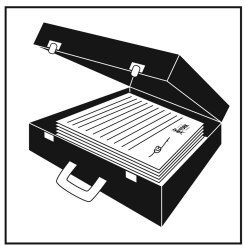
CITY OF YORK COUNCIL



Notice of meeting of

Executive Member For Corporate Services and Advisory Panel

To:	Councillors Healey (Chair), Jamieson-Ball (Executive Member), Looker (Opposition Spokesperson), Pierce and R Watson
Date:	Friday, 8 June 2007
Time:	5.00 pm
Venue:	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 Thursday 7 June 2007, if an item is called in *before* a decision is taken, *or*

4:00 pm on Tuesday 12 June 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. Minutes (Pages 1 - 6)

To approve and sign the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 20 March 2007.

3. 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 Thursday 7 June 2007, at 5.00 pm.

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:

4. Future Agenda for Corporate Services EMAP (Pages 7 - 22)

This report provides an outline of the business currently scheduled for meetings of the Executive Member for Corporate Services and Advisory Panel during the forthcoming year, June 2007 – April 2008.

5. Resources Directorate Year End Performance And Financial Outturn - 2006/07 (Pages 23 - 80)

This report combines performance and financial information for the Resources Directorate for 2006/07. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with capital, revenue and Treasury Management variances.

6. Information Management Annual Report 2006/07 (Pages 81 - 88)

This outturn report advises Members of activity in the area of Information Management during 2006/07. It is for information and no decision is required, but members have previously requested further information about this developing area of the Council's work and members' views and comments are welcome.

7. Corporate Procurement Strategy 2007-2010 (Pages 89 - 160)

This report advises Members of the progress made to date on the preparation of the Corporate Procurement Strategy 2007-2010 and seeks Executive Member approval to refer the strategy to the Executive for formal consideration and approval in accordance with the requirements of the Constitution, subject to any amendments agreed by Corporate Services EMAP.

8. Corporate Procurement Team Workplan 2007/08 (Pages 161 - 186)

This report sets out the key deliverables of the Corporate Procurement Teams (CPT) workplan for 2007/08 and reviews progress against the procurement three year action plan 2004/2007.

9. Corporate Procurement Manual (Pages 187 - 190)

The purpose of this report is to advise Members of the development of a best practice corporate procurement manual for use by practitioners across the organisation, to be issued further to the provisions of the Council's Financial Regulations & procurement Rules.

URGENT BUSINESS

10. 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

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.

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) 613161 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন ভাষাতে তথ্য জানানোর জন্য সব ধরণের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোভাষী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 613161.

Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin tercümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel. (01904) 613161.

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。 電話(01904) 613161。

کسی بھی دوسری زبان میں معلومات کی دستیابی ترجمہ شدہ معلومات، ترجمان کی شکل میں یقینی بنانے کے لئے ہر ممکن کوشش کی جائے گی، بشرطیکہ اس کے لئے پہلے سے مناسب اطلاع کی جائے۔ ٹیلی فون 613161 (01904)

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.

Agenda Item 2

City of York Council — Minutes

MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	20 MARCH 2007
PRESENT	COUNCILLORS MACDONALD (EXECUTIVE MEMBER), SCOTT (CHAIR), LOOKER (OPPOSITION SPOKESPERSON), MOORE AND R WATSON

38. 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.

Councillor R Watson declared a personal prejudicial interest in agenda item 6 (Accounts Submitted for Write-Off) as Annex C referred to a client of his firm. He left the room and took no part in the discussion or decision on the item.

39. Exclusion of Press and Public

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

Annexes A, B and C, and Supplementary Annex D to Agenda Item 6 (Accounts Submitted for Write-Off) (minute 43 refers), on the grounds that they contained information relating to the financial affairs of particular persons. This information was 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).

40. Minutes

RESOLVED: That the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 12 December 2006 be approved and signed by the Chair and the Executive Member as a correct record.

41. Public Participation

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

42. Directorate of Resources - Service Plans 2007-2008

Members received a report which presented the 2007/08 Service Plans for the Resources Directorate, for approval and comment.

The Service Plans detailed key service challenges and objectives for 2007/08 and were attached to the report as follows:

- Annex 1 – Financial Services;
- Annex 2 – Public Services;
- Annex 3 – Property Services;
- Annex 4 - Information Technology & Telecommunication (ITT) Services;
- Annex 5 – Audit & Risk Management.

In addition to seeking clarification of a number of existing performance figures and targets for future years in the scorecards, Members made comments and raised on the Service Plans, including the following:

- Commenting that the Service Plans were well laid out and informative;
- Highlighting the need for an integrated approach to service planning and financial planning;
- Requesting that a glossary be provided with future Service Plans;
- Suggesting that the format of the drivers' sections be standardised;
- Noting the difficulties of delivering the front end of the Benefits Service via the Easy@York project and seeking confirmation that these would be addressed at workplan level;
- Noting that a number of existing performance figures for Property Services were not available prior to the year-end and requesting that these be circulated to Members to enable them to consider if suitable future targets had been set;
- Highlighting the importance of optimum management of the commercial property portfolio;
- Discussing whether setting a lower target for ITT customer satisfaction than the existing performance figure allowed resources to be diverted to other priority areas for improvement or whether it reduced impetus to perform well in this area;
- Seeking an update on progress with procurement work;
- Noting that the staff appraisal targets for Audit & Risk Management needed to be adjusted to be brought in line with directorate targets.

Advice of the Advisory Panel

That the Executive Member be advised:

(i) That the content of the report be noted and acknowledged;

(ii) That Members' comments be noted.

Decision of the Executive Member

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

REASON: To improve and monitor performance.

43. Accounts Submitted for Write-Off

Members received a report which sought approval to write off irrecoverable accounts, each one over £2,000 in value, for National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit Overpayments. It also provided details of the value of other irrecoverable accounts under £2,000 that had been written-off under delegated authority in the current financial year.

Paragraph 4 of the report provided a breakdown of the £153,237 write-offs where each debt had a greater value than £2,000 and the £771,906 where each debt had a value of less than £2,000.

A supplementary report and annex had been published on 12 March 2007, detailing a further £557,025 of NNDR write-offs requiring the Executive Member's approval, which had been identified since the completion of the original report.

An updated version of the table at paragraph 23 of the report, which set out the write-offs to date in the context of the total charges raised by the Council, was circulated to Members, incorporating revisions made to reflect the figures in the supplementary report.

Members noted the following corrections to the report:

- To Annex A to remove a write-off of £2730 which had been included twice in error and to adjust the total to reflect this;
- To paragraph 4 to refer to SCREF 21;
- To Annex B to correct the net figure for SCREF 21 to £4560.50.

Advice of the Advisory Panel

That the Executive Member be advised:

(i) That the write-off of the amount of £153,237, as shown in paragraph 4 of the report (with individual debts listed in Annexes A-C), be approved, taking note that each debt has a value greater than £2,000;

(ii) That the write-off of £771,906 of accounts valued at less than £2,000 for the 6 month period to 31st March 2007 (as shown in paragraph 4 of the report), under the Head of Finance's delegated authority, be noted;

(iii) That the write-off of a further £557,025, as shown in the supplementary report (with individual debts listed in Annex D), be approved, taking note that each debt has a value greater than £2,000.

Decision of the Executive Member

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

REASON: To keep the accounts up to date.

44. Future Agenda for Corporate Services EMAP

Members received a report which provided an outline of the business currently scheduled for meetings of the Executive Member for Corporate Services and Advisory Panel during the forthcoming year, April 2007-April 2008, together with items of Resources business which were scheduled for other meetings.

Members were asked to consider the future content of agendas for Executive Member and Advisory Panel (EMAP) meetings and the frequency of the meetings as there was not sufficient business to sustain eight full meetings during 2007/08.

It was confirmed that the Corporate Procurement Strategy would be brought to EMAP, before progressing to the Executive, as noted in paragraph 5 and Annex 2 of the report, despite its omission from Annex 1.

The Assistant Director (Audit & Risk Management) advised Members that there were a number of additional items from her division likely to come to EMAP over the forthcoming year that had not been included in the report as it stood, due to the late confirmation of those items after the paper had been sent for publication. Officers also advised that a number of items requiring Executive approval could be brought to EMAP first if Members wished to comment on them.

Members expressed the view that all meetings should be retained in the corporate diary and only cancelled if there was insufficient business to be brought forward at the time. They also requested that an updated version of the report be presented to the next meeting as the new membership of the EMAP following the elections may wish to take a view on the issues raised.

Advice of the Advisory Panel

That the Executive Member be advised:

(i) That the future content of Executive Member for Corporate Services and Advisory Panel agendas and the frequency of meetings be noted;

(ii) That all meetings should be retained in the corporate diary and only cancelled if there was insufficient business to be brought forward at the time;

(iii) That an updated version of the report be presented to the next meeting.

Decision of the Executive Member

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

REASON: To manage the business for EMAP meetings in 2007/08.

Q MACDONALD
Executive Member

D SCOTT
Chair of Advisory Panel
The meeting started at 5.30 pm and finished at 7.05 pm.

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Meeting of Executive Member for Corporate Services and Advisory Panel **8 June 2007**

Report of the Business Support Manager - Resources

FUTURE AGENDA FOR CORPORATE SERVICES EMAP

Summary

1. This report provides an outline of the business currently scheduled for meetings of the Executive Member for Corporate Services and Advisory Panel during the forthcoming year, June 2007 – April 2008. Items for EMAP are listed at Annex 1 and items for other meetings - specifically the Executive and Audit & Governance Committee - are listed at Annex 2, which accompany this report.

Background

2. Members of the Corporate Services EMAP expressed concerns about the dwindling number of agenda items for this meeting. This is due primarily to the revised constitution which involves Audit and Governance issues now being dealt with at the Audit and Governance Committee and Property issues now being dealt with by the Executive. At least one meeting was cancelled because of insufficient business and, at other times, the number of agenda items was so low as to hardly make a meeting worthwhile. A report, provided at the request of Members to the meeting on 20 March 2007, set out items of forthcoming Resources business scheduled for Corporate Services EMAP. At that meeting Members asked that a further report be brought to the first post-election meeting of Corporate Services EMAP for the consideration of the newly-constituted Advisory Panel.

Consultation

3. Members of Resources Management Team have been consulted about which items of future business they will be putting forward to the Corporate EMAP meeting and which items are destined for other Member meetings.

Options

4. Resources reports to Members are currently brought to Corporate Services EMAP, to the Executive and to the newly constituted Audit and Governance Committee.

A significant proportion of reports from the Finance, and IT&T Divisions of Resources have always been taken to the Executive; these include all

Corporate Finance Reports, Strategic IT Reports and IT Development Plan Proposals. This is also the case for issues arising out of significant corporate projects, such as the Administrative Accommodation Review and the *easy@york* Project. However, under the terms of the new Council Constitution, almost all Property reports have now also been moved to the Executive and most Internal Audit and District Audit reports go to the Audit and Governance Committee.

Other corporate business, which is generated by the Chief Executive's department, is taken to City Strategy EMAP. As a result, less business remains for Corporate Services EMAP than was previously the case, and probably not enough business overall for seven full meetings a year.

There are seven meetings scheduled for Corporate Services EMAP in 2007/08 in the Council Diary. These are:

June 8th 2007, July 24th 2007, September 11th 2007, October 30th 2007, December 11th 2007, January 22nd 2008 and March 18th 2008.

Analysis

5. The Resources Forward Plan is submitted to Members at each meeting of the Corporate Services EMAP as a standing agenda item. Items listed on the Forward Plan are either generated as recurring Business Cycle items or are one-off or update reports at either the request of Members, Council Management Team or the report author.

Excluding items on the agenda for this meeting, items currently listed on the Forward Plan for Corporate Services EMAP from July 2007 to March 2008 include:

- Condition Report & Short Term Options for Investment in the Guildhall
- Treasury Management Annual Report & Prudential Indicators 2006-7
- Audit & Risk Management Medium Term Business Plan 2007/8 – 2009/10
- Directorate Training Programme – Final Proposals
- Accounts Submitted for Write-off (September and March meetings)
- First and Second Resources Performance & Finance Monitors (September & December meetings)
- Review & Strategy for the Commercial Property Portfolio
- Strategic Risk Register – Annual Report & Update on Risk Management Strategy
- Annual Risk Management Report
- FMS Project Update Report
- Resources Departmental Strategy
- Resources Service Plans (including Revenue & Capital Budget Proposals 2007/8-2009/10
- Resources Service Plans for Approval

Members may wish to suggest additions to this list as, at present, there are no other reports scheduled for Corporate Services EMAP during the next financial year.

Corporate Priorities

6. This report relates to the Council's Corporate Priority to improve leadership at all levels to provide clear, consistent direction to the organisation.

Implications

7.

- There are no Financial, HR or Equalities implications
- There may be Legal implications if, as a result of this report, any decision is taken to alter the programme and business of Corporate Services or any other Member meeting.
- There are no Crime and Disorder, IT or Property implications
- There are no other known implications

. Risk Management:

8. There are no known risks.

Recommendations

9. That the Advisory Panel advise the Executive Member that:

1) Consideration needs to be given to the future content of agendas and frequency of Corporate Services EMAP meetings.

   Reason: there may not be sufficient business to sustain six further full Corporate EMAP meetings.

Contact Details

Author:	**Chief Officer Responsible for the report:**
Tricia Pearce Resources Business Support Manager 01904 552911	Simon Wiles Director of Resources

Report Approved ✓ **Date** 25/05/2007

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

For further information please contact the author of the report

Background Papers: Resources Forward Plan 105

Annexes

Annex 1 – Papers Scheduled for Corporate Services EMAP
Annex 2 – Papers Scheduled for the Executive and Audit & Governance Committee

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Annex 1

Reports for Corporate Services EMAP - June 2007 - April 2008

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	QCG/RMT	MT	EMAP	EBS	EXEC	COMMENTS
1	Resources Performance and Finance Outturn Report*	Business Management Sian Hansom	**22/05/07**	RMT 16/05/2007		Corporate EMAP 08/06/2007			Business Cycle
2	Future Agenda for Corporate Services EMAP*	Simon Wiles/ Tricia Pearce	**22/05/07**			Corporate EMAP 08/06/2007			Requested by Members.
3	Corporate Procurement Team: Workplan 07/08*	Audit & Risk Management David Walker	**22/05/07**			Corporate EMAP 08/06/2007			Business Cycle
4	Information Management Outturn Report*	Audit & Risk Management Robert Beane	**22/05/07**			Corporate EMAP 08/06/2007			Business Cycle
5	Corporate Procurement Strategy	Audit & Risk Management Liz Ackroyd/David Walker	**28/04/07**	RMT 02/05/2007	CMT 16/05/2007	Corporate EMAP 08/06/2007	EBS 19/06/2007	EXEC 26/06/2007	Deferred from November 2006 & March 2007 in consultation with Executive Member

Annex 1

Reports for Corporate Services EMAP - June 2007 - April 2008

6	Procurement Guidance Manual for Practitioners*	Audit & Risk Management Liz Ackroyd/ David Walker	**28/04/07**	RMT 02/05/2007	CMT 16/05/2007	Corporate EMAP 08/06/2007	EBS 19/06/2007	EXEC 26/06/2007	Requested by Report Author
7	Condition Report & Short Term Options for Investment in the Guildhall	Property Services Neil Hindhaugh/ Elizabeth Ellis	**07/07/08**			Corporate EMAP 24/07/2007			Deferred from EMAP meeting of 31/10/2006 because of its cancellation. Deferred from EMAP meeting on 12/12/2006 - full survey due to be completed 23/01/2007. Deferred again on 20/03/2007 & 08/06/2007 because the full condition and structural survey being undertaken by the appointed consultants was not sufficiently complete to be worthy of presentation to Members at that time.
8	Treasury Management Annual Report and Prudential Indicators 2006/07	Finance Tom Wilkinson	**07/07/08**			Corporate EMAP 24/07/2007			Business Cycle
9	Audit & Risk Management Medium Term Business Plan 2007/08 - 09/10	Audit & Risk Management Liz Ackroyd/ David Walker	**30/06/07**	RMT 05/07/2007		Corporate EMAP 24/07/2007			Business Cycle
10	Directorate Training Programme - Final Proposals***	Audit & Risk Management Liz Ackroyd	**14/07/07**	RMT 19/07/2007		Corporate EMAP 11/09/2007			Requested by Report Author
11	Accounts Submitted for Write Off	Public Service Jenny Smithson	**24/08/07**			Corporate EMAP 11/09/2007			Business Cycle

Annex 1

Reports for Corporate Services EMAP - June 2007 - April 2008

12	Resources First Performance & Financial Monitor*	Business Management Sian Hansom	**24/08/07**			Corporate EMAP 11/09/2007			Business Cycle
13	Review and Strategy for the Commercial Portfolio*	Property Services Philip Callow/ David Baren	**12/08/07**		CMT 22/08/2007	Corporate EMAP 11/09/2007	EBS 2/10/2007	EXEC 9/10/2007	Requested by Report Author
14	Strategic Risk Register - Annual Report and update on Risk Management Strategy	A&RM David Walker	**12/08/07**		CMT 22/08/2007	Corporate EMAP 11/09/2007	EBS 18/09/2007	EXEC 25/09/2007	Business Cycle
15	Annual Risk Management Report*	Audit & Risk Management David Walker	**12/08/07**		CMT 22/08/2007	Corporate EMAP 11/09/2007	EBS 18/09/2007	EXEC 25/09/2007	Business Cycle
16	FMS Project Update Report	Finance Tom Wilkinson	**13/10/07**			Corporate EMAP 30/10/2007			Requested by Report Author
17	Second Resources Finance and Performance Monitor	Sian Hansom/ Jon Pike	**23/11/07**			Corporate EMAP 11/12/2007			Business Cycle (To also include second Treasury Management Monitor)
18	Resources Departmental Strategy*	Simon Wiles	**23/11/07**			Corporate EMAP 11/12/2007			Requested by Report Author
19	Resources Service Plans, including Revenue & Capital Budget Proposals 2007/08 to 2009/10*	Sian Hansom/Patrick Looker	**05/01/08**			Corporate EMAP 22/01/2008			Business Cycle

20	Accounts Submitted for Write Off	Public Service Jenny Smithson	**01/03/08**			Corporate EMAP 18/03/2008			Business Cycle
21	Resources Service Plans For Approval	Business Management Sian Hansom	**01/03/08**	RMT February 2008		Corporate EMAP 18/03/2008			Business Cycle

