilitate co-operation, the duty and responsibility for managing health and safety in the construction phase lies clearly with the principal contractor .
- Principal contractors must be competent to carry out the work they are engaged to do in a safe manner and ensuring ensure they give proper consideration of to the potential effects of their activities on everyone who may be affected by them.
- Principal contractors are required to demonstrate to the client that they have sufficient resources, including properly trained and experienced staff, to carry out the project.
- It is essential that principal contractors are fully aware of the duties of other CDM duty holders so that they know the level of information they may reasonably expect. Principal contractors must recognise that time is a resource and that they must be allowed to have reasonable time to plan activities with proper regard to health and safety.
- Good principal contractors will place health and safety at the front of their agendas and will review the health and safety implications of all decisions. This is of particular importance if changes arise during the project.
- Should design changes occur, the principal contractors must allow the CDM co-ordinator to carry out his their duties but must at all times retain responsibility for managing his their activities and those of his their contractors and sub-contractors. The principal contractor must be in control of the site for clear commercial responsibility as well as for health and safety reasons.

## Contractors and self-employed persons

Contractors and their employees, those actually doing the construction work, are most at risk of injury and ill-health. They have a key role to play in co-operation with other duty holders, in co-ordination and by planning and managing the work to ensure that risks are identified and properly controlled.

Contractors may include utilities, specialist contractors, contractors nominated by the client and self-employed persons. Contractors are often sub-contractors to the principal contractor.

Contractors may also have duties as designers if they are involved in designing elements of their work, such as pre-cast concrete planks or curtain walling.

Anyone who directly employs or engages construction workers or who manages construction work is a contractor for the purposes of these regulations, including companies that use their own workforce to carry out construction work on their own premises.

### What contractors must do

The responsibilities and duties of contractors for all projects under regulations 4-7, 13 and 19 and notifiable projects are given in the table below.

What contractors must do	
For all projects under regulations 4-7, 13 and 19	<p>Contractors must:</p> <ul style="list-style-type: none"> <li>• plan, manage and monitor their own work to make sure that their workers are safe as soon as they start work on site</li> <li>• satisfy themselves that they and anyone they employ or engage are competent and adequately resourced</li> <li>• check clients are aware of their duties. This does not mean that every contractor has to contact the client with duplication of duty but to ensure that the CDM co-ordinator where appointed (notifiable jobs only) has made the client aware</li> <li>• provide their workers (whether employed or self-employed) with any necessary information and training, including relevant aspects of other contractors' work and site induction (where not provided by a principal contractor), which they need in order to work safely, to report problems or to respond appropriately in an emergency</li> <li>• ensure that any design work they do complies with regulation 11, which sets out the duty of designers</li> <li>• comply with any requirements listed in schedule 2 and 3 of the regulations that apply to their work (welfare and inspections)</li> <li>• co-operate with others and co-ordinate their work with others working on the project. In particular, contractors must have systems in place in order to consult their workforce on health and safety issues</li> <li>• obtain specialist advice (for example from a structural engineer or occupational hygienist) where necessary when planning high risk-work, for example, alterations that could result in structural collapse or construction on contaminated land.</li> </ul>
For notifiable projects	<p>In addition to the duties listed above contractors must also:</p> <ul style="list-style-type: none"> <li>• check that a co-ordinator has been appointed and HSE notified before starting work. This check should be made at a start-up meeting where all duties, responsibilities and management systems are agreed</li> </ul>



- co-operate with the principal contractor, co-ordinator and others working on the project
- tell the principal contractors about risks to others created by their work
- comply with any reasonable directions from the principal contractor and with any relevant rules in the health and safety plan
- inform the principal contractors of any problems with the plan or risks identified during their work that have significant implications for the management of the project
- tell the principal contractor about accidents and dangerous occurrences
- provide information for the health and safety file.

Where contractors are involved in design work, including temporary works, they also have duties as designers.

See Annex G for details of what should be in an induction and Annex H for ideas on engaging the workforce to contribute to health and safety.

**Note:** Employers of workers who suffer death, reportable injury, disease or dangerous occurrence are deemed to be the 'responsible person' and have the responsibility of providing a report to the relevant enforcing authority. For self-employed workers the 'responsible person' is the contractor they are working for or the principal contractor if working directly for them. In any case, contractors must ensure that they provide information about RIDDOR (Reportable Injuries, Diseases and Dangerous Occurrences Regulations 1995) to the principal contractor so that they can fulfil their own duties.

Details of RIDDOR 1995 and downloadable reporting forms, F2508 and F2508A, can be found on the HSE website.

### Workers

Workers, along with all others involved in the life of a project, have duties to co-operate and to co-ordinate with others. (The term 'worker' includes managers and supervisors.)

Workers need to be involved as soon as practicable and should:

- give feedback to their employer via the agreed consultation method
- provide input on risk assessments and developing a method statement from it
- work to the agreed method statement or approach their employer to discuss implementing any change or improvement
- use welfare facilities with respect
- keep tools and PPE in good condition
- be vigilant for hazards and risks and keep management and supervisors informed
- be aware of arrangements and actions to take if a dangerous situation arises
- co-operate with all other parties.

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## **Annex 3**

**CITB indicative checklist for contractors competency.**

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## CHECKLIST FOR THE ASSESSMENT OF COMPETENCE

<input type="checkbox"/>	<b>Health and safety policy and organisation for health and safety</b>	This should set out not only their statutory duties to their staff but also for the service they deliver to the project. You should not expect to see everything, only relevant information
<input type="checkbox"/>	<b>Arrangements</b>	There should be information about their arrangements for the delivery of their policy
<input type="checkbox"/>	<b>Competent advice</b>	Under the Management of Health and Safety at Work Regulations all employers must have access to competent advice on matters relating to health and safety. Is this provision in-house or provided by an external consultant? Does this provide competent advice beyond their in-house arrangements to include the services they deliver?
<input type="checkbox"/>	<b>Training and information</b>	<p>What are the company's arrangements for identifying and planning its training requirements?</p> <p>Are there programmes in place for refresher training, e.g. a continuing professional development programme, to keep employees up to date?</p> <p>Their arrangements for providing information should include information about the other contractors, their subcontractors, including collation of documentation as required</p>
<input type="checkbox"/>	<b>Individual competency</b>	The company should provide details of the qualifications and/or experience of specific post holders and the numbers/percentage of people who have Construction Skills Certification Scheme (CSCS) or equivalent health and safety accreditation.
<input type="checkbox"/>	<b>Monitoring, audit and review</b>	Arrangements for reviewing and improving the standards previously set out and supported by records including corrective actions.
<input type="checkbox"/>	<b>Workforce involvement</b>	Employers have duties to engage with their workforce. CDM 2007 also requires those involved with projects to make arrangements for co-operation and communication during the project; this should set out how these will be facilitated.
<input type="checkbox"/>	<b>Accident / incident reporting</b>	How they report, record and use accident and incident information. It should also include arrangements for managing incidents on site (where applicable) or for bringing relevant information to the client's attention when incidents occur on a 'project'.
<input type="checkbox"/>	<b>Subcontractors</b>	Where companies subcontract services (including consultants) they should set out their arrangements for selection, monitoring and review. There should also be additional information when using the services of professionals from overseas; how they ensure that their services/equipment comply with British legislation and how they ensure information required is collected and reviewed.
<input type="checkbox"/>	<b>Service-specific information</b>	Here they should provide specific arrangements for the services they are providing as designers, CDM co-ordinators, contractors or principal contractors. This may include references or examples of similar projects to demonstrate competence.
<input type="checkbox"/>	<b>Managing interfaces</b>	How do they propose to work with other members of the project team?
<input type="checkbox"/>	<b>Health and welfare</b>	These can apply to all the duty holders, in particular those providing the role of principal contractor. The other duty holders also need to make arrangements for ensuring, for example, temporary facilities are included in site layouts and early preparation works.

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Meeting of the Executive Member for Corporate Services and Advisory Panel 30 October 2007

Report of the Assistant Director Audit and Risk Management

## **Insurance Services Mid Term - Monitoring Report 2007/08**

### Summary

- 1 The purpose of this paper is to inform Members of the progress made by the Insurance service during 2007/08. It considers the teams key achievements in relation to the effective and efficient management of the insurance portfolio and in particular:
  - performance of the insurance funds;
  - efficient management of claims;
  - Employers Liability trends.

### Background

- 2 The Insurance Team play an important (albeit very low profile) role in protecting the Council from unnecessary exposure to risk and minimising the costs of insurance premiums and third party insurance claims against the Council. As with the other services in the Audit & Risk Management Division (ARM), the team makes a significant contribution to ensuring good governance arrangements are put in place and maintained across all Directorates at the Council. They act as both a support service to other parts of the organisation and provide a direct claims handling and advice service to both internal and external customers; handling an caseload of approximately 1,000 claims per annum.
- 3 The service manages some 27 separate insurance policies covering various areas of potential risk and liability ranging from personal injury to professional negligence. The four principle policies held by the Council are:

- Public Liability – personal injury & damage to property
- Employers Liability – personal injury to employees
- Motor Vehicle – damage to and incidents involving Council vehicles
- Property – damage to Council property

## Insurance Funds

- 4 The Council's self-insurance funds were established following local government reorganisation in 1996. The key drivers for this included the volatility of external insurance premium and the demise of the local authority insurer Municipal Mutual. This provided a catalyst for the Council to take a more strategic view of its insurance portfolio with the aim of developing an effective funding strategy underpinned by better understanding and management of its insurable risk.
- 5 The team have worked hard to develop the Council's funding strategy for insurances since then to ensure the optimum balance between external premium and internal funding. This strategy has proved extremely successful in recent years and at the end of 2006/07 the insurance funds totalled some 2.9m with 1.6m being held in the insurance reserve to protect the Council against unexpected prior year claims. The balance of the funds (£1.3m) sits in the provisions to meet claims of which the Council is aware.
- 6 In addition, the successful deployment of insurance strategy has generated £100K in external interest annually. This allows the service to contribute on-going savings of £105k in the form of insurance premium savings to directorates. The function has also provided significant one-off savings in previous years to support the Council's overall Budget with £500k being made available from the insurance reserve in 2004/05 and a further saving of £250k achieved on the last renewal of the external Insurance contract at the beginning of 2006/07.
- 7 Exhibit 1 below provides a summary of the current Public Liability funds position on the most recent policy years.

### Exhibit I

Policy Year	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Fund Recharged	£505,061	£587,187	£622,044	£622,044	£622,044	622,044
Excess per claim	£10,000	£25,000	£25,000	£50,000	£50,000	£50,000
Paid from fund	£219,825	£183,490	£188,565	£125,706	£39,631	£30
Outstanding	£719	£85,903	£84,864	£166,854	£197,183	£74,931
Total Incurred	£220,544	£269,393	£273,429	£292,560	£236,814	£74,961



Residual Fund            £284,517     £317,794     £348,615     £329,484     £385,230     £547,083

- 8        Whilst the figures in Exhibit 1 above are favourable it must be borne in mind that insurance is a dynamic environment and incurred costs will fluctuate depending on the maturity of the policy year. In simple terms the 2002/03 figures are likely to change very little going forward while in the medium term incurred costs for 2007/08 are likely to rise as new claims are reported. A review of the insurance funding level will be undertaken as apart of the forthcoming budget.