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	QCG	MT	EMAP	EBS	EXEC	COMMENTS
1	Sale of Lendal Bridge Sub Station	Property Services Paul Fox	**06/05/07**		QCG 15/05/2007		EBS 05/06/2007	EXEC 12/06/2007	Deferred from November 2006 Executive Meeting to allow interested parties time to investigate the issues. Deferred also from Exec on 24/o4/2007 so as to allow for consideration of financial issues by CAPMOG
2	Easy@york Progress Report & Options for Phase II*	easy@york Project Manager Tracey Carter	**28/04/07**	RMT 02/05/2007	CMT 16/05/2007		EBS 05/06/2007	EXEC 12/06/2007	Business Cycle
3	Update on Equal Pay Issues*	Finance Steve Morton	**01/04/07**		QCG 29/05/2007		EBS 05/06/2007	EXEC 12/06/2007	Report at the Request of the Author
4	Corporate Procurement Strategy	Audit & Risk Management Liz Ackroyd/David Walker	**28/04/07**	RMT 02/05/2007	CMT 16/05/2007	Corporate EMAP 08/06/2007	EBS 19/06/2007	EXEC 26/06/2007	Deferred from November 2006 & March 2007 in consultation with Executive Member
5	Procurement Guidance Manual for Practitioners*	Audit & Risk Management Liz Ackroyd/ David Walker	**28/04/07**	RMT 02/05/2007	CMT 16/05/2007	Corporate EMAP 08/06/2007	EBS 19/06/2007	EXEC 26/06/2007	Requested by Report Author
6	Revenue Outturn Report*	Finance Janet Lornie/Peter Steed	**20/05/07**		CMT 13/06/2007		EBS 19/06/2007	EXEC 26/06/2007	Business Cycle

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

7	Capital Outturn Report*	Finance Tom Wilkinson	**20/05/07**		CMT 13/06/2007		EBS 19/06/2007	EXEC 26/06/2007	Business Cycle
8	Treasury Management Outturn Report*	Finance Tom Wilkinson	**20/05/07**		CMT 13/06/2007		EBS 19/06/2007	EXEC 26/06/2007	Business Cycle
9	The Statement of Accounts (incorporating the Statement of Internal Control)	Finance Janet Lornie/Peter Steed				Audit & Governance Committee 25/06/2007	EBS 19/06/2007	EXEC 26/06/2007	Council 28/06/2007
10	Efficiency Programme (incorporating Strategic Procurement)	Audit & Risk Management Simon Wiles/ Liz Ackroyd/ Peter Steed	**16/05/07**				EBS 19/06/2007	EXEC 26/06/2007	Report at the Request of the Author Initial discussion held at EBS on 28 November; considered at CMT in late 2006. Deferred from the Executive Meeting of 19/12/2006 to allow for further consultation with other Departments. Deferred also from 16/01/2007, 13/02/2007 & 27/02/2007 & 12/06/2007
11	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Liz Ackroyd	**31/05/07**	OGG 06/06/2007	CMT 13/06/2007	Audit & Governance Committee 25/06/2007			Business Cycle Deferred from A&G on 03/04/2007 at the request of the District Auditor
12	The Annual Audit & Inspection Plan (Audit Commission) for 06/07 & Outturn Monitoring Report for 05/06	Audit & Risk Management Liz Ackroyd/ Audit Commission	**03/06/07**		CMT 13/06/2007	Audit & Governance Committee 25/06/2007			Business Cycle Deferred from A&G on 03/04/2007 at the request of the District Auditor

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

13	The Annual Report of the Chief Internal Auditor	Audit & Risk Management Liz Ackroyd	**15/06/07**			Audit & Governance Committee 25/06/2007			Business Cycle
14	The Statement of Internal Control	Audit & Risk Management Max Thomas	**15/06/07**			Audit & Governance Committee 25/06/2007			Business Cycle
15	Risk Management Policy & Practice	Audit & Risk Management David Walker	**17/06/07**		CMT 27/06/2007				At CMT's Request
16	Energy and Water Management - Policy and Practice*	Property Services Neil Hindhaugh/ Gary Christie	**01/07/07**		CMT 11/07/2007		EBS 17/07/2007	EXEC 24/07/2007	Note this is linked to Sustainability in Design Report (below) and will back a report from City Strategy on the Council's Environmental Management System (EMS) all to appear on same agenda
17	Sustainability in Design - Policy and Practice*	Property Services Neil Hindhaugh/ George Sands	**01/07/07**		CMT 11/07/2007		EBS 17/07/2007	EXEC 24/07/2007	Note this is linked to EWMG Report (above) and will back a report from City Strategy on the Council's Environmental Management System (EMS) all to appear on same agenda
18	Contract Design Management (CDM) Regulations - Implications for CYC*	Property Services Neil Hindhaugh/ Ian Asher	**01/07/07**		CMT 11/07/2007		EBS 17/07/2007	EXEC 24/07/2007	Requested by Report Author
19	IT Strategy 2007-2012	IT&T Tracey Carter/ Jane Collingwood	**01/06/07**	RMT 07/06/2007	CMT 27/06/2007		EBS 17/07/2007	EXEC 24/07/2007	Requested by Report Author

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

20	Finance Strategy 2008/09 to 2010/11 (including impact of CSR 2007)*	Finance Peter Steed	**27/06/07**		CMT 04/07/2007		EBS 17/07/2007	EXEC 24/07/2007	Business Cycle
21	Breaches & Waivers of Financial Regulations	Audit & Risk Management Liz Ackroyd/ Richard Smith	**14/09/07**			Audit & Governance Committee 24/09/2007			Business Cycle
22	Mid-point Review of the Implementation of Internal Audit Service Recommendations (Jan 07 - June 07 Audits)	Audit & Risk Management Richard Smith	**14/09/07**			Audit & Governance Committee 24/09/2007			Business Cycle
23	Mid-term Client Monitoring Report on the Annual External Audit Plan	Audit & Risk Management Liz Ackroyd	**14/09/07**			Audit & Governance Committee 24/09/2007			Business Cycle
24	Risk Management Mid Term Monitor	Audit & Risk Management David Walker	**14/09/07**			Audit & Governance Committee 24/09/2007			Business Cycle
25	Training Plan Proposals for Governance Members	Audit & Risk Management Liz Ackroyd	**14/09/07**			Audit & Governance Committee 24/09/2007			At Members' Request
26	Monk Bar Garage Future Use of Site	Property Services John Urwin	**28/08/07**		QCG 04/09/2007		EBS 18/09/2007	EXEC 25/09/2007	Deferred from May, September & October Executive Meetings. Deferred again from the meetings on 31/01/2007, 27/03/2007 and 12/06/2007 in order to consider further development options.

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

27	Strategic Risk Register - Annual Report and update on Risk Management Strategy	A&RM David Walker	**12/08/07**		CMT 22/08/2007	Corporate EMAP 11/09/2007	EBS 18/09/2007	EXEC 25/09/2007	Business Cycle
28	Annual Risk Management Report*	Audit & Risk Management David Walker	**12/08/07**		CMT 22/08/2007	Corporate EMAP 11/09/2007	EBS 18/09/2007	EXEC 25/09/2007	Business Cycle
29	First Corporate Finance & Performance Monitor	Finance/Janet Lornie PIT/Peter Lowe	**09/09/07**		CMT 19/09/2007		EBS 02/10/2007	EXEC 09/10/2007	Business Cycle
30	First Capital Monitor	Finance Tom Wilkinson	**09/09/07**		CMT 19/09/2007		EBS 02/10/2007	EXEC 09/10/2007	Business Cycle
31	Review and Strategy for the Commercial Portfolio*	Property Services Philip Callow/ David Baren	**12/08/07**		CMT 22/08/2007	Corporate EMAP 11/09/2007	EBS 2/10/2007	EXEC 9/10/2007	Requested by Report Author
32	IT Development Plan 2008/09*	IT&T Tracey Carter	**23/09/07**		CMT 03/10/2007		EBS 18/10/2007	EXEC 23/10/2007	Business Cycle
33	Mid-Term Monitor on Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Max Thomas	**05/01/08**			Audit & Governance Committee 15/01/2008			Business Cycle
34	Consultation & Shaping Session on the IAS Strategic Audit Plan	Audit & Risk Management Max Thomas	**05/01/08**			Audit & Governance Committee 15/01/2008			Business Cycle
35	Second Corporate Performance & Finance Monitor	Finance/Janet Lornie PIT/Peter Lowe	**30/12/07**		CMT 09/01/2008		EBS 22/01/2008	EXEC 29/01/2008	Business Cycle

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

36	Second Capital Monitor	Finance Tom Wilkinson	**30/12/07**		CMT 09/01/2008		EBS 22/01/2008	EXEC 29/01/2008	Business Cycle
37	Revenue Budget 2007/08 to 2009/10	Finance Peter Steed	**13/01/08**		CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
38	Capital Budget 2007/08 to 2009/10	Finance Tom Wilkinson	**13/01/08**		CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
39	Trrasury Management Policy 2007/08 to 2009/10	Finance Tom Wilkinson	**13/01/08**		CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
40	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
41	Bids for Funding from the Council's Venture Fund	Finance Tom Wilkinson	**09/03/08**		CMT 19/03/2008		EBS 01/04/2008	EXEC 08/04/2008	Business Cycle
42	The Annual Internal Audit Plan 08/09 & Outturn 09/10	Audit & Risk Management Max Thomas	**22/03/08**			Audit & Governance Committee 01/04/2008			Business Cycle
43	The Annual Outturn Report of OGG (Progress against annual work Plan)	Simon Wiles/ Liz Ackroyd	**22/03/08**			Audit & Governance Committee 01/04/2008			Business Cycle
44	Mid Point Follow Up Review of Implementation of IAS Audit Recommendations (July 2007-December 2007 Audits)	Audit & Risk Management Richard Smith	**22/03/08**			Audit & Governance Committee 01/04/2008			Business Cycle

Annex 2 **Reports for the Executive and Audit Governance Committee June 2007 - April 2008**

45	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee June 2008			Business Cycle
46	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
47	Mid Term Monitor on Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Max Thomas				Audit & Governance Committee September 2008			Business Cycle
48	First Corporate Finance & Performance Monitor	Finance/Janet Lornie PIT/Peter Lowe			CMT September 2007		EBS October 2007	EXEC October 2008	Business Cycle
49	First Capital Monitor	Finance Tom Wilkinson			CMT September 2007		EBS October 2007	EXEC October 2008	Business Cycle

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Meeting of Executive Member for Corporate Services and Advisory Panel **8 June 2007**

Report of the Director of Resources

Resources Directorate Year End Performance And Financial Outturn - 2006/07

Summary

1. This report combines performance and financial information for the Resources Directorate for 2006/07. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with capital, revenue and Treasury Management variances.

Background

2. Performance and financial information has now been reported twice for the Directorate during 2006/07. The last monitor report (December 12th 2006) showed considerable improvement in Directorate performance, and reported a projected £178k underspend (after providing £125k towards corporate budget savings). Overall progress has been good, and targeted improvements have been set in place to ensure that this trend continues.

EXECUTIVE SUMMARY

Director's Overview

3. It has clearly been a good year for Resources performance matters and improvements have been made in almost all performance indicators. Furthermore improved services have been achieved well within approved budgets and an underspend generated which can be returned corporately to be reallocated in future years.

4. I would particularly like to draw attention to key staff indicators such as sickness, and appraisals, both of which have shown considerable improvements.

5. There have been significant improvements in Revenue collection PI's (Performance Indicators) and in benefits, although we still need to make more improvements in this area to increase our PI's in comparison to others.

6. The IT team has maintained, and even improved upon, its already very high standards of customer service and satisfaction and Audit has achieved its workplan and improved its quality.

7. Property has had to contend with a huge capital expenditure and sales programme and has for the first time in recent years got the capital sales programme back on track. More work needs to be done to complete the outstanding capital repairs programme.

8. Overall it has been a very satisfactory year with significant progress being made on our key corporate projects. Easy@York Phase 1 is almost delivered, with a new customer contact centre and a number of services having been systematically reworked and improved.

9. The new office accommodation project is currently on track and significant work has been put into making progress with the FMS (Financial Management System) replacement project and Job Evaluation.

10. Over 90% of the affected staff have signed up for the council's Equal pay compensation scheme and this is well above the level that most other Councils have achieved, despite spending more money than York.

11. In 2007/8 Resources will face a huge number of challenges including taking the Easy project further, designing and planning new offices, the pre implementation stage of the new FMS system, implementing Job Evaluation and managing to improve core services such as revenues and benefits further, whilst at the same time finding further efficiency and other savings to support the Council's overall financial position.

12. It is appropriate that I make reference in this report covering the 2006/07 year to the untimely deaths of three valuable members of Resources staff. These have come as a great shock to the numerous friends, colleagues and family of the staff concerned and have of course impacted upon the work of the department. Colleagues are doing their best to cover the workload, but there is considerable grief for staff members who were widely known across the organisation and who contributed considerably to the success of the department and to the running of the Council.

Financial Overview

13. The table below summarises the outturn position for Resources. This shows net expenditure for the directorate was £3,053k compared to a budget of £4,922k a total underspend of £1,869k. This is a variance of 3.1% compared to the gross budget of £60,122k.

	Expenditure Budget	Income Budget	Net Budget	Provisional Outturn	Overspend/ Underspend	% Var
	£000	£000	£000	£000	£000	
Director	351	57	294	275	-19	-5.4
Public Services	37,591	34,664	2,927	2,563	-364	-1.0
Financial Services	2,441	2,308	133	-128	-261	-10.7
Audit & Risk Mgt	3,575	3,602	-27	43	70	1.9
IT&T	5,851	6,114	-263	-1,295	-1,032	-17.6
EASY Project	1,590	541	1,049	793	-256	-16.1
Property Services	8,723	7,914	809	802	-7	-0.1
Resources Total	**60,122**	**55,200**	**4,922**	**3,053**	**-1,869**	**-3.1**

14. The headline underspend of £1,869k is significant however the majority of the underspend is due to project slippage in IT&T and Financial Services (See paragraph 16 below). The key headline variances by service plan area are

a) Public Services - An underspend of £364k due to a reduced level of Housing Benefits local authority error overpayments resulting in additional grant, increased level of housing benefits overpayments being recovered in year, improvement in the Council Tax benefit position and a reduction in the provision required for bad debt. (See paragraph 48 for further detail)

b) Financial Services - An underspend of £261k is due to slippage in the resourcing of the replacement FMS project which is now anticipated to be introduced in 2008/09 (£-153k). This is the subject of a carry forward bid. There have also been savings on staffing across the service within the year. (See paragraph 86 for further detail)

c) Audit & Risk Management – The service area shows a year end overspend of £70k however this is due to the legacy of requiring additional unachievable procurement savings that totalled £58k at year end (an improvement on that anticipated at Monitor 2). The overall Resources underspend has also meant a budgeted venture fund loan to support procurement staffing (£+50k) was not necessary. This reported overspend has been offset by savings totalling £39k elsewhere across the service area. (See paragraph 78 for further detail)

d) IT&T – The underspend of £1,032k relates to a number of large projects slipping to 2007/08 the two main systems being Social Care system (£-314k) and replacement FMS (£-193k). There were further underspends totalling £299k arising on other IT project slippage/ underspends relating to 60 other projects. (See paragraph 64 onward for further detail)

e) Easy Project - A £256k underspend arising from slippage on the Easy@york project. This is the subject of a carry forward bid. (See paragraph 72 for further detail)

f) Property Services – The trading account shows a small year end surplus of £7k this has been made from additional income earned from the Capital Programme (£-28k), commercial rents (£-37k) and following the sale of the

bonding warehouse a provision for backdated rent has not been required (£-92k). This has been offset by additional costs of £194k on fees and premises costs of maintaining assets prior to sale. (See paragraph 56 for further detail)

15. Details of all reportable revenue variances are shown in Annex 2.

16. The underspend of £1,869k is overstated due to a number of projects and initiatives resourced for 2006/07 that have either slipped or been deferred. If these are to be completed the funding will need to be carried forward into 2007/08. Paragraph 90 details carry forward requests of £564k primarily relating to the Easy@York project (£256k) and the replacement FMS project (£153k)

17. The directorate has a number of venture fund loans outstanding relating to SX3, Procurement and work undertaken to improve Hospital Fields Road workshops. The balance of the loans at year end total £589k of which budget is available in future years to repay. Given the overall directorate underspend it is possible to repay these loans boosting CYC overall reserves and providing spare budget for future savings within the directorate budget. Further detail is provided in paragraph 91.

18. Following the changes in paragraph 16 the following table shows the summary of the directorate financial position

	£'000
Gross Underspend	1,869
Requested Carry Forwards	-564
Repayment of Venture Loans	-589
Net underspend available to increase council revenue balances	716

Analysis

19. The analysis of performance and achievement for 2006/ 07 is broken down to cover the five elements of Resources and includes performance headlines, headline detail and relevant financial information.

Customer First and Corporate indicators

Staffing indicators

Appraisals:

20. Of the 350 appraisals that should have been carried out for all staff within Resources, 323 have been completed, representing 92% of all appraisals. This is a significant improvement of +17.5% on the 2005/06 figure of 74.48% completed although the outturn is below the target of 100%.

21. There are varying factors as to why the target has not been met, but it is chiefly due to staff on long term sick leave and officers moving to other service areas, thereby altering the beginning of year staff establishment figures. For these reasons, it would not have been possible to meet the 100% target, but figures are nevertheless shown by division in Annex 4.

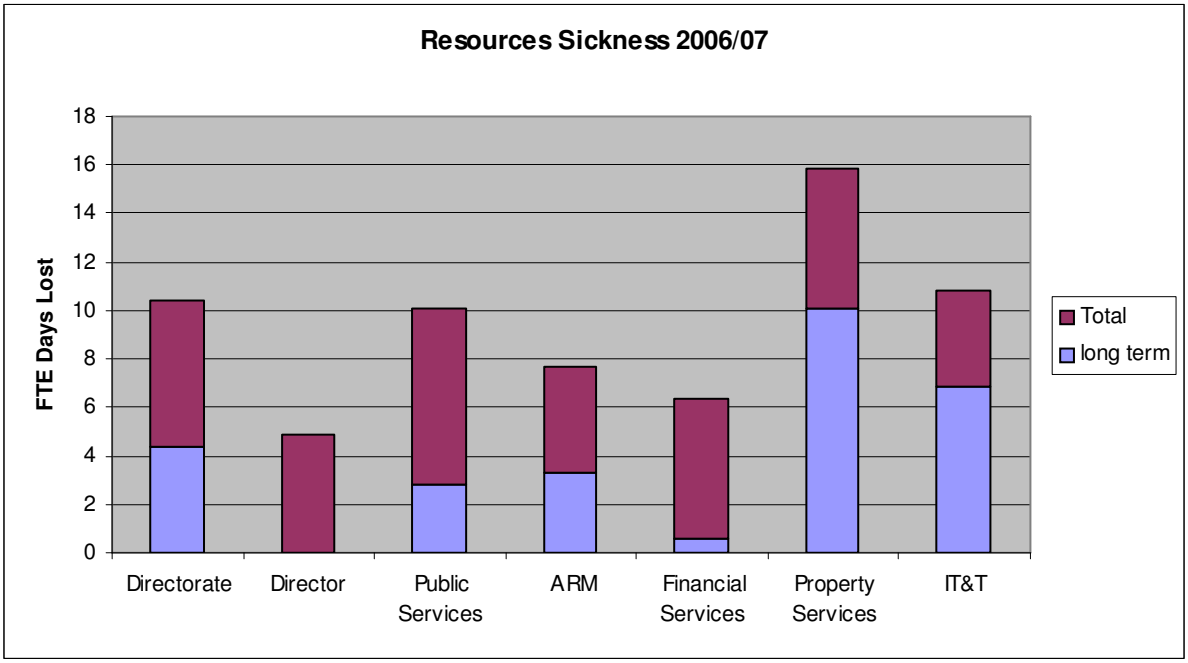
Staff sickness

22. Sickness is measured across the Council through BVPI 12: The number of working days/ shifts lost to sickness absence.