## Claims Handling

- 9        The effective and efficient management of insurance claims is a critical element in underpinning the overall insurance strategy. The regular analysis of claims patterns allows the organisation to react to any new or emerging risk. This not only protects the Council's premiums and insurance funds but can also protect the public and employees from risk of injury.
- 10       The most recent examples of this is the monitoring of employees for any signs of industrial disease such as Vibration White Finger (VWF) and proactive highway inspections to ensure the safety of the Council's highway and footway infrastructure.
- 11       The team ensure that information in relation to claims trends are communicated to all directorates in a quarterly digest. This also provides headline information with regard to future insurance premium costs. The effective in-house management of claims allied to the detailed analysis of cost and cause of claim were the primary reasons why we were able to negotiate savings of £250k on the renewal of the Council's contract for external insurances in 2006/07.
- 12       The number of claims reported is monitored on a quarterly basis with 150 reported at the end of the June 2007 quarter. This compares favourably with numbers reported in previous years, which have been in excess of 250 in each quarter. No claims were outstanding to be processed by the team at 30 June 2007 and the repudiation rate on the policy years 2002/03 to date remains above 80% (National average 65%).
- 13       The reputation of the Council as an example of 'best practice' for management of its insurance portfolio has seen other Authorities including Trafford MDC and Hull CC visiting the team in recent years.

## Employers Liability

- 14       A particular focus of the insurance team over the last twelve months has been in relation to Employers Liability. The number claims

received on an annual basis is usually quite low (22) however numbers have increased in the last 2 years: 29 in 2006/07 and 32 in 2005/06.

- 15 While these numbers may seem low the average cost of a claim is in the region of £9K and there are currently two claims with a collective value of £500K on the books (and experience suggest there will always be extraordinary or exceptional claims of this kind at any time). However, these aside the trends evident from our analysis highlight two areas of key concern: VWF as discussed at paragraph 10 and manual handling injuries from the Social Services area.
- 16 The increase in claim numbers will put pressure on the insurance premium for employer's liability at renewal next year. However the team will ensure that our insurers are made aware of the pro-active actions being taken to mitigate the risks by the in-house team and local managers including the monitoring of staff for any indication of industrial disease in endeavouring to negotiate favourable renewal terms.

## Market Conditions

- 17 The team are active in keeping abreast of all industry developments and their knowledge and awareness helps to in negotiating the best terms with our Insurers at renewal. Information on market conditions is communicated across the Council through the team's quarterly digest to all Directorates.
- 18 As insurance is a pooling mechanism what happens in the world outside local government can have a positive or detrimental affect on the Council's insurance premium. The self-funding programme helps to soften the impact of any external insurance premium increases but does not allow us to escape them in full.
- 19 The insurance industry is a truly global one and therefore the Council's premium can be affected by natural and man-made catastrophes across the world. The recent issues in the world money markets may have some negative influence on premiums at renewal next year. In addition to this the UK has seen some of the worst flooding for more than 100 years and this has cost the insurance industry an estimated £3 billion. Indications are that premium for householders may rise in the region of 10% and whilst this is not likely to affect the Council in the same way per se, there are indications from the Council's insurers Zurich Municipal that it may have some affect on the 2008/09 insurance renewals overall in off-setting generally increased costs within the industry at large.
- 20 The insurance outturn report will inform Members of any change in insurance premium as a result of these or any other issues that may effect the insurance premiums for 2008/09.

## Consultation

21 Not applicable.

## Options & analysis

22 Not applicable

## Corporate Priorities

23 The effective and efficient management of the Councils internal insurance funds and external insurance portfolio will support the delivery of the Council's corporate priorities and is consistent with the purpose and intent of the direction and values statements underpinning the Corporate Strategy as a whole.

## Implications

24 There are no financial, HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

## Risk Management

25 There are no risks associated with the recommendations made by this report to note.

## Recommendations

26 EMAP Members are asked to advise the Executive Member for Corporate Services to:

- a) note the contents of this report and the progress and significant contribution made by the service to VFM at the Council .

### Reason

- b) *To advise Members of the insurance issues affecting the Council and the success of the insurance self-funding programme.*

**Contact Details**

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**Chief Officer Responsible for the report:**

Liz Ackroyd  
Assistant Director of Resources (ARM)

**Report Approved**

 y

**Date** 18 October 2007

**Specialist Implications Officer(s)** Not applicable

**Wards Affected** Not applicable

All

**For further information please contact the author of the report**

**Background Papers**

None



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## Meeting of the Executive Member for Corporate Services and Advisory Panel

30 October 2007

Report of the Assistant Director Audit and Risk Management

### Supplier & Contract Management System (SCMS)

#### Summary

- 1 The purpose of this paper is to inform Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council in particular:
  - a. an overview of the purpose and functionality of the system
  - b. progress in its delivery across the organisation
  - c. the development and project plan

#### Background

- 2 SCMS is a regional (Yorkshire & Humberside) web based supplier and contract management system. Funding for the system has been provided by the Regional Centre of Excellence for the five year period 2006 – 2011. The system is currently available to all 22 Councils in the region with future plans to extend it to other public service contracting bodies i.e. Police and Fire Service.
- 3 The system is designed to replace any existing procurement information systems/registers that may be in use across the region. While the system is not mandatory all Council's are being encouraged to use it.
4. The introduction of SCMS at York provides for the first time the opportunity to have a fully populated contracts register providing both inward and outward facing information. This will encourage a more strategic view to be taken on how goods, works, and services are procured across the organisation helping us to achieve the aspirations of the National Procurement Strategy and Gershon efficiency agenda. The public access element of the system should also reduce the number of FOI (Freedom of Information) enquiries dealt with by the team on an annual basis. The system once fully embedded should be complementary to the new FMS (Financial Management System) and

ensure a fit for purpose 21<sup>st</sup> century procurement environment at the Council.