23. The sickness absence figure for the Directorate as a whole for 2005/ 06 was 9.46 days lost overall, with the proportion of long term sickness at 2.21 days. During 2006/07 the time lost to sickness increased to 10.38 days, but this was swelled by a far higher number of days lost to long term sickness at 4.41 days per FTE. The corporate target for this year was 11.5 days lost per FTE, and this has been achieved

24. Overall, the direction of travel for reducing sickness absence is positive, with 5.97 days lost to short term sickness over the last year as opposed to 7.25 days short term sickness per FTE in 2005/06.

25. The graph showing the number of FTE days lost illustrates how heavily influenced each division has been by long term sickness issues:



26. A huge amount of work has been invested in collating, and checking these figures, as there have been issues with the database mainly relating to changes in staffing structures and part time workers There is ongoing work both within Resources and corporately to ensure that the management information relating to staff non working time is accurate and useful to help plan service delivery and monitor trends.

Customer First -

Telephone calls

27. 835,422 external calls were made to Resources during 2006/07. Of this figure 606,409 were answered, 88.63% (537,496) of which were answered within 20 seconds.

28. There are clear disparities among the number of calls received across divisions, purely because of the different types of service offered, some of which are not customer facing.

29. The Customer Contact Centre statistics are included within Public Services figures

30. The overall totals per division are:

Division	Answered calls	Answered within 0-20 seconds	% within 0-20 seconds
Director	1,570	1,533	94.11%
Audit and Risk Management	5,590	5,554	98.87%
IT&T	20,808	20,160	96.88%
Property Services	27,362	26,343	93.63%
Public Services	519,824	452,974	87.13%
Finance	31,255	30,932	98.44%
Resources Total	**606,409**	**537,496**	**88.63%**

* Switchboard figures are now reported as part of York Customer Centre under Public Services

Stage 1 and 2 complaints, visitors seen and letters answered:

31. The measures and targets for letters and complaints responded to and visitors seen are as follows:

    a) The percentage of Stage 2 complaints responded to and the problem solved within 10 working days (Target 95%)

    b) The percentage of Stage 3 complaints responded to and the problem solved within 10 working days (Target 95%)

    c) The percentage of letters responded to within 10 working days (Target: 95%

d) The percentage of visitors seen by an officer within 10 minutes (Target: 100%)

32. The Directorate had 48,786 visitors during 2006/07, 99.12% of were seen on time. This is a marginal drop from 2005/06 of 0.27% however this is an extremely high level of customer service, especially when considering the volume of customers.

33. Of these visitors, a further 1,776 needed to see another member of staff, and 100% of this figure were dealt with within 10 minutes. Although the number requiring referral fell slightly from 1,884 in 2005/06, 99.79% were seen within target last year, and a 100% record for 2006/07 is a great achievement.

34. Resources received 14 Stage 2 complaints and three Stage 3 complaints, all of which were responded to on time, maintaining the 100% record from 2005/06.

35. Letters responded to in 10 working days fell only fractionally short of the 95% corporate standard. 16,150 letters were received, and 15,319 (94.85%) were responded to within timescale. The numbers dealt with, however were a marked increase from 2005/06 when the Directorate received 10,586 letters, and replied to 86.58% on time. The reflects an extra 5,564 items handled by staff, so to increase the percentage dealt with by 8.27% is a significant accomplishment.

36. All these results show high or above target performance, and reflect the high level of customer service offered by the Directorate.

Public Services

Performance headlines

37. All the key revenues and benefits performance indicators show a much improved position on the 2005/06 actuals with most outturn figures close to, or exceeding, targets.

BVPI Ref	Description	Actual 2005/06	Target 2006/07	Outturn 2006/07
009	Council Tax collected	96.1%	97.1%	96.8%
010	Business Rates collected	97.0%	98.4%	98.2%
78a	New claims processing (average days)	40 days	34 days	35 days
78b	Changes of circumstances (average days)	28 days	19 days	15 days
79a	Accuracy of processing (sampled)	97.0%	98.35%	97.8%
79bi	HB overpayments recovered (in year)	36.29%	40.0%	70.33%
79bii	HB overpayments recovered (in year and arrears)	17.23%	25%	22.89%

38. Within the Benefits Service, the year on year improvements continue with new claims now being completed within an average of 35 days, improving from 40 days in 2005/06, and the average time taken to process changes of circumstances almost halving from 28 days down to 15 days. Whilst processing has become a lot quicker, accuracy has also improved. This has been achieved despite an increasing workload and no increase in the number of staff and has delivered significant improvements to our customers.

39. A lot of management time and effort has been devoted to analyse and improve our performance relating to benefit overpayments – both in the administration and recovery of these, and whilst this work is ongoing the positive financial impact is demonstrated by increases in the amount of overpayments collected in year from 36% to 70% in 2006/07. Also in the Monitor 2 report we forecast that the level of local authority error benefit overpayments would exceed a lower threshold resulting in a loss of government subsidy. At outturn the indications are that we will now not exceed this threshold which means we receive 100% subsidy on all these overpayments. The full financial impact will not be certain until some additional software fixes are applied and the Audit Commission complete their testing over the summer.

40. The Benefits Service also undertook a customer satisfaction survey as part of the triennial BVPI 80 requirements. The overall satisfaction rating dropped to 64% from 71% in 2003/04. Though this result is disappointing it does reflect national trends in a decline in overall Council satisfaction levels to 51%. When the service receives a detailed analysis of the results an action plan will be drawn up to address, where legislation and resources permit, the issues that our customers have raised.

41. The services provided by the York Customer Centre (YCC) continued to expand with the implementation of the council tax front-line telephone and email services in time for the issue of the annual bills.

42. For the period July 2006 to March 2007 YCC handled 104,276 calls and answered 88.2% of these within 20 seconds.

43. As part of the ongoing improvements in handling customer queries and calls, staff are coached and developed, customer feedback is encouraged and new technology went live in February 2007 with the corporate website re-launch and the use of Customer Relationship Management.

44. Within Council Tax and Business Rates the year on year improvements in recovery rates continues to be achieved. The improvements in Council Tax collection alone resulted in the Council being able to utilise £850,000 from the collection fund surplus to reduce Council Tax bills in 2007/08, with a further small surplus being available for 2008/09.

Performance indicators

45. The table in paragraph 37 highlights seven performance indicators for Public Services, whilst a full list is contained within Annex 3. Many indicators met, or

came close to meeting target. The direction of travel shows an overall improvement from last years performance in eight out of ten measures where the direction of travel can be analysed .

46. BVPI 80 – Benefits satisfaction survey is a triennial indicator.

47. In addition, BVPI 4 – percentage of customers satisfied with the handling of their complaint - was the responsibility of the Chief Executive's Directorate, but now comes under the remit of Resources following a restructure. Chief Executive's will provide the 2006/07 actual data, and Resources will provide future target figures for this 3 yearly satisfaction survey based upon that information.

Projects

Work In progress		**Update on activities**
a	York Customer Centre – transfer of responsibility from easy@york programme	Ongoing transition of operational and service responsibility to Public Services to allow easy programme to concentrate on future development activity.
b	York Customer Centre	Phase 1c (Part 2) of Council Tax in progress where all processes will be handled via CRM. Staff to spend time in back office areas to improve understanding of the end-to-end process and thereby improve service quality. Weekly meetings with service teams to ensure skills and knowledge transfer. Staff working to NVQ Level 3 in Customer Services with accreditations due August 2007.
c	Revenues Service Improvement Work as part of easy@york programme	Currently working on defining the business rules for automation as part of Revenues final solution implementation due in June 2007. Tasks for individual processes to be assigned that will ensure consistency and quality of back office processing.
d	Telephone Direct Debit sign-up	Implementation has been delayed. Subject to training this will go-live in May within the Back Office and in June for the YCC.
e	Benefits Service Improvement Work as part of easy@york programme	Work has commenced on scoping the benefits part of the programme.
f	Benefits Overpayments, subsidy and recovery	Cross-cutting project team looking at all areas of benefits overpayments due to report to Director in June 2007. Training issues need to be resolved over the year, subject to resources.

g	Benefit Take-Up	LPSA target needs to be met by March 2008. Further campaign work to take place over the year. Project work planned with young persons groups as part of delivery of corporate priority.
h	Implementation of Registration On Line (RON) in the Registry Office	Go live date was 26 March 2007 but some technical issues beyond the Council's control have delayed full implementation. Phase 2 due October 2007 for marriage registration.
i	Register Office Fees	Review fee structure for implementation in April 2008
j	Corporate Efficiency Programme	Member of Public Services Management Team to work with City Strategy as representative for implementing Environmental Management System as part of Corporate Efficiency Programme.
k	Attendance Management Information	Project started to improve information provision to allow effective monitoring and improve attendance.
l	Web development	Further customer consultation in May 2007 on accessibility testing.
m	Customer Priority	Seconded post to be appointed with responsibility for reviewing complaints handling, feedback and Customer First standards.
n	Benefits Service Structure Review	Service Managers are conducting a review into the structure and organisation of the service to consider how the teams work and how best to organise the staff to meet the demands of the service and achieve top quartile BVPIs.
o	Business Rates Management Review	Preliminary discussions underway to consider possible options for shared or managed service provision.
p	Risk Management	To update risk register to add risks and controls for Council Tax collection and operation of YCC. Review existing red risks on project management and application access.

Financial information

48. An underspend of £364k is provisionally reported within Public Services. One of the reasons for the improvement since the second monitor relates to a significant amount of work that has been done to minimise benefit overpayments categorised as local authority error. As a result of this work the service exceeded the government threshold and therefore did not receive the anticipated financial penalty from the Department for Work and Pensions, although this remains subject to close scrutiny from the Audit Commission.

Major improvements have also been made in the recovery on benefit overpayments both within the service and supported by Financial Services.

Property Services

Performance Headlines

49. The workload in Property Services continues to grow and the scale and complexity of the projects being managed are a significant challenge to the department.

50. In 2006/07 the department generated £19m capital receipts and is currently involved in a range of projects with an aggregate value of approximately £100m.

51. Property Services have managed to respond to this peak in workload by using their framework partner consultants and by procuring partnering teams for the larger capital projects. The department is in the process of procuring framework partners to assist with Asset and Property Management activities too.

52. The major capital schemes completed in 2006/7 include Canon Lee School extensions (£0.8m), the Huntington School extensions costing £4.5m (completed April 13th 2007) and the Eco Depot (approximately £8m). Capital receipts included the Barbican, Northfield School and Shipton Street School.

53. Sustainability in Design, and Energy and Water Management are high profile activities being driven by the department within the Council's Environmental Management System (EMS); A new Technology Forge property Database has gone live and the council has approved a new Capital Strategy and Corporate Asset Management Plan to provide a framework for property and investment best practice within the council.

Performance indicators

54. There are currently five local performance indicators within this service area, and four additional measures which are included within the Council Plan. The key Council Plan indicators appear below, and the remaining indicators appear in Annex 3. Even though one target was missed fractionally, and another does not have targets set, every indicator outturn has improved since the 2005/06.

Description	06/07 Target	06/07 Actual
BVPI 156 – DDA accessibility % of public buildings accessible	80%	83%
COLI 51 - % of target capital receipts received in the year	100%	106%
COLI 52 - % of council floor space vacant for more than 12 months	1.25%	0.15%
COLI 67 - % of local authority buildings in	10%	11%

need or urgent repair		
COLI 68 – Value of outstanding/ urgent repairs to Council buildings	Not set	£12,773,833

55. Despite the council's relatively low investment in maintaining its buildings the percentage of buildings needing urgent repairs has fallen slightly from 13.3% in 2005/06 to 11.0% in 2006/07 and the value of outstanding urgent and essential repairs has reduced by approximately £2 million to £12,773,833. This has been achieved by targeting resources at urgent work and by the disposal of buildings with high maintenance needs as part of the council's corporate approach to asset management planning. However, unless greater investment is made in our existing building stock the backlog on remaining properties will continue to rise.

Projects

Work In progress		**Update on activities**
a	York High School (Oaklands development) including school refurbishment, extensions and new swimming pool (£18m)	Design Partnership in progress, to be on site in September 2007
b	Fulford School – further classroom extensions (£1.6m)	Feasibility and bid stage successful; design stage to start soon
c	Acomb Library Learning Centre – extensions and refurbishment (£800k)	To be completed in 2007/8
d	Tang Hall Library Learning Centre – extension and refurbishment (£1m)	Supporting feasibility and bid stage.
e	Joseph Rowntree School replacement under the Pfs (Partnership for schools) initiative as a pathfinder (£25m)	Providing support to LCCS and a presence on the Project Board
f	Peasholme Centre – replacement facility at Fishergate (£1.8m)	Completion in February 2008
g	Programme of repairs, DDA and improvements for 2007/8	Planning and design stage
h	Business Management developments	Project bulletins being developed to give live project status; New project database being developed for fees, time and project costs; New fee cost reports being developed for all managers
i	Reviewing and re-letting of framework contracts for the provision of design services	Schedule of options being discussed and prepared before taking advice from Legal Services, Audit and Procurement.

j	Letting framework contracts for the provision of asset and property management services	Tenders currently being evaluated; implementation expected in July 2007
k	The Council's Maintenance Backlog	Work ongoing to establish an effective council strategy for the management and reduction of the maintenance backlog. Through CAPMOG (Capital Monitoring Group) and CAMG (Corporate Asset Management Group). The council's performance in this regard will contribute to its CPA rating under Use of Resources.
l	Asbestos Management	Continued programme of awareness training for building/site managers. Annual inspection of known asbestos, and removal where necessary.
m	Yearsley Pool – Maintenance programme	Programme agreed with Leisure Services and to be implemented during 2007/8
n	Further development of departmental Business Continuity Plan (BCP).	Draft being prepared. The next stage is to ensure completeness and consistencies within the directorate's plans and then link them back into the Corporate BCP in support of the 2004 Civil Act requirements
o	Development Planning Team	Major sites - Lowfields, Manor and Yearsley Bridge
p	Area Asset Management Planning	Tang Hall pilot scheme reaching conclusion and roll out to other areas in 2007/8, including New Earswick
q	Commercial Portfolio	Review nearing completion
r	Technology Forge Database	Developing further modules and supporting processes
s	A programme of capital receipts	Including the sale of Bonding Warehouse.

Financial information

56. An underspend of £7k is provisionally reported within Property Services (compared to a projected overspend of £88k at Monitor 2). The major variances relate to unrecoverable fees and costs due to a review of the allowable costs within the capital receipts protocol (+£194k), overspends on external consultants (+£96k). These have been offset by under-spends on the feasibility work and asbestos surveys (-£106k), additional income from Service Level Agreement and the capital programme (-£101k) and the disposal of the Bonding Warehouse, were we have recovered our bad debt provision (-£92k).

57. The Asset and Property Management trading account is based on an assumed level of fees for undertaking work selling assets and ensuring maximum value of capital receipts is gained. Historically this work is chargeable to the capital receipts however a change in the accounting statement of recommended practice issued in 2006/07 states this is no longer allowable and the costs must be charged to revenue. Property Services incurred £135k costs that historically would have been charged to capital

receipts. In order to properly represent the trading account an equivalent income has been provided to Asset and Property Management from revenue reserves. Members are asked to recommend to Executive to agree to this accounting approach.

IT&T

Performance headlines

58. The department continues to provide a secure, robust, scalable and highly available ITT infrastructure including corporate and departmental systems. It has exceeded most existing agreed service level targets for 2006/07 and has raised certain targets for 2007/08 and beyond.

59. The department received approx 25,000 requests for service during 2006/07 and the satisfaction with the resolution of calls has increased by 2% since last year to 96.3%. Overall, the satisfaction with ITT has risen by nearly 3% to 92.1%. This result places the department at the top end of the upper quartile for unitary authorities as per the Socitm bench marking for 2005/06.

60. The department successfully delivered a number of high profile and high-risk infrastructure projects supported by the introduction of governance controls that underpin current and future Council wide Service Delivery. These included:

a) Successfully upgraded the corporate virtual servers to a version that enables the department to provide a reduced recovery time in the event of individual System failures, in some cases with no disruption to the customer base

b) Successfully managed the high-risk migration project that moved the corporate Citrix Server farm on to the current supported version with minimal disruption to the customer base

c) Implemented a more cost effective replacement remote access security solution (Entrust cards). This offers the same level of security, additional flexibility that allows support teams to provide a better level of service and contributed to the departmental savings target

61. The department's support and business development resources have been heavily involved with the Easy@york business transformational activities throughout the year. They were instrumental with the phased go live programme that include the successful opening and on the going support arrangements for the new Contact Centre within Stonegate.

62. In parallel with the Easy@york programme, the department has worked on a total of 60 development projects during the year including the replacement of FMS and ISIS systems. 42 projects came from the annual ITT Development Plan process and 18 were introduced during the year to meet new business or legislative priorities. The department has successfully completed 75% of the

development projects that were planned for delivery during 2006/07,leaving 15 that are currently work in progress, of these;

a) 5 are due to insufficient resource availability from the business departments

b) 4 are behind schedule because of procurement issues

c) 3 have not progressed because the requirements changed within the business or are being re-assessed

d) 1 project where the proposed solution proved unsuitable for the requirement

e) 2 are running late because of technical issues.

Performance indicators

63. Although IT&T have a single Council Plan indicator, they have developed a robust suite of local indicators to map service performance. Some of the key ones are listed below and highlight the high levels of service achieved by the team.