## SCMS Overview and functionality

5. The system comprises three separate but interrelated modules:

**Supplier Management:** The supplier management module allows suppliers to self-register with one, many or all Council's. Suppliers can maintain their own company profiles and an on-line generic prequalification questionnaire (PQQ) is under development, which will allow suppliers to apply for approved list status with all Council's. The flexibility of the system allows administrators to inform Client officers of actions they may need to take with registered suppliers i.e. provision of insurance renewal documents. Equally the module enables the Council to recruit, administer, monitor & report on suppliers. All relevant documentation with regard to suppliers can be held against their profile. The holding of all supplier information in a single database should deliver efficiencies to the Council in terms of supplier administration

**Tender Management:** The tender management module is an electronic tendering system that can be used for tenders both above and below the EU thresholds. It allows for the creation of workflow tasks with assigned actions and reminders. This module provides a platform for the buyer to manage a procurement exercise that is compliant with best practice, financial regulations and OJEU (Official Journal of European Union) requirements. This module will allow us to make administrative efficiencies across the organisation through the use of the resource planning tool, standard documentation and at the same time facilitate statutory compliance.

**Contract Management:** The contract management module provides a central repository for all awarded contracts and associated documentation including the contract document itself. As with the tender module actions can be assigned including nomination of deputy client officers ensuring continuity where the client officer is away. Client officers can create automatic reminders that are generated by the system for key events, providing improved financial management including the tracking of staged payments or savings. By holding a composite database in one place the module will allow us to understand and analyse contract spend and provide comprehensive contract information to the external community.

6. There are a number of other key benefits for suppliers using the system including:

- there is no charge for using the system, which will provide suppliers with access to contract information across the Yorkshire & Humberside region.

- the system provides a high level of security, is not complicated to use, operates in a Windows environment and requires no special software/hardware
  - the system is flexible allowing suppliers to manage their own data, provides access to contract information and utilises electronic communication allowing for tender submission out of hours
7. The system once fully populated will provide clear transparency with regard to Council contacts for all suppliers and potential suppliers. They will be able to see what contracts are let and when contracts are available to bid for. Plans to raise awareness within the local business community are already under development and preliminary consultation has already taken place with the York Chamber of Commerce to further this. The system is web based and allows access to both UK and EU suppliers. More details on the training and awareness plan are included in this report at Paragraph 11.
8. The spending of Council money in relation to FOI is deemed to be in the public domain and along with existing Council's using the system overall contract values will be published however full contract details will not be available to suppliers.

### **Progress in SCMS deployment**

9. The Council gained live access to the system in October 2006. Progress in deploying the system to date has been complicated by significant problems in identifying Council contracts across the organisation and the need to reorganise the corporate procurement team in the first quarter of 2007 to better meet the business needs of the organisation.
10. Significant progress has now been made including:
- preliminary staff workshops to introduce the system to key client officers
  - review of existing corporate & directorate contracts
  - system configured for use at CYC
  - development of SCMS project plan
  - involvement in regional SCMS user groups

## Project Plan

11. The current position of the project and development plan is shown at Annex 1 and is set out in three phases and sub stages where appropriate:
  - Phase 1 - implementation of contract register & supplier module
    - Stage 1: System familiarisation and configuration
    - Stage 2: Creation of documentation
    - Stage 3: User training and data entry
  - Phase 2 – development and implementation of performance monitoring reports
  - Phase 3 – implementation of electronic tendering module
12. The first stage of the project plan system configuration is now nearly complete with stage 2 (System familiarisation and creation of documentation) due for completion by the end of September. Once stage 2 has been completed data entry and user training sessions will be rolled out across the Council. The successful delivery of the plan requires the support of all relevant client officers and should provide the Council with a fully populated and functional contracts register by January 2008.
13. Stage 3 of the project plan is to be developed to include a training and awareness programme delivering:
  - comprehensive training to officers who need to use the system
  - ongoing training programme to deal with new users and releases
  - training and communication with suppliers
  - Member communication and training where required
  - a communication programme including news and jobs articles
  - communication to local business community through York Chamber of Commerce
  - development of the selling to York site on Council internet site
14. The system for the first time will provide the Council with visibility of all contracts their related details and information on committed



expenditure. This will allow for a more informed and strategic view to be taken with regard to what we procure across the piece and how and what we want to procure in the future. In addition it will specifically support large areas of the medium term procurement plan allowing a step change in Council performance and efficiency including:

- aggregation of spend and targeted use of framework contracts
- review and rationalisation where appropriate of the number of suppliers
- analysis of accurate information to drive improvement and/or innovation
- development of an accurate procurement community including external suppliers
- ability to provide information in relation to equality, sustainability and inclusion

15. The final Phase (3) of the current project plan will see the introduction of the electronic tendering module. Work is scheduled to start on this early in January 2008 with the intention of a phased go live from 1 April 2008. The use of electronic tendering will facilitate universal compliance with the Council's Financial regulations and EU regulations and once fully embedded will facilitate administrative efficiencies across the organisation relating to:

- reduced time elapsed through procurement process (especially during EU procurement processes)
- reduction in process costs i.e. postage, paper & staff time
- increased flexibility for suppliers & commissioning officers as tender opening and communication can be done electronically
- increased transparency during the procurement process for staff and suppliers
- consistent procurement practice and process across the organisation underpinned by the use of standard documentation reducing the risk of non-compliance, third party challenge and unlawful practice

## **Summary**

16. The introduction of the SCMS system will significantly improve the way in which procurement is carried out at the Council providing accurate management information, transparency, formal commissioning

processes and engagement of suppliers. Once fully populated it will assist in identifying any un-contracted spend or spend outside of corporate contracts. A robust approach is been taken to its implementation to ensure the successful delivery of the project.