Description	06/07 Target	06/07 Actual
Number of high priority calls resolved within the SLA of 0-6 hours.	90%	89.36%
Number of med priority calls resolved within the SLA of 3 working days	80%	92.86%
Number of std priority calls resolved within the SLA of 5 working days	80%	98.72%
COLI 71 – % of time that the Council's ITT systems and corporate network infrastructure is available during the core business hours Mon/Fri 8am-6pm	99.20%	99.98%
% of time that the Telephony services is available during the core business hours Mon/Fri 8am-6pm	98%	99.71%

Projects

Work In progress		Update on activities
a	ISIS – replacement of the Social Care System	Phased System replacement implementation plan in place with an end of June 2007 go live date scheduled for phase 1.
b	FMS – replacement of the Corporate Financial Management System	The first stages of the procurement process are in progress with an expectation of the contract being awarded during Autumn 07.

c	Corporate ITT Governance.	Further developing change control procedures through process mapping and subsequent workflow regimes. These will be incorporated into the next release of the departments Customer Support Service Desk system. Reviewing the Electronic Communications Policy (ECP) to ensure continued comprehensive guidance is available to elected members and all staff.
d	Further development of departmental Business Continuity Plan (BCP).	Draft departmental profile and ITT team recovery plans in place. Further development of the team recovery plans is in progress to ensure completeness and consistency. The departmental profile will be linked back to the Corporate BCP group as part of the Council wide response to the 2004 Civil Act.
e	Implement robust contracts with suppliers that comply with national and international legislation, the council's policy and financial regulations in protection of the council's interests.	Working with Central Procurement colleagues to develop and implement a council wide proactive contracts management database. The benefits will include protection for the Council against possible breaches along with identifying common purchases that may result in more cost effective council wide procurement.
f	Provide on going support for the delivery of the Easy@York transformational programme.	The department is heavily involved in a number of activities to support and help sustain the successful implementation of the current and future phases of the agreed programme.
g	Expansion of the network managed service contract to incorporate Broadband for Schools and Libraries and City Strategy connectivity requirements.	Reviewing the scope and requirements prior to the renegotiation of the existing voice and data network managed service contract to incorporate Broadband for Schools and Libraries and City Strategy requirements during 2007/08. The new and expanded contract is scheduled to commence summer 2008.

Financial information

64. There is a year end underspend of £1,032k in the Information Technology and Telecommunications service plan area for 2006/07, that equates to 17.6% of the gross expenditure budget.

65. £905k of the underspend relates to ITT Development projects including £632k due to delays on two major projects, the FMS Replacement project (£318k) and the Social Care System Replacement Programme (£314k).

66. **FMS** – delays have been experienced due to difficulties in recruiting and retaining a project management resource within the business, the investigation of the possible extension of the project to include full Enterprise

Resource Planning (ERP) and the non availability of necessary finance staff due to financial year end commitments. A Project Manager has now been appointed and business requirements definition has been completed. The revised procurement timetable anticipates contract agreement October to November 2007 with implementation mid 2008.

67. **ISIS** - The ISIS replacement project involved a complex programme of work to address a number of emerging legislative requirements which resulted in difficulties in defining a specification for a new system. Children's Services move from Community Services to LCCS questioned whether to continue with an integrated system solution or to allow Children's Services to develop a separate Children's system to meet their own specific legislative requirements. These complexities resulted in CYC adopting a negotiated procurement route to agreeing a specification in consultation with suppliers. Best And Final Offer (BAFO) evaluation took place between Feb and March 2006. Before Contract negotiations could begin with the preferred supplier, agreement was needed from Executive to approve a) a decision not to accept the lowest offer and b) agreement to allow Children's Services not to proceed with the single, integrated solution. Executive approval was received May 2006 and the contract agreed September 2006.The consequence of the above sequence of events meant that the planned implementation timetable was delayed by 6 months.

68. Other delayed projects totalling £224k including;

a) £32k - 2 projects were delayed due to the implication of Children's Services restructure.

b) £22k – reduced requests for project management training.

c) £46k – a number of projects could not be resourced due to the bottleneck of requests and clashes with the Easy@york programme and where departmental resources were redirected to other priority work.

69. Additional under spends result from;

a) £22k - projects delivered under the forecasted budget.

b) £27k - projects that were cancelled due to change of business requirements.

70. A further £252k under spend was realised due to;

a) £34k - cost reductions due the successful implementation and rollout of a combined Voice and Data telephony system.

b) £68k - due to maternity leave, some staff working temporary reduced hours and non take up of superannuation benefits.

c) £24k – additional income generation from partner organisations and work undertaken outside the recharge model.

d) £47k – in year reduction achieved from continual market place review of 3rd party support arrangements.

e) £40k - from Business Support services including £14k staff advertising budget saving as no external recruitment necessary in year.

71. Further breakdown of all under spends is available in Annex 2.

72. The EASY project has made excellent progress throughout 2006/07, however some slippage (£256k) has occurred due to changes to the timetable, primarily for implementation of revenues and benefits. This has resulted in an underspend on capital and revenue payments to LCMG, the principal contractor. However, because this is an ongoing contract, we are committed to spending the remainder in 2007/08.

Audit and Risk Management

Performance headlines

73. A great deal has been achieved in 2006/07 to consolidate service improvements and progress the development of the governance and assurance agenda overall at the Council. The Division is proud to provide high quality, low cost, customer oriented services which serve to uphold and protect the corporate needs and interests of the Council. Particular performance high-lights this year have included:

a) the development and implementation of fully comprehensive Financial Regulations and Procurement Rules (judged to be 'excellent' by the District Auditor for CPA purposes) as part of the significant management support and advice given to the overall review of the Constitution;

b) establishing and supporting the work of the new Audit & Governance Committee. The Committee's inception represents a significant step forward in improving the robustness of overall decision making and accountability arrangements at the Council;

c) the development of a Corporate Contracts Portfolio, a series of major corporate framework agreements and a 5 year Strategic Procurement Programme covering strategic commissioning across the organisation;

d) 92.5% of the annual internal audit plan achieved in 06/07 compared to target of 90% and 05/06 outturn of 91.3%. This is a major achievement and will stand us in good stead in the forthcoming service review by the Audit Commission.

e) the development and extension of services provided by the Division, including new Financial Investigations function and VFM work programme and designated officer champion roles for Information Governance and Data Quality;

f) 90% of the 2006/07 Officer Governance Group work plan achieved in 2006/07;

g) a significant managed reduction in the Division's sickness absence levels from 10.27 days per FTE in 2005/06 compared to 7.79 days per FTE in 2006/07. This compares well to the overall average for Resources of 10.45 days and the Council target of 11 days. This is all the more notable given that 3.61 days (46% of all sickness absence in the Division) related to the long term sickness absence of one individual during 2006/07. The Division also has one of the best 'full attendance' records within the Directorate with 45% of all staff in the Division taking no sick leave whatsoever during 2006/07;

h) significant improvements in the UOR CPA score in 2006 for those criteria relating to the work of the Division from a low 2 when the first CPA UOR exercise was completed, to a high 3 overall in 2006 with a significant incidence of low to mid 4s for many of the individual criterion concerned. This reflects the rapid and sustained improvement in the Division's services following the original creation of the Division in 2003/04.

74. In addition, work is nearing completion to:

a) finalise the new Corporate Procurement Strategy and associated 3 year medium term action plan (2007-2010) along with a fully comprehensive Procurement Guidance Manual for Practitioners to be reported to Members in June 2007.

b) prepare a comprehensive Information Governance Strategy;

c) roll-out the use of the new Supplier Contract Management System during 2007/08 across the organisation and with the business community.

Performance indicators

75. The Division is responsible for three Best Value Performance indicators relating to Housing and Council Tax Benefit fraud investigation services. Our outturn performance is explained as follows:

- BVPI 76b - The average caseload per officer increased due to a 2.9% increase in referrals without any corresponding increase in investigation resources over the same period. This meant that we achieved 0.50 Housing Benefits Investigators per 1000 caseload, instead of the target set of 0.51.

- BVPI 76c - Despite increasing caseload pressures, the productivity of the team improved by 2.9% over and above target with the number of investigations achieved per 1000 caseload out-turning at 44.59 compared to a target of 44.0.

- BVPI 76d – Increased productivity by the team was frustrated at prosecution stage by serious backlogs at the DWP. This resulted in the team achieving 4.22 prosecutions and sanctions per 1000 caseload

compared to their target of 4.9. The numbers of sanctions remained consistent with 2005/06 performance.

76. The Division also monitors a number of other key (non-BV) PIs for performance management and reporting purposes, principally:

- ARM 1 **% of Audit Plan complete** – the annual target of 90% was well exceeded in 2006/07 with 92.5% of the plan achieved in year compared to 91.3% in 2005/06;
- ARM 2 **cumulative procurement savings** achieved across the Council –cumulative savings made with the assistance of the CPT to date total £890k across the organisation, of which £345k were taken against the corporate savings target;
- ARM 3 **insurance claims repudiation rate** – our repudiation rate for 06/07 remained very high at 81% well exceeding the national average of 65%.

77. A comprehensive suite of all relevant performance measures for the Division is now being developed to report more fully on service activities and achievements in the future. This suite of indicators will replace those currently included in the Directorate's existing Performance Management Framework for ARM.

Projects

Work In progress		**Update on activities**
a	Development of the Supplier Contract Management System	Work is progressing on the population of the system and associated staff training across Directorates. More work is required in respect of the supplier management module before the system is officially launched with the business community.
b	Corporate Procurement Strategy	The CPS will be reported to EMAP and thereafter to the Executive in June 2007.
c	Procurement Guidance Manual for Practitioners	This will be reported to EMAP and thereafter to the Executive in June 2007.
d	Competition policy, strategy and procedural handbook	The policy and strategy will be referenced to the CPS. Work on the handbook is awaiting further work on Thin Client arrangements at the Council and it is anticipated that this will follow to report to Members in the autumn
e	Development of a 3 year medium business plan for the Division	Work on this has been on-going and will be reported to EMAP this summer
f	Development of 2007/08 Risk Management training plan for all members and staff	Work is now hand to prepare the annual training plan for 2007/08

g	Deliver all work and actions designated to the AD (ARM) in respect of the Corporate Efficiency Programme, the CPA UOR Action Plan and the new 3 year action plan for Procurement 2007-2010 (which accompanies the new CPS as above)	This covers a multitude of different tasks and change programmes and the associated work is in various stages of completion. Information about progress against any of the detailed tasks scheduled in the OEP and CPA action plan will be reported corporately during 2007/08. Progress against the 3 year CPS action plan will be reported separately to EMAP following formal approval of the CPS in June 2007
h	Review the function, performance and efficiency of procurement functions across the organisation and examine how they can be made more efficient and effective when we move to a one-site operation after 2010	The review has been commissioned further to the EMAP decision for this to be done and reported by autumn 2007 (December 2006). Work is now on-going to agree the scoping document prior to the necessary fieldwork beginning in June 2007.
i	CPA UOR 2007 assessment	Work is now in hand pre-paring the self assessment for 2007 review purposes by the Audit Commission due to begin in June 2007.
j	Directorate Training Programme	Initial RMT consultation and budget review work has been completed. Final scheme proposals to be approved by RMT during summer 2007.
k	Review of the Council's Professional finance trainee scheme	Initial work and consultation has been completed. Final proposals to be drafted for consideration and approval during summer 2007.
l	Information Governance Strategy	Work is to review the scope and requirements for this at CYC is progressing well and will be reported during summer 2007 (the strategy will cover all FOI, data protection, information security, data quality, records management, standards, compliance, and related policy matters)

Financial overview

78. The Division out-turned at a net overspend of £70k compared to the forecast overspend of £96k at Monitor 2. The overspend position for ARM is due chiefly to the legacy problems experienced in relation to the procurement savings income budget, as reported to Members previously. The improvement from Monitor 2 was due in part to further concerted efforts being made in year to achieve additional savings against the corporate procurement savings budget, reducing the anticipated overspend on that from £87k to £58k in the last quarter of 2006/07. The overspend also reflects the decision not to draw down further Venture Funding advances to support the costs of the Corporate Procurement Team in 2006/07. This left the Divisional budget effectively under-funded by £50k in 2006/07 but has allowed the Assistant Director to

implement fundamental changes to the way in which the corporate savings target for procurement operates from 2007/08 onwards and re-structure the Division's budgets in 2007/08.

79. Other 'overspends' arose due to:

- a lower YPO dividend return being made by the YPO following significant trading losses in 2006, reported to Member authorities in February 2007, and;
- the interest payable on the Venture Fund loans made in prior years to support the staffing costs of the CPT for which the Division has no budget;
- a significant increase in one-off grant claim certification work carried out by the Audit Commission across all Directorates resulting in additional unplanned costs of £22k in 2006/07.

80. Compensating 'underspends' and over-achievement of income elsewhere in the Divisions budgets included:

- staffing related under-spends of £30k due to in-year vacancies;
- additional income earned through the innovative commissioning and use of procurement consultancy support services and necessary charges levied for significant fraud investigation work falling outside the scope of the SLA;
- recharged trainee costs for seconded staff.

Financial Services

Performance headlines

81. 2006/07 has been a successful year for Financial Services. Alongside high profile successes such as budget management, the campaign against capping and equal pay the service has continued to develop and in relation to many of its core functions is looking forward to significant improvements driven by the forthcoming replacement of the council's financial systems.

82. Since the second Monitor much of the services' efforts have focussed on the need to for the authority to agree a balanced budget for 2007/08 to 2009/10. This was achieved at Full Council on the 21st February 2007. The amount of work involved in this process should not be underestimated: not only does the service had to develop core proposals for submission to EMAP but it also has to work with the political groups (in this instance Labour and the Greens) to ensure that budget amendments are properly constructed and financially sound.

83. Alongside this the service has also had to keep up its input into a number of business critical projects. The service is leading the replacement of the council's financial systems, is a key participant in the job evaluation / equal pay process, has a significant role to play in the on-going review of transport provision, and has supported the successful development of the Local Area Agreement. Balancing such work, much of which requires significant input at

a senior level, alongside the on-going roles and responsibilities of the service remains a major challenge.

84. Members should note that the service is also responsible for the council's treasury management function, the performance for which is reported elsewhere in this report.

Performance Indicators

85. The service is responsible for one BVPI, the percentage of invoices paid by the council within 30 days of receipt. While the target figure of 95% has not quite been achieved performance has improved from 93.08% in 2005/06 to 93.29% in 2006/07. To put this in context this means that of the 77,104 relevant invoices processed by the council during the last financial year only 5,171 were not paid within 30 days of their receipt, and in many instances this failure was only by a small number of days.

Projects

Work In progress		**Update on activities**
a	Statement of Accounts	National changes have significantly altered the way in which the council's statement of accounts must be produced. Over recent months work has been underway to make the changes required to adapt to these changes and this will continue until the accounts are presented to members in June.
b	Job Evaluation / Equal Pay	Managing the development of affordable solutions has taken a major staffing input at a senior level. Work is ongoing to resolve both of these workstreams.
c	FMS Project	With the appointment of a new Project Manager the replacement process has started to gain some momentum and has now begun to enter the formal procurement process. It is anticipated that the replacement system will go live in the summer of 2008.
d	Transport Review	The service successfully bid to the Regional Assembly and Centre of Excellence to fund a collaborative study with local health providers and the East Riding of Yorkshire Council aimed at significantly reducing the impact that the council and NHS have on York's traffic. External consultants, Kendrick Ash, are currently undertaking the second phase of this review.
e	Oversight of major projects for final accounts	The service is currently undertaking a number of reviews to ensure that key projects such as the Eco Depot and the new Fleet Management arrangements are properly accounted for in the 2006/07 statement of accounts.
f	Income Collection	The service is managing key aspects of the review of income collection policy and procedures across the council.

Financial information

86. Financial Services has underspent by £261k. Of this £153k relates to monies allocated to the FMS Replacement Project (£134k) and on-going system development (£19k) budgets. As has previously been reported to members,

project management problems have caused slippage in the replacement timetable with the result that implementation is now planned for the Summer 2008. As a result of these delays, and as members only approved a three year project management budget a carry forward is now required to allow the project to be successfully concluded.

87. The remaining service underspend have arisen due to savings on staff vacancies (£71k) and one-off income secured from external payroll contracts (£33k). The remaining £4k underspend is the net value of a number of small under and overspends across the service.

Carry Forward Requests

88. There are a number of requests for carry forwards due to slippage in projects primarily within IT&T and Financial Services

	£'000
Easy@York Slippage in the scheme due to delays in fully implementing phase 1 of the project	256
IT&T Projects Slippage on Social Care project	60
Financial Services Project slippage on replacement Financial Management System	153
Income Collection Work anticipated to be carried out on the review of income collection, part of the efficiency programme, was unable to take place because of resources being diverted onto other projects (EASY, FMS and Job Evaluation). It is expected that reasonable levels of savings can be achieved through improved working and processes, if this work is completed. A carry forward is therefore requested to fund an officer to be dedicated to this project for 2007/08	50
Public Services Delay in completing upgrade to e-return module of Radius Icon in systems support team	5
Funding (provided by Chief Executives) to support Customer Champion role required to carry forward to 2007/08	10
Directorate Training Provision of £20k set aside for Resources Management Team training and development initiatives deferred from 2006/07	20
Audit & Risk Management Training and development initiatives for managers within the service area planned for 2006/07 not undertaken.	10
Total Carry Forward Requests	**564**

Venture Fund

89. The Resources Directorate have three Venture Fund Loans in place as at 31st March 2007. These are

Procurement Team	£186,850
SX3	£363,095
Hospital Fields Road	£ 39,000

90. The Procurement team venture fund loan was drawn down to support the creation of the corporate procurement team on its establishment as part of the Resources restructure. There is a budget of £50k available to repay this loan over the next 4 years.

The SX3 venture fund loan was drawn down to support the purchase costs of the new system. There is a budget of £200k available to support repayments to the venture fund.

The venture fund loan for Hospital Fields road was used to update facilities at the site. The repayment of the loan was to be made from additional rents received.

Capital Programme

91. The Resources approved capital programme totals £6,942k. Total expenditure for 2006/07 outturn is £4,894k. The main variances are due to slippage in the Easy@york programme as well as progressing the IT development plan. Information on variances appears in Annex 5.

Treasury Management report

92. Treasury Management is part of the overall corporate budget. As a result of proactive treasury management decisions, a general increase in interest rates and cash held, the area has underspent by £460k against the current approved budget. This represents an additional underspend to the £130k that was reallocated as part of the Monitor One process. Since Monitor One there have been a number of budget adjustments between Treasury Management and other portfolios to reflect the implications of decisions made by the Executive. A summary of the changes are illustrated in Table 1.

	£000
Approved Budget as at Monitor One	**6,745**
Adjustments	
Interest on School Balances owed to the Council (06/07 saving)	-168
Sale of 51 Bismarck Street & repayment of debt (06/07 saving)	-5
Prudential Borrowing – IT systems	105
Prudential Borrowing – Easy @ York	58
Prudential Borrowing – Property Services	5
Revised Budget	**6,740**

Table 1- Changes to the Treasury Management Budget in 2006/07

Outturn 2006/07

93. Treasury Management has spent £6,280k against the revised budget of £6,740k, an underspend of £460k. The key variances are detailed below.

Increase in average balances (£89k underspend)

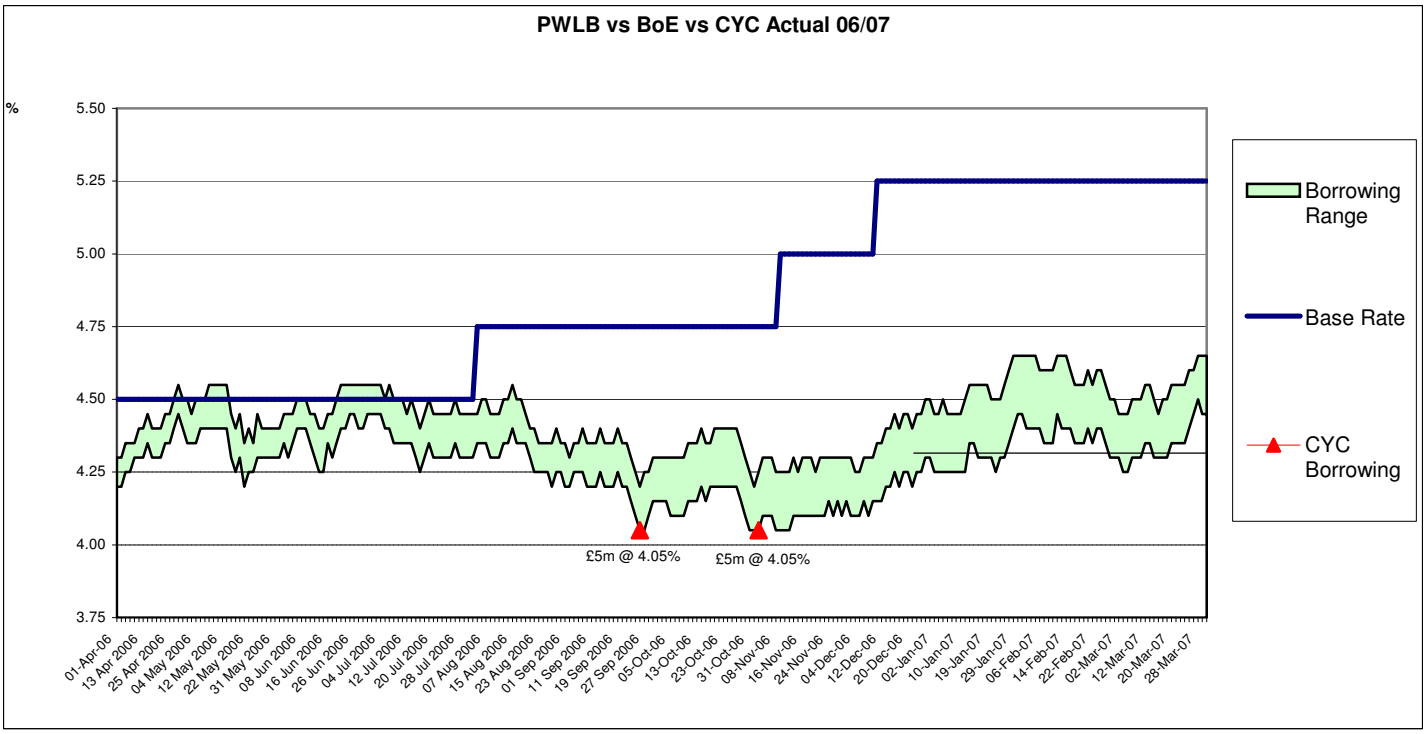
94. Average general fund cash balances are £2.5m more than budgeted. There are a wide variety of reasons why cash balances change. The key drivers in 2006/07 are capital programme slippage, the payment of government grants in advance of expenditure and an improvement in the collection of council tax and the recovery of housing benefit overpayments.

Increase in Interest rates (£70k underspend)

95. Interest rates have risen three times during the year from 4.5% to finish the year at 5.25%. When the interest budget was set the Council was advised that interest rates would remain constant or fall slightly. They have continued to rise throughout the year against the initial expectations.

Delay in Borrowing (£131k underspend)

96. The higher than anticipated cash balances and unfavourable long term borrowing rates has meant that the decision to borrow has been delayed, resulting in an underspend against the budget of £120k. It was planned to borrow £17m during the in the 1st quarter of the financial year. A total of £10m has been borrowed in two tranches of £5m both at 4.05%, which represents the lowest point in the year, 0.45% below the budgeted borrowing rate of 4.5%. Chart One illustrates the borrowing that has been taken and compares it to the 25 – 50 year long term borrowing range and prevailing base rate.



*** PWLB (The Public Works Loan Board) is an arm of the Governments Debt Management Office which lends money to Local Authorities at preferential rates compare to those in the commercial lending market.**

IT Leasing and Prudential Borrowing (£143k underspend)

97. Prior to the introduction of the prudential code in April 2004, the Council leased all of its IT equipment because of tight government rules that restricted borrowing. The prudential code has meant a relaxation of these rules and has enable the Council to choose whether to use operating leases or borrowing as a method of financing assets.

98. Every quarter a financial appraisal is done to assess the most cost effective method of finance. Currently, for IT equipment, borrowing is the most cost effective route, because of a cheaper cost of finance and cashflow benefits. A further one off benefit also accrues from borrowing in that debt financing costs are made in arrears rather than in advance, as is the case with leasing. Therefore a one off saving of £143k can be made by making the switch. It is important to note that if this saving is taken, if the Council ever decides to make use of operating leases again, it will face two payments in the year in which the switch back is made.

Minor Budget Variations (£27k underspend)

99. An underspend on the temporary borrowing budget and a small overachievement of interest on internal loans has contributed to the underspend.

Consultation

100. None required

Options

101. That Members choose to support all, some or none of the carry forward requests.

Analysis

102. If Members were not to support the carry forward requests as laid out in this report this would put additional pressure on budgets in 2007/08, and a number of initiatives would not be able to proceed as planned.

Corporate Priorities

103. This report supports the priorities of the Corporate Strategy as follows:

- Improve our focus on the needs of customers and residents in designing and providing services
- Improve the way the Council and it's partners work together to deliver better services for the people who live in York
- Improve efficiency and reduce waste to free up more resources

Implications

Financial

104. There are no financial implications other than those laid out within this report

Other Implications

105. There are no significant human resources, equalities, legal, crime and disorder, information technology or property implications within the report.

Risk Management

106. Risk Management is a key issue and risks in this report have been highlighted in the various different service areas. This section will be expanded upon in future reports.

Recommendations

107. The Advisory panel is asked to note and comment on the financial and service performance reported, and advise the Executive Member to:

- Note the year end financial situation

- Note the improvement in performance achievements and comments

- Approve the carry forward requests to go forward to the Executive
- Approve the accounting approach of using revenue reserves for dealing with the Property Trading account to be approved by the Executive.

  Reason – in accordance with budgetary and performance monitoring procedures

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Report Approved ✓ **Date** *25/05/2007*

Specialist Implications Officers: None other than those included in the report authors

Wards Affected: **All** X

For further information please contact the author of the report

Background Papers:

Documents referred to include back catalogues of Council Plans and the Resources Monitor 2 report 2006/ 07.

Annexes:

Annex 1 – Service Plan monitoring reports
Annex 2 – Revenue Budget variances
Annex 3 – Resources performance tables
Annex 4 – Appraisals indicators
Annex 5 – Capital Programme 2006/07 variance report

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Annex 1

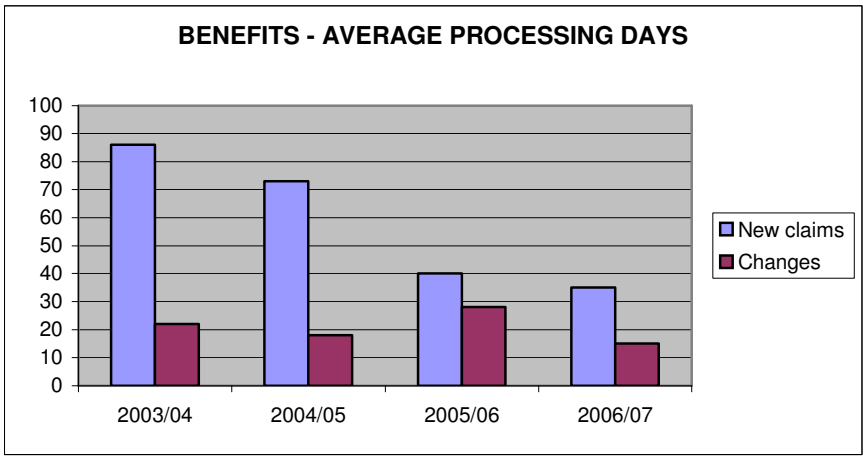
SERVICE PLAN MONITORING
2006/07 Progress Updates for outturn

Public Services

1 Achievements

a) Processing times for housing and council tax benefit claims have significantly improved in comparison to last year. The average number of days taken for new claims (BVPI 78a) shows a 13% improvement, down from 40 days to 35 days.

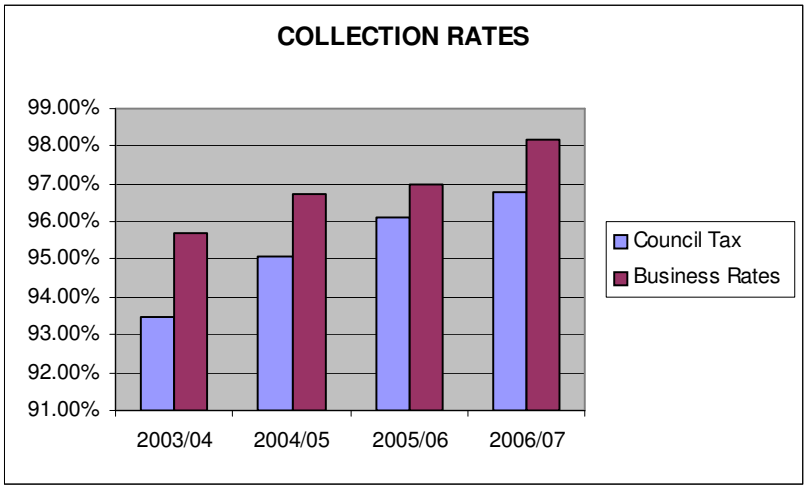
b) The processing of benefit changes of circumstances notifications (BVPI 78b) improved by 46%, reducing from 28 days in 2005/06 to 15 days in 2006/07.



c) Recovery of overpaid housing benefit was much improved. Of the three measures that we report on two showed increases as compared to the 2005/06 outturn and the third, monitoring write-offs, was little changed. Of the total amount of housing benefit recovered during the year 43.4% was by underpayment or deduction from ongoing benefit, 30.5% by debtor account, 17.6% was written off and the remaining 8.5% transferred to housing rent accounts.

d) The collection of both council tax and business rates also show a vastly improved position. For council tax the collection of 2006/07 debt (BVPI 9) was 96.8%, up by 0.7% when compared to the 2005/06 outturn. The level of outstanding prior year arrears reduced significantly by 48.23%, just short of the 50% target. The gross arrears carried forward at 31 March 2007 were some £167k lower than the year before.

e) Business rates collection (BVPI 10) improved by 1.37%, up from 96.87% to 98.2%. The collection of prior year arrears was well ahead of the 50% target with a reduction of 63.13%. This, together with the improved in-year collection, means that the gross arrears carried forward at 31 March 2007 had reduced by £1.12m.



f) Within the York Customer Centre (YCC) the Customer Relationship Management (CRM) system went live on 7 February 2007. The planning and building control processes were fully integrated on 12 February 2007.

g) The Revenues easy@york program work has been split into an interim and final solution. The interim solution was implemented on 26 February 2007 when staff transferred from the council tax team to the YCC where they handle queries, collect data and take payments. A further implementation took place on 21 March 2007 when the CRM e-forms for council tax processes went live.

h) Weekly meetings have been scheduled between YCC and back office teams to resolve operational issues. YCC team leaders are aligned with the different services to act as back office process owners which allows a consistent point of contact, identifies process improvement opportunities and enhances working relationships. The services covered are: Refuse, Planning & Building Control, Street Environment, Pest Control, Highways and Council Tax.

i) The web team's work on designing the new Council website culminated in the launch of the site on 7 February 2007. Consultation also took place with members of the Talk About panel on improvements to the interactive elements on the site.

j) The Register Office reported a steady year in terms of registrations: births 3244 (down 67 from 2005/06), deaths 2247 (up 54), marriages (up 9) and the newly introduced civil partnerships 130.

k) The Benefits Visiting team met 114% of the DWP-set target for interventions into benefit cases through a mixture of visits, postal and telephone checks. Preparatory work also started on planning for the successor to interventions whereby we measure the number of benefit reductions calculated as against a DWP target.

l) Strategic benefits take-up work continues for two distinct client groups: with persons aged 60+ as part of the Council's LPSA and with young persons as part of delivery of corporate priorities. We have worked with the North Yorkshire Partnership on a joint campaign using the "take a bite out of your council tax" strapline. Over the year the total benefit caseload shows a net increase of 220 claimants.

m) Of the 199 action points 31 (16%) remained outstanding and these have been carried forward to the Benefits Service 2007/08 Work Plan. Consequently the BFI Action Plan has now been closed.

n) Directorate Green Office policy was approved by RMT on 10 January 2007. Members of RMT will lead specific directorate campaigns – Minimising, Switching Off, Re-cycling, New Town Hall and Publishing. In the last year the directorate has saved the equivalent of 99 trees through recycling confidential waste.

2 Risk Management Issues

Red Risks		**Update on activities**
a	Failure of Northgate (Sx3) system to provide accurate and reliable information	Mitigation includes: Software testing programme Improvements in staff training (better handouts, clearer guidance) Development of suite of Business Object reports to cross-check data Attendance at user groups including new subsidy group
b	Failure to assess benefit entitlement accurately and within timescales	Mitigation includes: Structure review (see 2n above) to ensure customer-centric focus Service improvement work as part of easy@york programme and possible introduction of e-claiming software Focus on LA error cases to identify problems and better manage financial (subsidy) impact Commitment to review procedures manual
c	Failure to properly manage development projects	Mitigation includes: PRINCE 2 training for staff Close links with suppliers developed & maintained Internal corporate user groups established Attendance at external user groups
d	Failure to correctly manage application access	Mitigation includes: Regular access reviews Written access authorisations

Property Services: Administrative Accommodation Project

1. Achievements

a) Early release of the Ambulance Service site at Hungate
b) Completed development of the User Brief for the new accommodation
c) Appointment of project partners for design and construction
d) Review of Facilities Management – brief and programme established
e) Renewal of leases at 50 York Road, 10-12 and 20 George Hudson Street
f) Sale of St Leonard's and the early release of Blake Street

2. Work In Progress

Work In progress		**Update on activities**
a	Peasholme Hostel relocation	Design complete and out to tender; Planning approval sought April 26th 2007;
b	Archaeology	Trial pits and trenches being undertaken to establish extent of further works and to inform the overall design strategy
c	Design	Feasibility stage
d	User Group	Review of needs and space planning with designers
e	Facilities management	Consultant tenders being evaluated; model options for delivery by the end of July 2007 and implementation plan to be prepared by the end of summer.
f	Timetable	Feasibility study – May 2007 Sketch design options – July 2007 Detailed design options – October 2007 Planning approval – January 2008 Agreed final design and price – February 2008 Commencement of construction – April 2008 Completion – April 2010 Occupation – June 2010

3 Risk Management Issues

Risks		Update on activities
a	Risk of unforeseen archaeological requirements	Some archaeological investigations already undertaken. Work ongoing to commission York Archaeological Trust to investigate site to inform overall strategy.
b	Lack of corporate direction/vision in terms of corporate change to enable service provider to influence the design process and achieve the wider benefits.	Cultural change agenda to be discussed and developed at a corporate level following the outcomes of the CMT workshop 8th Jan 2007 Change agenda adopted by CMT and driven by Director of People and Improvement
c	Others	Risks being managed effectively through the project administration and risk register

Property Services

1. Achievements

a) Huntington School – completion of the latest extension project (£4.5m)
b) Canon Lee School – completion of latest extension project (£1m)
c) Eco Depot – acting as client's representative in a design and build contract, completion of works and logistics, building now occupied (£8m)
d) Danesgate School – Development of a sustainable timber-framed teaching environment including a biomass boiler, now on site (£2m)
e) York High School (Oaklands development) including school refurbishment, extensions and new swimming pool; masterplan complete; procurement complete; planning application made; design partnership in progress (£18m)
f) Sustainability in Design Group established – cross directorate group focussed upon establishing policies and protocols for the design and management of buildings, operating within the council's corporate Environmental Management System (EMS)
g) Energy and Water Management Group (EWMG) established a cross-Directorate group focussed upon establishing policies, protocols and an action plan for the management of energy and water usage by the council, operating within the council's corporate Environmental Management System (EMS)
h) Completed LCCS and Corporate programmes of work for maintenance, DDA and improvement works
i) Achieved capital receipts of > £19m – including the Barbican, Shipton Street and Northfield School
j) Approval of the new 5-year Corporate Asset Management Plan
k) Approval of the new 5-year Capital Strategy
l) Gone live with the new Technology Forge property database
m) Generated c. £3m of rental income from the commercial portfolio and other properties
n) Regenerated vacant industrial units at Hospital Fields Road by investing capital and re-letting
o) 29 Castlegate – Refurbishment of building and re-letting to Youth Services and Partners to provide an integrated service centre to meet the needs of young people
p) Invoices paid within 30 days lifted from 70% to 96.74%
q) Project diary system established to inform managers, director and executive member of current status of major projects

2. Update on risks

Risks		**Update on activities**
a	Failure to deliver the Capital Programme	Closer working with Client planning teams to ensure realistic programmes and spend profiles for capital projects
b	Failure to keep an up to date corporate asset management plan	A new Corporate Asset Management Plan for 2007-2012 has recently been approved by the Executive. An annual report will be submitted to the Executive that will highlight the council's performance against objectives and targets within that report and provide any updates to the Corporate document. This will meet the CPA requirement for a corporate document, framework and process for the management of assets. Risk is therefore minimised.

c	Failure to keep an up to date asset register and property management database.	All reports to members requiring decisions must now have all property implications identified. Corporate Landlord should be informed of all proposals to acquire or dispose of property assets.
d	Failure to achieve capital receipt	No additional activities
e	Failure to have fully accessible buildings in an acceptable state of repair.	One of the priorities in the Corporate Asset Management Plan is to have an effective repair and maintenance strategy to reduce the maintenance backlog and the number of buildings in an unacceptable standard of repair BVPI 156 - public access to council buildings is now at 84%.
f	Asbestos Contamination	All surveys complete, all asbestos identified, tested and removed or managed. Contracts in place to facilitate annual inspection of known asbestos to ensure stable. Programme of Asbestos awareness training and the appointment of Site Asbestos Liaison Officers at each premises will limit the likelihood of asbestos contamination All building works in existing property require type 3 survey prior to commencement of works Risk still exists in those areas where building work executed without Corporate Landlord knowledge.
g	Building failure (unplanned closure) of Operational Properties	No additional activities

ITT Services

1. Achievements

a) The department continued to provide a secure, robust, scalable and highly available ITT infrastructure including corporate and departmental systems. It exceeded most existing agreed service level targets for 2006/07 and has raised certain targets for 2007/08 and beyond.

b) Provided voice and data network consultancy and installation services that enabled the migration of Neighbourhood Services staff and their services to the new depot location at James Street. This was achieved within challenging project timescales and requirements, including the accommodation of project slippage.

c) Successfully managed the implementation of new and improved data network and telephony services at 30+ Housing, Adult and Social Service sites. This included commissioning new links back into corporate network alongside replacing ageing PC's. This pre-emptive infrastructure upgrade work has provided the necessary ITT platform to ensure the benefits of the new Social Care system are deliverable.

d) Supported the Easy@york phased implementation programme in a number of activities to help delivery of the successful migration of new services into the York Contact Centre.

e) The department has worked on a total of 60 development projects during the year including replacement of FMS and ISIS systems. 42 projects came from the annual ITT Development Plan process and 18 were introduced during the year to meet new business or legislative priorities.

f) Successfully managed the high-risk migration project that moved the corporate Citrix Server farm on to the current supported version with minimal disruption to the customer base.

g) The results from the customer satisfaction survey during late 2006 confirmed that the overall satisfaction with ITT had risen by nearly 3% to 92.16% and this clearly demonstrates the value of the department's continual improvement regime.

h) Implemented a more cost effective replacement remote access security solution (Entrust cards). This offers the same level of security, additional flexibility that allows support teams to provide a better level of service and contributed to the departmental savings target.

i) Successfully upgraded the corporate virtual servers to a version that enables the department to provide a reduced recovery time in the event of individual System failures, in some cases with no disruption to the customer base. This progress was recently demonstrated when the corporate email system failed and the recovery was instantaneous with no loss of service to the customer.