## **Consultation**

17 No consultation was required for this report.

## **Options & Analysis**

18 As this report is for information only, there are no options or analysis included in this report.

## **Corporate Priorities**

19 This report contributes to the achievement of Corporate Priority Improvement Statement 13: *“To improve efficiency and reduce waste to free up more resources”*.

## **Implications**

20 There are no financial, HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

## **Risk Management**

21 There are no risks associated with the recommendations made by this report to note.

## **Recommendations**

22 The Advisory Panel are asked to advise the Executive Member for Corporate Services to:

- a) note the progress made to date in implementing and embedding the SCMS system.

### Reason

To advise Members of the progress made to date in delivering the SCMS project plan

- b) note and comment on the Project plan attached as Annex 1 to this report.

### Reason

To advise Members of the contents of the project plan developed to deliver SCMS across the organisation

**Contact Details**

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**Report Approved**  Y

**Date** 23 August 2007

**Specialist Implications Officer(s)** Not applicable

**All**  X

**Wards Affected** Not applicable

**For further information please contact the author of the report**

**Background Papers**

None

**Annexes**

Annex 1 – SCMS project plan

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Week Commencing	May		June		July		August		September		October		November		December		January		February		March																																	
	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	3	10	17	24	31	3	10	17	24	31	3	10	17	24	31	3	10	17	24
<b>Phase 1</b>	Phase 1 Contract Register and Supplier Module Implementation																																																					
	Stage 1 System Familiarisation and Configuration																																																					
	Create project team and links with RUG and Alito																																																					
	Gain general system overview																																																					
	<b>Admin Module Configuration</b>																																																					
	Define and set up all contract managers (client officers) USERS																																																					
	Define and set up groups																																																					
	Define and set up tasks relating to the tender module activities																																																					
	Define and set up tasks relating to the contract module activities																																																					
	Define and set up tasks relating to the supplier module activities																																																					
	Define and set up all divisions																																																					
	Define and set up all procedures (types of procurement)																																																					
	Define and set up all funding types																																																					
	Define and set up criteria (supplier appraisal)																																																					
	Define and set up correspondence (standard letters and e-mails)																																																					
	Define and set up nature of contract (type of contract)																																																					
	Define and set up approval sources (referred to in tender module)																																																					
	Create field tables to including links																																																					
	Define and set up task templates relating to the tender module activities																																																					
	Define and set up tasks templates relating to the contract module activities																																																					
	Define and set up tasks templates relating to the supplier module activities																																																					
	Define wording for contract award field																																																					
	Define process for contract register data input																																																					
	Define internal contract management standards																																																					
	Define and set up contract management workflow																																																					
	<b>Stage 2 Creation of Documentation</b>																																																					
	Identify and document reports available																																																					
	Creation training documentation for input of 'contract register' data																																																					
	Creation of communication for council users and supplier																																																					
	Creation of training documentation for input of suppliers not on the system																																																					
	Creation of training documentation for input of suppliers on the system																																																					
	Creation of training documentation for suppliers																																																					
	Creation of overview benefits documentation for users and suppliers																																																					
	Testing of documentation by CPT																																																					
	Update 'Selling to York' documentation and activate link to SCMS from website																																																					
	<b>Stage 3 User Training and Data Entry</b>																																																					
	Arrange phase 1 user training by Directorate / Department groups																																																					
	Deliver Contracts Register / Contract Management Phase 1 user training																																																					
	Provide support to users to complete initial data entry (contract register)																																																					
	Issue documentation to suppliers (users / CPT)																																																					
	Provide support to suppliers to update their profiles																																																					
	QA period for Contract Register																																																					
	Presentation to York Chamber of Commerce																																																					
<b>Phase 2</b>	Phase 2 Performance Monitoring - tasks tbc																																																					
<b>Phase 3</b>	Phase 3 Tender Module - tasks tbc																																																					
	<b>Complete set up of tender workflow</b>																																																					
	CPT and client department(s) test e-tendering in real time																																																					
	Roll out to all client departments																																																					
	All new procurement to be through system as of 1st April 2008																																																					

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## Meeting of Executive Member for Corporate Services and Advisory Panel

30 October 2007

Report of the Assistant Director of Resources (Public Services)

### Introduction of the Local Housing Allowance

#### Summary

1. This report advises Members of the introduction of the Local Housing Allowance from April 2008 and its implications for the calculation and payment of Housing Benefit. It is the intention to present a more detailed follow-up report to a future EMAP that expands on the implications of the scheme. This report is for information only and no decision is required.

#### Background

2. The Welfare Reform Act was given Royal Assent on 3 May 2007. The main focus of the Act is the reform of the Incapacity Benefit system and a range of Housing Benefit reforms which includes the national rollout of the Local Housing Allowance (LHA) scheme. Regulations detailing the operation of the scheme have yet to be laid before Parliament but the Department of Works and Pensions (DWP) have outlined the scheme and it has been piloted, in a slightly different form, in 18 local authority areas.
3. The LHA provides a system of Housing Benefit assessment by basing the calculation of payments on a 'flat rate' of rental charge which takes account of household size and composition as well as the area in which the claimant lives. All local authorities with responsibility for the calculation and payment of Housing Benefit must implement the scheme with effect from 8 April 2008. The DWP will be providing start-up funding to cover the costs of software, publicity and training.