2. Update on risks

Risks		Update on activities
a	Failure of the disaster recovery procedures.	Mitigation includes: Renegotiated the ITT Disaster Recovery Contract to take account of the Easy@york programme requirements and the impacts of ITT's developing use of virtualisation technologies. Further developed the use of virtualisation technologies as a service restoration method. Developed the use of 10/12 GHS as a secondary location for housing key ITT Infrastructure.
b	Inadequate ITT Business Continuity Plan (BCP).	Mitigation includes: Produced revised draft departmental BCP that includes draft team recovery plans, further work required to finalise and link up to the Corporate BCP group in response to 2004 Civil Act.
c	Failure of corporate data/information storage service	Mitigation includes: Further development of the corporate storage system including expanding the use of more resilient technologies incorporating the use of 10/12 GHS as a secondary site. Reduced recovery time from data loss or accidental deletion from home/shared areas.
d	Significant failure of corporate data / voice network	Mitigation includes: Improved environmental facilities at locations where key network components are located. Proactive management of managed service provider and network vendors. Incorporated elements of resiliency into the network design for the YCC in Stonegate.
e	Failure to replace ageing ISIS and FMS systems	Mitigation includes: Approved and funded ITT development replacement projects are in progress for both systems. FMS - revised, agreed and achievable project timetable is in place taking into account resource availability and the financial year-end close down process.

		ISIS – Improved or new ITT infrastructure at a number of sites including the replacement of ageing PC's.

Easy@york Programme

1 Achievements

a) In February 2007, Phase 1b of the easy@york programme went live, delivering York Pride Action Line services, the Switchboard and Planning & Building Control Services using new teams, processes and technologies.
b) The new CYC web site was launched in February and has since been supplemented by the introduction of e-forms to enable customers to interact with us online. 240,000 visits per month, over 10,000 online payments made to date.
c) Launch of Planning Online System to enable customers to lodge review and comment on planning applications using the internet. 17,000 enquiries per month
d) YCC taking payments on the phone – 4,437 taken since February
e) Automated telephone Payments went live in March – 350 a month
f) Successful launch of Online School Admissions
g) Introduction of Revenues service into the YCC using new teams processes and technologies, delivering three processes. 63 % calls now handled within SLA (up from approx 10% at this point last year)
h) Launch of Corporate Geographical System (GIS)
i) Up to date customer contact details published in an A-Z for all Citizens
j) Undertook consultation with key customer groups
k) Internal speech server servicing 800 calls a day.
l) Re-negotiated contract milestones to reflect delays and remove benefits phase from Logica CMG contract – to be delivered internally by purchasing a new e-benefits module of the existing benefits system.
m) Designed remaining Revenues service processes.
n) Commence the service improvement and design work on the benefits service including the procurement of Northgate e-benefits solution.

2 Work In Progress

Programme Phase 1b - Establishment of York Customer Centre, Core Technical solution & "to be" processes for YPAL Switchboard and Planning and Building Control, designed and configured into the technical solution.	**Progress Against plan**	**New Date**
July 06 – Overall Solution design finalised	√	
August 06 – Recruitment complete (CSR's, system admin, & GIS)	√	
August 06 – e-Consultation system in place	√	
August 06 – Implementation of speech recognition for internal calls	√	
February 07 – New web site launched improved graphics/look feel – No integration.	√	
February 07 – User Acceptance testing complete	√	
February 07 –User Training completed	√	
November 06 – Phone menu introduced into switchboard and made available to the public (subject to CYC management decision)	**Deferred**	**TBC**
February 07 –Phase 1b Go Live	√	
April 07 – Web site: launch of further functionality including transactional capabilities	√	

Programme Phase 1c - Revenues Service "To be" processes configured into the CRM, Revs staff trained and transferred into the YCC		
January 07 –Revenues Interim Processes - Design complete	√	
March 07 – Revenues Interim Processes build complete including interfaces to I-World	√	
March 07 – Revenues Interim Processes Staff training completed	√	
March 07 - Revenues Interim Processes Go live	√	
April 07 –Revenues remaining Processes **–** Design Complete	On target	
May 07 - Revenues remaining Processes – Build Complete	On target	
May 07 – Revenues remaining Processes - User acceptance testing complete	On target	
June 07 - Revenues remaining Processes - User Training complete	On target	
June 07 – Revenues remaining Processes **-** Go live	On target	
Programme Phase 1c - Benefits Service LogicaCMG led refresh and build of Benefits into YCC	Green	
April 07 - Benefits Process/Solution design commences	On target	
July 07 – Benefits build complete	On target	
August 07 – Benefits user acceptance testing complete	On target	
September 07 – Benefits user training complete	On target	
October 07 – Benefits Go live	On target	
July 07 - Life events processes introduced	Deferred	Not planned
(Programme Phase 1d – New corporate INTRANET	In Planning	Unknown

3 Risk Management Issues

Red Risks		**Update on activities**
a	Fail to reach agreement on changes to contract to reschedule phase 1c and remove benefits from the contract (to be done internally)	Negotiations taking place to resolve outstanding issues
b	Failure to agree and resource a further phase of the Programme to include additional services and take on face to face customer contact. This would create a significant risk for the delivery of the Organisational Effectiveness programme outcomes as this is the main delivery mechanism to improve customer services and forms a significant role in improving efficiency. The greatest risk would be that we were unable to create a single point of face to face contact in the new Town Hall and that the design of the new building would therefore be inappropriate for the organisation.	Mitigation includes: Creating benefits analysis and business case for future phase to be taken to Members in July

Audit & Risk Management Services

1 Achievements

a) Corporate Procurement Team (CPT) re-structured following report to EMAP in December 2006. The new team went 'live' as of 1 April 2006.

b) Established an agreed Corporate Contracts Management Portfolio to be managed and administered by the new CPT with effect from 1 April 2007;

c) Agreed revised arrangements for planning, budgeting and managing procurement savings to properly align financial management responsibilities for procurement savings with the appropriate contract clients across the organisation and integrate the whole process within the Council's corporate service planning and budgeting cycles and processes;

d) The development and implementation of 3 new significant framework agreements covering corporate goods and services supplied in respect of:

- Legal Services;
- Agency Staff;
- Property & Planning Advice & Consultancy services.

These agreements will help the organisation to achieve financial savings, promote compliance with corporate standards and legislation and enable in-house services to plan and mange provision better in the future.

e) development of a 5 year Strategic procurement programme for the Council to be managed and administered by the CPT with effect from the 1st April 2007;

f) established a Financial Investigations function further to the work of the main Fraud team within the Division and completed a successful anti-fraud awareness campaign in February 2007;

g) established a VFM programme of work for 2007/08 further to the annual Internal Audit Plan fro 2007/08 and thereafter;

h) 100% of insurance claims acknowledged and processed to target timescales;

i) 92.5% of the annual Internal Audit Plan achieved compared to a target of 90% and outturn performance in 2005/06 of 91.3%. This is a significant achievement and will stand the service in good stead in the forthcoming service review, to be conducted by the Audit Commission over the summer.

j) worked with HR to introduce a universal and standard registration scheme for declarations of staff interests introduced across Directorates with effect from 1 April 2007 and to revise the Council's Whistle-blowing policy;

k) led the achievement of approximately 90% of the Officer Governance group work programme for 2006/07 and 2007/08 programme agreed;

l) led the development of the Council's new Money Laundering arrangements.

m) drafted new Terms of Reference for the function of the Internal Audit Service in accordance with the CIPFA Code of Practice, adopted by the Audit & Governance Committee on 3 April 2007 and completed a full review and update of the Internal Audit Procedure Manual.

2 Risk Management Issues

Red Risks		Update on activities
a	Failure to be effective in discharging the Division's role in developing robust governance & compliance arrangements at CYC	Mitigation includes: leadership and management of the OGG work programme professional development and capacity of the teams within ARM planned and managed approach to the development of the Council's governance infrastructure (new Constitution, Financial Regulations, Audit & Governance Committee) new powers and sanctions for the S151 Officer, the Monitoring Officer and the Chief Internal Auditor
b	Failure to improve the UOR CPA score for KLOE 4 Internal Control	Mitigation includes: raising corporate awareness of the risks faced by CYC if UOR CPA score deteriorates and gaining CMT ownership of key actions to be taken before 31/3/07 management of corporate action plan for development and improvement and implementation of key deliverables before 31/3/07 review of assessment process by AC in 2006
c	Failure to plan and manage the work of the Division effectively	Mitigation includes: established and capable ARM Mgt Team and development of a 3 year Business Plan development of a performance management framework across the Division as part of a wider Directorate improvement initiative
d	Audit Plan not delivered to standard/insufficient coverage to hit 90% target for completion	Mitigation includes: introduction of new automated working papers and performance management routines staff training and technical update work effective staff supervision and file review integrated CYC client function for external and internal audit
e	Audit work fails to identify control weaknesses	Mitigation includes all of the above at d/ and the introduction of new reporting and escalation procedures including ultimate referral to Audit & Governance Committee for remedial action as necessary from 2006/07
f	Procurement team fail to achieve the corporate savings target	Unmanageable risk has led to change in Council arrangements, devolving savings within Directorates for 2007/08, exercised through the Council's annual service planning & budget management cycles. The CPT will continue to inform and report on savings across the piece.
g	Failure to establish corporate contracts management portfolio	Portfolio identified and all corporate contract clients established. CPT responsible for managing and reporting across the portfolio for corporate assurance purposes. New arrangements went live from 1 April 2007.

h	Failure to promote compliance with procurement regulations	Mitigation focuses on governance infrastructure work (as at a/ above) effective monitoring and reporting arrangements, new SCMS system, robust IAS annual and five plans, breaches and waivers work, IAS follow up programme, staff training across CYC, greater professionalism and capacity in ARM

Financial Services

1 Achievements

a. Closure of accounts by the 30th June deadline, a month earlier than ever before with unqualified audit opinion being received on the 29th September.
b. Compliance with new Whole of Government Accounts requirements.
c. Continued growth in the uptake of salary sacrifice schemes.
d. Successful defence against the potential capping of the 2006/07 budget.
e. Development of in year proposals to maintain a balanced budget for 2006/07.
f. Delivery of balanced budget proposals for 2007/08 to 2009/10.
g. Maintaining a level of payroll payment accuracy of over 99.9%.
h. Paid 93.29% of all council invoices within 30 days.
i. Commenced formal EU procurement of a replacement financial ledger.
j. Increased the recovery of Housing Benefit Overpayments by over 20%.

2 Risk Management Issues

a. The 2007/08 closedown process will be challenging in terms of the tight timescales placed on the council and significant statutory changes made to the format of the Statement of Accounts. To address these issues in a timely and accurate manner will be a significant challenge for the service.
b. The implementation of single status will have major resource implications both in terms of adjustments to the council's budgets and amendments to the payroll system.
c. The service remains very exposed in terms of its reliance on a small number of key staff. The departure or prolonged absence of such staff would have a significant short to medium term impact on the quality of services provided.

Annex 2

REVENUE BUDGET VARIANCES	Variance £'000
Director of Resources	**(-) 19**
Unallocated balance of RDF and minor underspends	
Public Services	
Housing & Council Tax Benefits Subsidy, Overpayments and Administration Grant	(-) 401
The Authority has overachieved in this area. Included in this figure is receipt of unbudgeted income of £140K in relation to Subsidy for LA Error overpayments. The final figure will be confirmed after final audit of the grant claim. Levels of higher than expected expenditure against the budget can be attributed to certain private tenancy rents and provision of Bed and Breakfast accommodation above Government set thresholds.	
Recovery of overpayments has improved. Approximately 70% of overpayments created since 1st April 2006 have subsequently been recovered in year. This, coupled with the optimal level of subsidy received for overpayments, has resulted in significant overachievement of income against budget.	
Changes in the methodology of calculating the Administration grant by Central Govt. has resulted in a shortfall of £24k income against budget.	
Revenues and Benefits Service	
Overspend on agency staff on the Benefits Backlog and Claims processing offset by underspends for vacant posts	(+) 105
Overspend within supplies and services for bailiffs costs £12k, Postages £5k, General office expenses for one-off purchases and water cooler contract £12k.	(+) 29
Reduction to the provision for bad debts within Benefits Overpayments	(-) 119
Registrar	
Additional costs for publishing Public Notices and under-achievement of income on statutory fees due to a downturn in the number of marriages in line with national trends. The shortfall is offset by an over-achievement of income from licences for approved premises.	(+) 34
Systems support team	
Underspend totalling £7k of which £5k request to carry forward for enhancement of e-return module of Radius Icon	(-) 7
Other Minor Variances	
Various minor underspends within the service plan area	(-) 5
Public Services Total	**(-) 364**
Financial Services	
Accountancy	
Underspend on staffing (£-31k) due to vacancy within corporate Accountancy plus underspends on subscriptions (£-8k) and office expenditure (£-4k).	(-) 43
Underspend on FMS enhancement budget. It is anticipated that this will be a year end carry forward bid.	(-) 19
FMS Project	
Underspend due to project slippage into 2007/08. It is anticipated that this will be a year end carry forward bid.	(-) 134
Payroll Services	
Surplus one off income (£-33k) and staff vacancies (£-32k) offset by additional consultancy work on Delphi computer system (£+11k) and additional purchase of office equipment (£+6k)	(-) 48
Creditor Services	
Savings on employees due to vacancies (£-8k) and savings due to lower than budgeted bank charges (£-4k)	(-) 12
Other Minor Variances	
Various minor underspends within the service plan area	(-) 9

Annex 2

REVENUE BUDGET VARIANCES	Variance £'000
Various minor overspends within the service plan area	(+) 4
Financial Services total	**(-) 261**
Audit & Risk Management	
Insurance team	
Underspend on staffing for part year vacant post £-17k plus additional income achieved on Commission and Fees £-2k offset by overspend on purchasing software licences (£+2k)	(-) 16
Procurement savings	
Shortfall on meeting the corporate procurement target (£+58k) reduced from £+87k at Monitor 2. Saving due to restructure of department within the year (£-17k) offset by decision not to draw down funding from the venture fund as budget (£+50k). Interest payments made on Venture Fund Loan (£+13k). Shortfall of income from YPO due to a reduced dividend being paid (£+9k). Additional income earned from project work (£-7k)	(+) 106
Audit Commission Grant Payments	
Overspend due to significant increase in grant claims needing to be certified across the directorates primarily relating to Yorkshire Forward and Learning and Skills Council claims.	(+) 22
Housing Benefit Investigation	
Underspend of £30k following delay in filling the additional posts within the section until the Autumn. Legal fees incurred dealing with prosecutions (£22k) offset by recovered income (£-18k). Miscellaneous other overspends (£+4k)	(-) 20
Minor overspends	
Minor underspends	(-) 22
Audit & Risk Management Total	**(+) 70**
Information Technology & Telecommunications	
Social Care System replacement programme	(-) 314
Contract agreed Sept 06, 6 months later than planned.	
FMS Replacement Project	(-) 193
Revised procurement timetable anticipates contract agreement Oct/Nov 07 and implementation mid 08.	
Voice and Data Network	(-) 34
Cost reductions due the successful implementation and rollout of a new telephony system. This has resulted in voice traffic being carried down data lines and a resultant reduction in the number of voice links to sites thereby reducing costs.	
Salaries	(-) 68
Staff on temporary reduced hours, maternity leave and non take up of the Superannuation scheme has resulted in in year predicted underspends	
Lease Buy Outs	(-) 39
A one-off surplus of funds has been generated from robust negotiations regarding lease buyout charges. This has resulted in costs that are lower than planned and budgeted for in 2006/07.	
Various project underspends	
Homecare Monitoring - project cancelled due to change in Business requirements	(-) 12
Further Education Awards - System no longer in use.	(-) 7