#### Aims of the LHA scheme

4. The Government's stated fundamental aims of the scheme are to promote:
  - **Fairness** – intention is to pay similar amounts of allowance to customers with similar circumstances in the area rather than linked to the level of rent charged.
  - **Choice** – tenants are able to take greater responsibility and choose how to spend their income in a similar way to tenants not in receipt of benefits.

They would be able to choose whether to rent a larger property, or to spend less on housing and increase their available income.

- **Transparency** – the current link between Housing Benefit (HB) and rent levels is complicated and is determined by what the Rent Officer deems reasonable. The LHA will give a clear set of allowances and enable comparison between housing costs in different areas and for different sized properties.
- **Personal Responsibility** – the LHA will be paid direct to the tenant and not the landlord in the majority of cases with the aim of encouraging people to take responsibility for budget management and paying the rent themselves. This is seen as a key factor in empowering tenants and encouraging them back into work.
- **Simplicity** – the current system of rent restrictions and referrals to the Rent Officer will be phased out. For working age customers it provides greater certainty about the help they will get with their rent both in and out of work. It should also improve processing times for HB claims by reducing the need to refer claims to the Rent Service. However, this may be partly offset by resolving questions of ‘protection’ for vulnerable customers (see para. 10 below).

#### **Operation of the LHA scheme**

5. From April 2008 the LHA rules will apply to new claims from tenants renting from a private landlord. It will not apply to Council or housing association tenants, tenancies that started prior to 1989 or residents of caravans, mobile homes, houseboats and hostels. All existing claims will continue under the current Housing Benefit regulations but if there is a break in entitlement that results in a new claim this will be processed under the LHA scheme. A change of address within the City of York area will be treated as a new claim.
6. The rates of LHA will be set by the Rent Service (an executive agency of the DWP) based on size criteria and Broad Rental Market Areas (BRMAs). The Rent Officer will provide the Council with a list of weekly Local Housing Allowance rates that it must publish to enable tenants to make an informed choice. The rates will be produced each month, though they may not necessarily vary every month, and new claims will be based on the figures applicable in the month that the claim is made. This differs from the existing scheme which calculates entitlement based on information from the Rent Officer on either a “reasonable rent” (or “claim-related rent”) or the Local Reference Rent, based on average rents for property of a similar size.
7. Members should be aware that the Rent Service are currently reviewing the BRMA for York as part of a national review. The boundary of the area is due to extend to include rural parts of the East Riding of Yorkshire and parts of the Selby area to reflect the “centre of influence” of York. Analysis of this change by the Benefits Service suggests it could reduce the level of the Local Reference Rents supplied by the Rent Officer that are used in the calculation of Housing Benefit claims. Potentially claimants would have to increase the



contribution they make towards their rent, the level of this additional contribution depending on property size.

8. The LHA rates will be based on the median rent charged by landlords in the private sector within the new wider locality. The size criteria will relate to the number of bedrooms only and takes no account of living rooms, kitchens and bathrooms. The maximum level of LHA awarded will be based on the number of bedrooms required by the applicant.
9. The amount a claimant receives will be based on the maximum rent figure and will depend on their income, capital and household composition. Where the rent is greater or equal to the LHA the benefit calculation will be based on the LHA. If the rent is less than the LHA the calculation is based on the actual rent plus £15 per week (or the actual difference where this is less than £15). This £15 limit caps the excess money that a claimant may receive and is a late addition to the scheme introduced to prevent work incentives being eroded.
10. Where a customer is considered vulnerable, payments can be made direct to the landlord. However, they will only be paid LHA up to the equivalent of the rent. If there is an excess the local authority will need to make arrangements to pay this to the tenant unless they are in arrears, in which case the excess can be paid to the landlord.
11. In preparation for the scheme the Benefits Service will be writing to all existing customers later this year to offer the facility to have their Housing Benefit paid directly into their bank account rather than by cheque.
12. The Benefits Service will be developing criteria to help identify and deal sympathetically with vulnerable tenants in co-ordination with family members, social services, voluntary agencies etc.
13. Customers will still be expected to make claims for Housing Benefit using the same claim forms (with some minor changes) and providing the same proofs required at present. The main changes relate to the rental information used to assess the level of entitlement and the method of payment (see para. 16 for further impact on claimants)

### **Implementation of the LHA scheme**

14. The Benefits Service is devising an implementation plan to ensure that the April 2008 deadline is met. The main areas where work is needed are as follows:
  - **Software** – purchase, installation and testing of new calculation modules from our software supplier (already developed for some of the pilot authorities).
  - **Stakeholders** – communicate changes to other internal departments (e.g. HASS), landlords and advisors. Publish landlord newsletters and hold briefing forum.

- **Financial** – write to all customers offering direct payment into bank accounts. Liaise with local banks and provide advice to customers about basic bank accounts.
- **Training** – devise and deliver training sessions for all benefits staff. Produce Q&A sheets for Members and other interested parties.
- **Communication** – develop and issue tenant and landlord information. Publish initial LHA rates.
- **Policy** – develop policies on identifying and dealing with vulnerable claimants and the provision of money advice.

15. The Council will receive funding from the DWP to assist with the rollout. Funding is based on a fixed element and a variable element that takes into account a weighted benefit caseload figure. The provisional figure for the City of York is £135,283, and the value of this funding provides an indication of the size and scale of the change in Benefits legislation.