Annex 2

REVENUE BUDGET VARIANCES	Variance £'000
Local Authority Childrens Care System - System no longer in use	(-) 8
Council Performance Management System - completed within budget	(-) 18
Electronic Links to the Inland Revenue - completed within budget	(-) 4
Slipped & Deferred projects	
Prince 2 - reduction in management training demands	(-) 22
Housing Document Management System - work delayed due to service dept resources diverted to other priorities	(-) 25
Commercial Waste project - elements of the project completed in year but delays with procurement of the full system.	(-) 20
Leisure Bookings - Supplier solution not accepted - awaiting resubmission	(-) 18
Youth Service ICT - will be completed in 07/08	(-) 19
Mobile Working - Revised business case to be submitted	(-) 19
Asset Management System - development staff resources diverted to higher priority	(-) 21
Integrated Transport - delayed due to Childrens Service change of Directorate	(-) 22
Joint Children's Database - delayed due to restructure of client department	(-) 10
Minor variances on 7 projects with budgets £5k and £10k	(-) 48
In year reduction of costs achieved from continual market place review of 3rd party support arrangements.	(-) 47
Minor underspends	
Business Support services savings including £14k staff advertising budget saving as no external recruitment necessary in year and income generation from partner organisations and non Service Level Agreement tasks.	(-) 64
Information Technology & Telecommunications Total	**(-) 1,032**
Easy Project	
This underspend largely due to delays in implementing the phase 1 services, causing slippage in capital (£1.26m) and revenue spend (£335k) with Logica, and thus the revenue implications of delayed prudential borrowing (£147k). The delays have also meant that programme team costs are underspent and specific projects have been delayed / deferred. As the project timescale has slipped, but is continuing, a carry forward of £256k is requested to fund the work	
Easy Project Total	**(-) 256**
Property Services	
Head of Property Services	
Supplies & Services	(+) 10
Additional computer software	
Miscellaneous/Recharges	(-) 106
Underspends against budgets held by HoPS to deliver asbestos resurveys £38k and feasibility schemes £68k.	
Facilities Management	
Staffing variances	(+) 32
Overspend on agency staffing covering for sickness and vacancies	
Income	(-) 50
Additional income above Service Level Agreement plus capital fee income	
Admin Accom	
Premises	(+) 22

Annex 2

REVENUE BUDGET VARIANCES	Variance £'000
Overspend of £11k on rents payable and £11k service charges within the administration accommodation portfolio.	
Supplies & Services	(-) 11
Underspend computer hardware/software, mobile communications and insurance.	
Income	(+) 25
Vacant space at 20 George Hudson Street where no income is being received.	
Asset & Property Management	
Employees	(-) 29
Underspend due to the vacant post of Head of Asset & Property Management	
Income	(+) 111
Fee income no longer recoverable due to review of allowable costs within capital receipts protocol (£+195k) and reduced fee recovered for rating mgmt (£+16k). (£-100k) income from reserves re surveyor fees which previously were deemed allowable within the CRP.	
Commercial Property Portfolio	
Income	(-) 37
Commercial rents overachievement £37k primarily Shambles and Gillygate offset by underachievement at Coppergate/Parkside.	
Strategic Business & Design	
Consultants	(+) 96
Overspend on external consultants re framework arrangement funded from additional income see below.	
Other Minor Variances	(-) 14
Net underspend on staffing , transport costs, photocopying and mobile communications.	
Income	(-) 51
Additional income of £124k for capital scheme fees to cover the framework. Reduced income from feasibility work compared to budget (£+70k) and HRA (£+3k)	
Property Transfer & Disposal	
Premises	(+) 40
Overspend on premises costs not recoverable through the capital receipts protocol	
Supplies & Services	(+) 94
Costs that are not recoverable through the capital receipts protocol. eg agents fees	
Income	
Bad debt provision re Bonding Warehouse not required.	(-) 92
Income from reserves in lieu of agents fees which were previously deemed allowable within the CRP.	(-) 35
General	
Other miscellaneous overspends across the service plan	(+) 10
Other miscellaneous underspends across the service plan	(-) 22
Property Services Total	**(-) 7**
DIRECTORATE NET TOTAL	**(-) 1,869**

25/05/07 02:50

ANNEX 3

RESOURCES PERFORMANCE TABLES

PUBLIC SERVICES

PI	05/06 performance	06/ 07 Target	06/07 result	Target met for year end?	Direction of travel: 05/06 to 06/07
BVPI 4 - Percentage of customers satisfied with the handling of their complaint	Three yearly indicator			See footnote*	See footnote*
BVPI 9 - % of Council tax collected	**96.07%**	**97.1%**	**96.8%**	✗	↑
BVPI 10 - % of non-domestic rates received by the authority	**96.87%**	**98.4%**	**98.2%**	✗	↑
BVPI 76a – Housing & CTB – number of claimants visited per 1000 caseload	**454.27**	**439**	**348.01**	✗	↓
BVPI 78a – Housing and CTB – speed of processing new claims	**40.22 days**	**34 days**	**35 days**	✗	↑
BVPI 78b - Housing and CTB – speed of processing changes in circumstances	**27.93 days**	**19 days**	**15 days**	✓	↑
BVPI 79a – Housing and CTB – accuracy of processing new claims	**97%**	**98.35%**	**97.8%**	✗	↑
BVPI 79bi - Housing Benefit – overpayments recovered as a % of amount identified for the period	**36.29%**	**40%**	**70.33%**	✓	↑
BVPI 79bii – Housing Benefit – overpayments recovered as a % of amount outstanding at the end of the period	**17.23%**	**25%**	**22.89%**	✗	↑
BVPI 79biii – Housing Benefit and CTB – overpayments written off during the period as a % of the total outstanding at the end of the period	**6.19%**	**8%**	**7.12%**	✗	↓

BVPI 80g - Benefits satisfaction survey - overall satisfaction	Three yearly survey	**83%**	**64%**	✗	↓
COLI 109 -Number of new successful benefits claims or increases in existing awards achieved with the help of City Of York Council	New for 06/07	**1395**	Figures not yet received		

- - BVPI 4 was the responsibility of the Chief Executive's Directorate, but now comes under the remit of Resources following a restructure. Chief Executive's will provide the 2006/07actual data, and Resources will provide future target figures for this 3 yearly satisfaction survey based upon that information.

PROPERTY SERVICES

PI	05/06 performance	06/ 07 Target	06/07 result	Target met for year end?	Direction of travel: 05/06 to 06/07
BVPI 156 - %of buildings open to the public with access for the disabled	**72%**	**80%**	**83%**	✓	↑
COLI 52 - % of Council floorspace vacant for more than 12 months	**1.6%**	**1.25%**	**0.15%**	✓	↑
COLI 67 - % of local authority buildings needing urgent repairs	**13.3%**	**10%**	**11%**	✗	↑
COLI 68 – Value of outstanding urgent/ essential repairs to council buildings	**£14,975,108**	**Not set**	**£12,773,833**	**N/A**	↑
COLI 51 - % of target capital receipts received in the year	**57%**	**100%**	**106%**	✓	↑

IT&T

PI	05/06 performance	06/ 07 Target	06/07 result	Target met for year end?	Direction of travel: 05/06 to 06/07
COLI 71 - The percentage of time that major IT systems and infrastructure is available	**99.92%**	**99.3%**	**99.98%**	✓	↑

AUDIT AND RISK MANAGEMENT

PI	05/06 performance	06/ 07 Target	06/07 result	Target met for year end?	Direction of travel: 05/06 to 06/07
BVPI 76b – Housing & CTB – number of Fraud Investigators per 1000 caseload	**0.51**	**0.51**	**0.50**	✗	➔
BVPI 76c – Housing & CTB – number of fraud investigations per 1000 caseload	**43.33**	**44**	**44.59**	✓	↑
BVPI 76d – Housing & CTB – numbers of prosecutions/ sanctions per 1000 caseload	**5.53**	**4.9**	**4.22**	✗	↓

FINANCIAL SERVICES

PI	05/06 performance	06/ 07 Target	06/07 result	Target met for year end?	Direction of travel: 05/06 to 06/07
BVPI 8 - % of invoices for goods and services that were paid for in 30 days	**93.08%**	**95.5%**	**93.29%**	✗	↑

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Annex 4

Appraisals completed for Resources 2006/07

Service division	Number of staff in division	Number of staff appraised	Percentage of staff appraised
Director	9	9	100%
Public Services	167	157	95%
IT&T	51	49	96%
Audit and Risk Management	22	21	95%
Property Services	52	49	94%
Financial Services	46	33	72%
easy@york	5	5	100%
TOTALS	**350**	**323**	**92%**

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Resources Capital Programme **Annex 5**

	Variance
Property Services	
James St (Phoenix) Business Park (£12k) Minor in year variance.	+£4k
Holgate Windmill (£105k) The project to refurbish Holgate windmill has overspent against the approved budget by £20k. However, it has been possible to recover £17k of the funding from the preservation society, resulting in a net cost to the Council in 2006/07 of £3k. In addition to this it is expected that there are £5k of costs to be incurred in 2007/08 for which there is no budget.	+£20k
Preservation of Buildings Repairs backlog (£535k) Monies have been committed to three schemes, Burton Stone Community Centre (£100k), Acomb Library (£45k) and Works to listed buildings (£25k) all of which will be completed in 2007/8: totals £170k, the remaining £32k had been held as a contingency and is not spent to date.	-£202k
Property Key Components (£250k) Overspend due to good progress with schemes and will be funded from additional budget available in 07/08 capital programme. This is an ongoing programme of works.	+£12k
35 Hospital Fields Road (£335k) Scheme due to be completed first quarter of 07/08. Slippage due to change of requirement for asset. Required to accommodate Fishergate small business tenants to enable relocation of Peasholme Hostel as part of the Admin Accomm project.	-£141k
Access Audits & Improvement (DDA) (revised budget £408k) £238k expended took the BVPI 156 to 83%, 3% higher than our target. Of the seven outstanding properties to be dealt with under DDA, two have now been selected for closure (Yearsley Bridge Centre and Huntington Road Day Centre); two are swimming pools one of which is being replaced (Edmond Wilson's) and one upgraded, including DDA works (Yearsley Bridge) in 2007/8, contributions are being made to the latter from this budget; Huntington Youth Centre has been demolished and incorporated into the new school extension; and three projects at Glen Day Centre (£50k), Water Lane Youth Centre (£35k) and the 68 Youth Centre (£28k) will be completed in 2007/8. leaving a small contingency against these projects.	-£181k
PPA Commercial – Silver St Structural Repairs (£10k) Scheme to be delivered in 07/08 with any additional funding to be drawn down from venture fund 'Assets in good repair'.	-£8k
Removal of Asbestos (£100k) This budget acts as a contingency to fund the removal of asbestos that has been identified as a risk, cannot be managed intact or as	-£83k

part of a removal programme. Low spend in 06/07 results from the effective management of known asbestos. In 07/08 £28k has been committed to the removal of asbestos panels in temporary classrooms to be removed from Huntington School. The balance of £55k will be slipped in to 2007/08 to meet any future needs.

Admin Accom (£1,759k) +£171k

The Admin Accom project is progressing well with the land assembly elements falling in to place. The Ambulance Station has been purchased and the relocation of the Peasholme hostel is going well. As a result of this some costs have been incurred earlier than initially anticipated contributing to an overspend against the in year budget of £155k. A small overspend against budget for timing differences has contributed an additional £16k overall. The project continues to operate within its overall budget and this variance represents differences in the timing of spend. It is requested that the budget from 2007/08 is therefore brought forward to cover these costs.

Property Services **-£408k**

ITT Equipment Purchase (£810k budget) -£362k

The Director of Resources to carry out a quarterly evaluation process to determine the most cost effective funding method for the purchase of IT equipment. The Council has traditionally leased IT equipment, but the introduction of the Prudential code in 2004 means that there is the opportunity to borrow to finance the purchase of IT equipment and systems. At Monitor 1 the decision was taken to purchase £500k of IT equipment and fund from borrowing. However, good progress on the replacement Social Care Management system along with IT expenditure meant that a further £310k was anticipated by year end. However, due to subsequent project slippage towards the year end there is total expenditure of £448.5k at outturn.

EASY @ York project (£2,606.8k budget) -£1,261k

The majority of phase 1 is completed however there remain some contractual issues to resolve prior to payment. The underspend of £1,261k to carry forward will be spent early in 2007/08.

Total Resources Capital Underspend **-£2,031k**

Meeting of Executive Member for Corporate Services and Advisory Panel 8 June 2007

Report of the Assistant Director of Resources (Audit & Risk Management)

Information Management Annual Report 2006/07

Summary

1 This outturn report advises Members of activity in the area of Information Management during 2006/07. It deals with the work of the Information Management Officer (IMO).[1] It is for information and no decision is required, but members have previously requested further information about this developing area of the Council's work and members' views and comments are welcome.

Background

2 The role of IMO was established in 2003 to provide advice and ensure compliance on data protection and related matters. Personal privacy, public information rights and open government are key to the way in which the Council interacts with customers and citizens. The role of Information Management is to ensure that we can, and do, engage properly and well across the community, fulfilling our legal duties along the way.

3 The Records Management Code of Practice[2] has statutory force and requires that *"the records management function should be recognised as a specific corporate programme".*

Personal privacy & the Data Protection Act 1998 (DPA)

4 Awareness of data protection matters continues to be good across the organisation, with evidence of widespread understanding of the Council's duty to protect privacy. Maintaining personal privacy is an important, albeit largely invisible, aspect of public service. The DPA is most visible to those who make a *"Subject Access Request"* for a copy of the personal data the Council holds about them.

5 In 2006/07 two requests were received compared to nine in 2005/06. Neither

1 Note that this report does not include the work of the ITT department which is reported separately
2 Code Of Practice on The Management of Records by Public Authorities, issued by the Lord Chancellor pursuant to section 46 of the Freedom of Information Act (2004).

was from current or former staff. There were no complaints.

Public information rights & the Freedom of Information Act 2000 (FOI)

6 242 enquiries were received in the year to March 2007 compared to 219 in 2005/06. 21 had been brought forward from March 2006 and 17 were incomplete and carried forward into 2006/07. The following tables summarise the 246 completed requests.

Table 1 FOI enquiries 2006/07 by department

Department	No of enquiries	% of total
Chief Executives	21	9
City Strategy	42	17
Housing & Adults Social Services	49	20
Learning Culture & Childrens	49	20
Neighbourhood Services	23	9
Resources (including subject access managed centrally)	62	25
Total	**246**	**100**

7 Enquiries were from a number of sources. No-one is required to prove who they are and some assumptions have been made in the following classification:

Table 2 FOI enquiries 2006/07 by enquirer

Enquirer	No of enquiries	% of total
Academic	9	4
Business	35	14
Pressure groups	15	6
Individuals	109	44
Media	62	25
Political party	11	4
Other public authorities	5	2
Total	**246**	**100**

8 Enquiries covered a wide range of subjects and were expressed with varying

degrees of clarity. The following table classifies them approximately:

Table 3 FOI enquiries 2006/07 by topic

Enquirer	No of enquiries	% of total
Personal data	12	5
Policies	30	12
Procurement	19	8
Service	46	19
Statistics	84	34
Finance	49	20
Planning	2	1
Total	**246**	**100**

9 Of these 246, 175 were answered within the twenty working days normally allowed. 39 were withdrawn, or suspended awaiting further information, or were managed as non-FoI business requests, and the remaining 32 went over time. There is no specific penalty for going over time although completion within timescales may be regarded as a performance indicator for this aspect of service.

10 The results of the settled enquiries were as follows:

Table 4: outcomes of FoI enquiries

Outcome	No of enquiries	% of total
Disclose	164	67
fee limit invoked	2	1
information not held (denial)	47	19
neither confirm nor deny that information is held	1	0
refuse in full	16	7
refuse in part	22	9
transfer to another authority	1	0
suspend//withdraw	21	8
Re-scope	2	1
not FoI	21	8
more than one outcome	-51	-20
Total	**246**	**100**

11 Two complaints were made to the Information Commissioner following internal reviews that had not satisfied the enquirer. One other had been outstanding from the previous year.

- Case 1: the Council was criticised for the delay in responding to the complaint, although it was acknowledged that the information requested had not been held and could not have been disclosed. **Complaint partially upheld**.

- Case 2: the enquiry was held to be outside the scope of the Act, because it was directed to another body that was not a public authority. **Complaint not upheld**.

- Case 3: the enquiry was begun but had not been decided by the end of 2005/06. A Decision Notice from the Information Commissioner has since been issued confirming that the decision to withhold was correct. **Complaint not upheld**.

Regulation of Investigatory Powers Act 2000 (RIPA)

12 The RIPA Act provides for a system of senior level authorisations for actions such as surveillance of individuals and the use of informers. It supports the Council's crime prevention services by regulating what might otherwise be breaches of citizens' human rights. Crime prevention is now the only purpose for which a local authority can invoke RIPA.

Table 5: issue of RIPA authorisations

Service	**06/07**	**05/06**
Fraud (Resources)	5	5
Trading Standards (Neighbourhood Services)	2	3
Children's Services	0	1
Environmental Protection (Neighbourhood Services)	0	1
Total	**7**	**10**

13 The IMO's role is to maintain a central register of authorisations (required by the Home Office Codes of Practice), and to liaise with the Surveillance Commissioner and the Interception of Communications Commissioner, who "police" the codes and inspect periodically[3].

14 In 2006/07 seven authorisations for directed surveillance were given compared to 10 in 2005/06, one of which was still in force at the end of the year. Table 5 above indicates which services authorised them.

[3] The last inspection was in January 2003.

15 One “covert human intelligence source” (CHIS, the formal term for informers) was recruited but was no longer operational at the end of the year. In this case the CHIS made test purchases in shops suspected of having sold certain goods to underage buyers.

16 No notices were served to obtain communications data. There were no errors in the RIPA procedure to report to the Commissioners.

Staff Warning Register

17 The Staff Warning Register identifies people and properties posing a risk to Council staff and is maintained further to the Council’s duty of care for its employees. Much of the data is sensitive and, in accordance with Information Commissioner guidance, the procedure seeks to ensure it is only disclosed on a ’need to know’ basis. The information available is factual and objective, with a periodic review to ensure continued relevance.

18 The increase in authorised users suggests growing awareness of the register and its relevance to a wide range of Council services. During the year access was extended to councillors following a decision by Corporate Services EMAP in September 2006. Enquiries from councillors to IMO on this (or any other information management matters) are welcome.

19 It was also the subject of an FOI request in March, leading to a press report later in the year.

20 The table below summarises the increasing scope of the register.

Table 6: scope of the Staff Warning Register

	2004	**2005**	**2006**	**2007**
Persons on Register	24	54	74	95
Properties on Register	1	50	61	63
Authorised users	58	190	298	341

Advice and training

21 An important function of IMO is to provide expert advice on information management and provide corporate support to key processes undertaken within departments such as the overall management of FOIs. In 2006/07, 77 enquiries and requests for advice were answered, covering all the areas of work set out above. These ranged from simple telephone queries to requests requiring considerable research.

22 Two rounds of training sessions were completed, covering data protection, freedom of information, and records management. Records Management was oversubscribed and an extra session was therefore provided. Response forms

indicated a good level of satisfaction and a third training round is planned for summer 2007.

Consultation

23 The Information Management Working Group's membership includes Cllr Jamieson-Ball, the members' Information Management Champion, as well as representatives from each department, plus one each from the Archives service and HR because of their specialist interest. The group meets monthly and provides liaison on relevant matters, but is also a ready route for consultation within departments when needed.

Options and analysis

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

Corporate priorities

25 The Information Management function contributes to the following corporate objectives:

Reduce the impact of violent, aggressive and nuisance behaviour on people in York

Improve leadership at all levels to provide clear, consistent direction to the organisation

Improve the way the council and its partners work together to deliver better services to people who live in York

Improve efficiency and reduce waste to free up more resources

Implications

26 There are no financial, legal, HR, IT&T, crime & disorder, equalities, property or other implications arising from this report.