#### **Impact of the scheme for claimants**

16. As the regulations and LHA rates have yet to be published it is too early to assess the financial impact for claimants. However, we can anticipate some changes that will require action on the part of our customers:

- **Direct Payments**– in all but exceptional cases payments are made directly to the claimant so tenants will have to make their own arrangements with their landlord to pay the rent.
- **Bank Accounts** – some claimants will need to open a bank account to receive direct payments (by bank transfer) and so may require advice and assistance in doing this.
- **Moving House** – the scheme only affects new claims so where a tenant moves house the benefit claim at the new address will be paid under the LHA scheme. There is no protection or transition scheme available so, depending on the LHA rates, tenants could be adversely affected. Additional support is available under the Discretionary Housing Payments (DHP) scheme but this requires a separate application by the claimant and the DHP fund is limited, in 2007/08 it is only £28.5k.
- **Breaks in Claim** – following a break in claim (where benefit entitlement stops due to, for example, a temporary increase in earned income or a change in the number of non-dependants in the household) the claimant will be paid under the LHA scheme which is likely to be at a different rate to the benefit entitlement before the change.
- **Publication of LHA Rates** – claimants will be able to see the LHA rates in force before making a decision to move into a particular property. Depending on how the rates are split by postcode over the York area it will be important for potential tenants to know the full postal address of the

property. These rates are also be available to landlords and may have some influence on rent levels.

### **Consultation**

17.No consultation was required for this report.

### **Options and Analysis**

18.This is a factual information report and no decision is required, so no options or analysis are relevant.

### **Corporate Priorities**

19.The payment of Housing Benefit contributes towards two corporate objectives:

- Improve the health and lifestyles of the people who live in York, particularly among groups whose level of health are the poorest
- Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.

### **Implications**

20.**Financial** – the Council will receive funding from the DWP which will need to be separately accounted for and controlled to ensure that we meet the April 2008 implementation deadline.

21.**Information Technology (IT)** – the software updates to allow administration of the scheme will be installed by ITT as part of the normal maintenance of the main benefits system. Training and draft guidance notes have already been provided by the software company.

22. There are no other Human Resources, Equalities, Legal, Crime and Disorder or Property implications.

### **Risk Management**

23. This report is for information and there are no risks to consider.

### **Recommendations**

24. The Advisory Panel is asked to advise the Executive Member to:

- Note the content of this report
- Note that further advice will be provided to Members once the regulations have been published and the more detail about the scheme is known.

Reason: to keep the Executive Member informed of changes in legislation that impact on the processing and payment of Housing Benefit.

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**Report Approved**

**Date** 23 August 2007

**Specialist Implications Officer(s)** None

**Wards Affected:**

**All**

**For further information please contact the author of the report**

**Background Papers:**

Welfare Reform Act 2007  
Draft LHA Guidance Manual (DWP)

**Annexes:** None



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## Meeting of the Executive Member for Corporate Services and Advisory Panel

30 October 2007

Report of the Director of Resources

### Update On Gershon Efficiency Savings

#### Summary

1. This report is for information only and gives an update on progress against the Gershon efficiency targets in the light of: -
  - a) the 2006/07 out-turn (backward look)
  - b) the 2007/08 forecast (forward look)

#### Background

2. The Gershon efficiency agenda is a three-year national programme aimed at delivering a cumulative £6.45 billion of savings within local government by the end of 2007/08. These savings are, in theory, available for investment in front-line services although, in reality, they are needed to balance budgets and to try to minimise council tax increases. Each local authority has been challenged to try to achieve 2.5% of savings per annum from a base-line figure set in 2004/05. The base-line excludes education expenditure which is subject to separate targets within the DfES.
3. At least half of the annual efficiencies must be cashable, i.e. there is a real monetary saving which can be re-directed elsewhere by the Council. The remainder may be non-cashable, i.e. savings will not arise because of lower costs but because of improved performance:- e.g. an improvement in the time taken to process new benefit claimants with no increase in costs. Savings must be on-going for the whole three-year period of the programme. One-off savings are not allowable.
4. The Council's efficiency savings are reported to DCLG three times per year:-
  - a) a forward looking forecast for the coming year (April)
  - b) a mid-year update (November)
  - c) a backward looking out-turn report with actual savings made in-year (July)

#### Consultation

5. This section is not applicable.

## Options

6. This report is for information only and members are not asked to take a decision.

## Analysis

### Methodology

7. The current approach for identifying efficiencies starts with a review of the savings accepted as part of the annual budget. Each of these cashable savings is assessed against the criteria given by government to identify efficiencies and those which result in either a cut or deterioration in service are excluded. These savings are then circulated to the relevant council departments to ensure that they can be classified as efficiency savings. Further reviews take place mid-year and at year-end to confirm that all, or some, of the savings reported have been achieved.
8. In addition to the cashable efficiencies identified above, improving performance indicators are used to identify non-cashable efficiencies, against which a monetary value can be calculated.
9. The final savings reported in the Backward Look must be linked to Quality Cross Checks (Performance Indicators) to ensure that Council performance has not deteriorated because of the savings made. If a performance indicator linked to a saving deteriorates over the 3 year programme the saving must be removed.
10. Each return to the DCLG must be reviewed and approved by the Leader of the Council, the Chief Executive and the Director of Resources before submission.

### Progress to date

11. The targets and outcomes for 2006/07 are shown below. The Council is not obliged to meet the annual target so long as the cumulative efficiencies achieved to date exceed the cumulative target at the end of that period.

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>
<b>Annual Target</b>	<b>2,587.0</b>	<b>3,284.0</b>	<b>2,935.0</b>
<b>Cumulative Target</b>	<b>2,587.0</b>	<b>5,871.0</b>	<b>8,806.0</b>
2005/06 Backward Look	4,633.5	4,633.5	4,633.5
2006/07 Backward Look		3,212.1	3,212.1
2007/08 Forward Look			2,920.7
<b>Cumulative Efficiencies Achieved</b>	<b>4,633.5</b>	<b>7,845.6</b>	<b>10,766.3</b>
<b>Over Target by</b>	<b>2,046.5</b>	<b>1,974.6</b>	<b>1,960.3</b>

Note: In recognition of the fact that local authorities were already embracing efficiencies to balance budgets the government allowed 2004/05 efficiencies to count towards the 2005/06 target.

The initial forecast for 2006/07 annual efficiencies was £970k above target. As discussed above, the starting point was the budget savings, for example:-

- zero inflation on cash budgets (£639k)
- restructure of children's residential care (£164k)
- relocation of Household Waste Recycling Centre (£55k)

However, because of deteriorating performance indicators, specifically in relation to non-cashable savings, certain efficiencies had to be removed. The main culprits were firstly the deterioration in sickness absence levels, which had shown an improvement in 2005/06. This resulted in a reduction of £381k in non-cashable efficiencies in 2006/07. It was also necessary to re-visit the 2005/06 non-cashable efficiency claimed due to improving attendance levels. This resulted in a further reduction of £305k to the cumulative efficiencies achieved to date. Secondly, an error in the original submission overstated efficiencies by £170k.

### **Cumulative progress towards the 3-year target**

12. 2007/08 is the last year of the 3-year Gershon efficiency programme. The 2007/08 Forward Look (i.e. initial forecast) was submitted in April 2007. Because performance indicator information was not available at that time it contained only cashable savings identified during the 2007/08 budget process. Non-cashable savings will be added during the mid-year update and confirmed at the time of the 2007/08 Backward Look. Although the in-year cashable savings were marginally below the annual target the cumulative savings were well in advance of the 3 year target. It is anticipated that with the inclusion of non-cashable savings the annual target will also be exceeded.
13. Although the above table indicates that the 3 year cumulative target will be met there is a risk that deteriorating Quality Cross Checks (performance indicators) will result in the deletion of some efficiencies already claimed. The DCLG proforma provides a limited, and very specific, set of Quality Cross Checks, but allows councils to use "non-approved" indicators to prove their efficiencies. Where possible we use specific Best Value Performance Indicators (BVPI's), for example BVPI 79b : The amount of Housing Benefit (HB) overpayments recovered as a percentage of all HB overpayments, but the general nature of many of the cashable savings means that an overarching cross-check is used, i.e. there will be no deterioration in the relevant CPA score. As indicated in Para 11, certain efficiencies have already had to be removed because of deteriorating performance indicators.

### **The Efficiency Review Programme**

14. The Council is working towards a more formalised and structured way of managing the efficiency agenda. The starting point was the capture of projects already underway, benchmarking exercises and dedicated meetings to identify

areas for review. This process identified an initial 36 possible projects. From this, a draft three to five year programme of efficiency reviews has been compiled and is due at Executive in September. It is hoped that a managed programme will mean efficiencies and related cashable savings will contribute to the annual budget savings target, maintain a good CPA score and also works towards any future efficiency targets.

15. The programme covers a number of different strands, for example:
- **procurement** – e.g. an approved protocol has been drafted for the commissioning of external legal services, which ensures value for money and ancillary benefits such as free training.
  - **enabling change** – e.g. the development and implementation of a model for post project review to measure quantifiable benefits and learning opportunities.
  - **high cost of services** – a collaborative transport project (with the Yorkshire Ambulance Service and East Riding of Yorkshire council) to reduce costs and increase efficiencies in the procurement and use of transport.

#### **Comprehensive Spending Review (CSR07)**

16. DCLG have published a draft document “Value for Money in Local Government” which details the national efficiency programme for the 3 year period of CSR07 (2008/09 – 2010/11). This sets the target for all public services of 3% net cashable efficiency gains per annum, which equates to a cumulative target of £4.9 billion for all local authorities. Efficiencies achieved above the 3-year target up to 2007/08 may be rolled forward and the Council is currently forecasting over-achievement of £1.9 million.
17. Reporting arrangements will be relaxed, with only two reports each financial year and no breakdown of gains by service sector or cross-cutting workstreams, i.e. the Council will report one single figure.

#### **Corporate Priorities**

18. The Gershon Efficiency Agenda plays an important role in achieving the corporate priority of improving our organisational effectiveness, specifically
- Improve our focus on the need of customers and residents in designing and providing services
  - Improve the way the Council and its partners work together to deliver better services for the people who live in York
  - Improve efficiency and reduce waste to free-up more resources.

The Council's Corporate Strategy includes 13 priorities of which a key one is efficiency. The Director of Resources is the Council's efficiency champion and is developing an improvement statement in which the process and programme for achieving efficiency targets and greater staff awareness will feature prominently.



## Implications

- **Financial**  
Failure to achieve the Gershon Efficiency Targets could have a detrimental effect on York's Comprehensive Performance Assessment for Use of Resources and on its budgetary position.
- **Human Resources (HR)**  
There are no implications
- **Equalities**  
There are no implications
- **Legal**  
There are no implications
- **Crime and Disorder**  
There are no implications
- **Information Technology (IT)**  
There are no implications
- **Property**  
There are no implications
- **Other**  
There are no implications

## Risk Management

19. Because this report is for information only, there are no risks attached to any decision to be made. There is a risk associated with the non-achievement of York's efficiency target, namely the potential for a detrimental score in the Council's CPA for Use of Resources. To avoid this it is essential that the Council continues to pursue efficiencies and can clearly show how they are captured and measured.

## Recommendations

20. Members are asked to recommend that the Executive Member:-
  - 1) Notes the progress against the Gershon efficiency targets  
Reason: To inform the Executive Member.

**Contact Details**

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Simon Wiles  
Director of Resources

**Report Approved**  **Date** 28 August 2007

**Specialist Implications Officer(s)** None

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

**Background Papers:**

None

**Annexes**

None