Risk Management

27 In compliance with the Councils risk management strategy. There are no risks associated with the recommendations of this report.

Recommendations

28 The Advisory Panel advise the Executive Member that the report should be noted.

Reason: to demonstrate continuing recognition of records and information

management as a corporate function in accordance with the Records Management Code of Practice.

Contact Details

Author:
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Resources
01904 553450

Chief Officer Responsible for the report:
Liz Ackroyd
Assistant Director of Resources (Audit & Risk Management)

Report Approved | *Y* | **Date** *27 May 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:

Staff Warning Register

Annexes:

None

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CITY OF YORK COUNCIL

Meeting of Executive Member for Corporate Services and Advisory Panel

8 June 2007

Report of the Assistant Director (Audit & Risk Management)

The Corporate Procurement Strategy 2007-2010

Purpose

1 The purpose of this report is to:

a) advise Members of the progress made to date on the preparation of the Corporate Procurement Strategy 2007-2010, which replaces the original framework strategy and medium term action plan approved by the Executive in September 2003;

b) invite comment from Members on the scope and content of the draft strategy as it stands and in particular the focus and emphasis given to the various principles and policy 'headlines' that will form the basis for developing the policy framework for procurement at the Council in the future as set out on pages 7-9 and 14 & 15 respectively in the draft strategy document attached as Annex A to this report;

c) seek the views of Members as to where the organisation should seek to position itself in relation to a series of key continuums relating to the nature, performance, function, organisation of procurement activities at the Council in future as provisionally set out on pages 19-27 of the draft strategy document attached as Annex A to this report;

d) invite Members to consider the draft medium term action designed to support the further development and improvement of procurement over the next 3 years attached as Annex A to the Corporate Strategy;

e) seek Executive Member approval to refer the strategy to the Executive for formal consideration and approval in accordance with the requirements of the Constitution, subject to any amendments agreed by Corporate Services EMAP.

Background

2 There are significant pressures for the Council to develop and adopt a fully comprehensive Corporate Procurement Strategy (CPS), including:

a) the need to comply with the provisions of the Local Government Act 2000 and extant statutory Best Value guidance;

b) long standing concerns on the part of the District Auditor and the weaknesses reported in the Annual Audit Letters about the Council's overall policy and strategy framework for procurement and competition, given added impetus more latterly by the Corporate Performance Assessment (CPA) and specific VFM criteria within the Use of Resources assessment that extend to a specific requirement for authorities to have a CPS;

c) the requirements of the National Procurement Strategy published by the Government in 2004 in response to the recommendations for improving public sector procurement made by the Byatt report in 2002;

d) the continuing national focus on public sector procurement further to the Gershon report in 2005 and more latterly by initiatives such as the Local Government Sustainable Procurement Action Plan (May 2007);

e) the contribution effective procurement can make to the provision of services and the 'added value' gains can accrue both in terms of improvements in quality and the optimisation of costs;

f) the need for the Council to shift its understanding of procurement away from a fairly traditional transactional and gate-keeping view of its role and purpose and mainstream it within the strategic management and planning considerations of the organisation;

g) the need to move away from short-term approaches which place lowest initial cost ahead of whole life performance at the expense of optimising sustainable solutions for the future.

3 Many of the weaknesses identified by the District Auditor had remained unresolved for many years prior to the creation of the Corporate Procurement Team (CPT) in early 2004. Since the team's original inception much important progress has been made to develop the regulatory and procedural infrastructure for procurement at the Council, most notably:

a) the publication of fully comprehensive Procurement Rules further to the new Financial Regulations adopted as part of the new Constitution in May 2006 and the development of an accompanying Procurement Guidance Manual for practitioners (in draft for Management Team's consideration as a separate item on this agenda);

b) the development of a fully populated corporate Contracts Register and further to the adoption of a new automated Supplier Contract Management System;

c) a review of all addressable spend and spend under existing contract to inform the development of a series of corporate contracts and framework agreements for generic supplies and services used across the organisation which have resulted in financial savings, less incidence of non-compliance with the regulations and other legislative requirements as well as the introduction of better contract management arrangements;

d) the development of standard procurement documentation covering each stage in the procurement process, along with standard contract terms and conditions all of which is available on the Resources Procurement Intranet site;

e) the identification of procurement savings in excess of £800k across the organisation over the last 3 years;

f) the development of a five year Strategic procurement programme further to the overall Efficiency Programme at the Council (as previously reported to Management Team);

g) the introduction of robust governance, compliance monitoring and exception reporting arrangements further to the work of the Audit & Governance Committee;

h) the development of an expert advisory and support service.

4 Whilst a provisional framework strategy and medium term action plan for 2004/05-2006/07 was approved by the Executive in autumn 2003, it has been accepted for sometime that it a fully comprehensive CPS was needed following the publication of the National Procurement Strategy in 2004.

5 In addition, despite the good progress exampled at paragraph 3 above, there remain a number of serious concerns that need to be tackled as part of the new CPS, principally:

a) on-going unacceptable incidence of non-compliance with regulatory requirements placing the Council at unnecessary risk of litigation, damage to its reputation and financial loss;

b) a lack of sufficiently expert and knowledgeable staff across the organisation to conduct initial procurement exercises and to then proactively manage contracts post-award allied to known skills gaps within the organisation in respect of effective programme and project management;

c) staffing diseconomies of scale across Directorates;

d) insufficient and incomplete financial management information about the type and amount of goods, services and works procured across the organisation;

e) the absence of a coherent policy framework within which procurement should take place;

f) insufficient involvement, investment and influence in the work of the regional Centre of Excellence;

g) the need to clearly establish a preference for VFM based procurement as opposed to lowest cost;

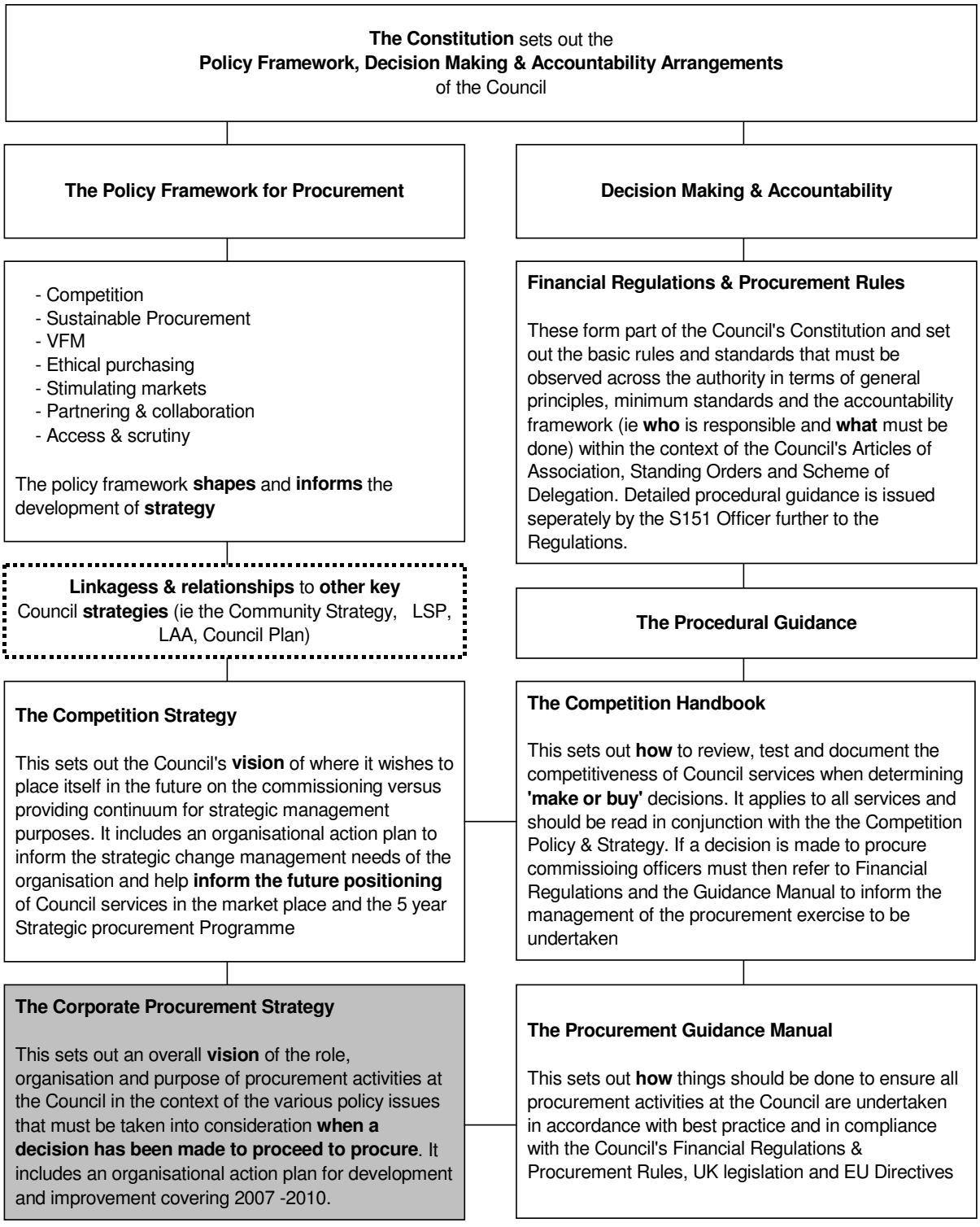
h) the need to clearly establish appropriate rules and definitions around partnering and collaboration procurement initiatives.

The strategy: key issues to note

6 Fundamental to the development of the CPS has been the need to establish a clear understanding of where and how all the component elements of a coherent strategy and policy framework for procurement fit together within the overall policy and accountability framework for the Council as set out in the Constitution. Exhibit 1 overleaf shows how the component parts of the overall policy, strategy and decision making framework for procurement at the Council will relate to each other when work on the Competition Strategy and Handbook elements of the overall framework have been completed later this year. In devising the overall framework, it has been crucial to establish some form of sensible boundary between what is usually termed ‘strategic procurement’ versus procurement per se for the purposes of preparing the CPS along with a separate Competition Strategy. It is important to note therefore that the scope of this strategy documents is to set out the Council’s approach to conducting its procurement activities once a decision has been made to proceed to procure.

7 The CPS does not extend to how the organisation may choose to use strategic procurement activities as a lever for change and service transformation. It does not in itself, therefore, set out a vision of where the organisation should place itself on the ‘commissioning versus providing’ continuum for overall strategic management purposes and the future provision of Council services. Those matters are discussed in a separate Competition Strategy (encompassing the five year Strategic Procurement & Commissioning Programme) and an accompanying Competition Handbook that details how practitioners should review, test and document the competitiveness of Council services and alternative market options when determining 'make or buy' decisions. The Competition Strategy and accompanying Competition handbook will be brought forward for consideration later this summer. Please note also that the CPS does not provide guidance as to how to conduct a procurement exercise per se. This is provided by the Procurement Guidance Manual for practitioners which is set out in a separate report elsewhere on the agenda for EMAP Members consideration on the 8 June 2007. Instead, the CPS takes a high level view of procurement across the organisation, focusing on setting out:

Exhibit 1



Note *The shaded box shows the position of this strategy in relation to other key component parts of the overall policy, strategy and decision making framework for procurement at the Council*

- an overall vision of the role, purpose, objectives and organisation of procurement as a key management activity at the Council, based on a thorough knowledge and understanding of where we are now, key drivers and dependencies and our procurement aspirations for the future;
- the principles and overall policy framework for procurement along with the professional and legislative standards that must be complied with when a decision has been taken to procure from third parties;
- a medium term action plan providing a road map for development and improvement to achieve the vision and objectives set out in this strategy.

10 It is ambitious and challenging, and will require cultural change, enhanced leadership and contract management capabilities across the organisation and step-change service improvement through business process re-engineering and the use of new technologies. Deploying the strategy in practice will require the organisation to better understand the market place and demonstrate a willingness to work effectively and innovatively with suppliers and partners to deliver desirable and sustainable service outcomes to the wider benefit of the community.

14 The purpose of this strategy is therefore to:

- contribute to the development of a clear and consistent policy and decision making framework for strategic procurement and purchasing activities across the organisation.
- support the service needs and ambitions of the Council and help to deliver the Council's wider policy objectives and priorities;
- articulate best practice and management standards within a coherent framework of related procurement policy 'platforms';
- meet the expectations of our key stakeholders, including staff, customers, partner organisations, external inspectorates, suppliers and the wider business community;
- help change the way in which the Council thinks about procurement, away from the traditional perception of procurement as a one-off, transactional or regulatory gate-keeping function, to one more focused on achieving thoughtful, effective and innovative procurement solutions that best meet the needs of the organisation and the community.

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[1] *It is important to note that the strategy itself does not constitute policy but should be driven by it. However, in the absence of a coherent and formally documented policy framework for procurement at the Council to date, it has been necessary to set out key policy 'headlines' to create that framework in order to prepare this strategy. Further work to develop these policy 'headlines' into full policy statements will be required subject to Members' consideration and approval of the strategy itself.*

Options & analysis

16 Not relevant for the purpose of this report.

Consultation

17 This paper has been brought for consultation purposes with Corporate Services EMAP Members with a view to the Executive Member referring the draft CPS to the Executive for consideration and approval. The draft strategy has been prepared in consultation with other key stakeholders and with reference to a critical reader group during 2006/07. This has included consultation with the Executive Member for Resources and shadow Executive for Resources, backbenchers and with reference to the Audit Commission.

Corporate priorities

18 The development of the CPS contributes directly to the achievement of Corporate Priority Improvement Statement 13 *'To improve efficiency and reduce waste to free up more resources'*. However, the strategy will also contribute indirectly and to varying degrees to the delivery all 13 corporate priority statements by supporting and helping to direct procurement activities and focus across the whole organisation.

Implications

19 There are no specific financial, legal, HR, property, crime & prevention, IT&T or other implications arising from this report.

Risk Management

20 The Council remains at risk of a poor CPA and/or specific inspection reports if it does not adopt the CPS as part of the overall development agenda to establish a robust strategy, policy and decision making framework for procurement set out in Exhibit 1, before the end of this year. It also risks failing to ensure procurement activities across the organisation are properly channelled into supporting the delivery of Council objectives and ambitions.

Recommendations

21 Members of the Advisory Panel are asked to:

a) comment on the scope and content of the draft CPS and medium term action plan attached as Annex A to this report;

Reason

To seek Members views as to the scope and content of the draft strategy.

b) make any suggestions they may have for amendment to the draft CPS and medium term action prior to its referral to the Executive for consideration and formal approval.

Reason

To allow officers to incorporate any necessary additions or amendments to the draft CPS and/or medium term action plan before it is reported to the Executive for consideration and formal approval.

c) advise the Executive Member, subject to consideration of a) and b) above, to endorse the draft CPS and medium term action for referral to the Executive for consideration and formal approval.

Reason

To allow the draft CPS and medium term action plan to be referred to the Executive for consideration and formal approval .

Author:

Liz Ackroyd
Assistant Director of Resources (ARM)

Ext 2943

Chief Officer Responsible for the report:

Liz Ackroyd
Assistant Director of Resources (ARM)

Report Approved ✓ **Date 27 May 2007**

Specialist Implications Officer(s)

Wards Affected Not applicable **All** ☐

For further information please contact the author of the report

Background Papers

Framework Strategy & Medium Term Action Plan 2004/05 – 2006/07
National Procurement Strategy

Annexes

Annex A – Corporate Procurement Strategy 2007/08 – 2009/10

Annex A
Corporate procurement strategy

Consultation draft

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Corporate Procurement Strategy 2007 – 2010

version control draft 1.1
May 2007

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Foreword by Simon Wiles (CPFA)

Director of Resources & Deputy Chief Executive

The strategic importance and role of procurement has gained greater prominence nationally in recent years. A series of Government reports including Egan, Byatt and more latterly the Gershon report, have all drawn attention to the need for the better use and management of effective procurement practice to secure benefits across the public sector

Local authorities generally have always struggled to meet the often competing demands of their communities within the limited financial resources at their disposal and York is no different. Indeed as the second lowest funded unitary authority in England & Wales we have even greater pressures than most. Effective and efficient procurement arrangements are recognised as one of the main ways in which the Council can secure maximum benefit from the resources available for both revenue and capital purposes: in terms of both improvements in our services and our cost base. But a well thought out procurement strategy can help us to do more than that. It can ensure we direct the Council's spending power in ways that can best support the wider aims and objectives of the Council, including the need to promote the sustainability agenda, support the local economy and work effectively in partnership with others.

This document sets out our vision for the future and the actions we will take over the next 3 years to achieve our ambitions for procurement. The strategy is key to the Council's overall improvement agenda and will play a crucial role in helping the organisation achieve 'Excellence' in the future.

Your views and comments on the strategy would be most welcome. If you would like to discuss it further please contact Liz Ackroyd (Assistant Director of Resources, ARM) at the City Finance Centre.

Signature

Simon Wiles
Director of Resources & Deputy Chief Executive

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Letter of support from Cllr Ceredig Jamieson-Ball

Dear reader,

Good procurement is key to providing cost effective and efficient services for the community. The Council spends in excess of £120m each year on externally procured good and services, so it is essential that we buy the **right** things, in the **right** way, at the **right** time and for the **right** prices.

Every local authority buys good and services from external suppliers. In doing so, the City of York Council itself is committed to ensuring it achieves value for money for the people of York. Our over-riding ambition is to always make the best use of limited financial resources in a sustainable way without compromising the quality or integrity of our services.

A great deal of thought and hard work has gone into improving the management and practice of procurement within the organisation and significant progress has been made in recent years. Nonetheless, we must keep under constant review how we can continue to improve in the future. I believe the following strategy will help the Council to achieve its ambitions for the community.

I have found this document to be both useful and informative, I hope you do too.

Signature

Councillor Ceredig Jamieson-Ball
Executive Member for Corporate Services

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Introduction

1 Procurement has been defined in its widest sense as:

> *"The process of acquiring goods, works or services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle, from identification of needs through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision, which may result in the provision of services external to the Council in appropriate circumstances"*
>
> **The National Procurement Strategy (ODPM 2004)**

2 This definition encompasses both the more traditional concepts of purchasing along with wider strategic management issues about how procurement can be used to inform the shape and nature of the organisation as a whole and the delivery of Council services to best meet the needs of users and our local communities in the future. Effective procurement should therefore play a crucial role in helping the organisation provide high quality, cost effective public services.

3 There are a number of important reasons as to why this strategy has been prepared. The key drivers include:

a) the need to comply with the provisions of the Local Government Act 2000 and extant statutory Best Value guidance;

b) the requirements of the National Procurement Strategy published in 2004 in response to the recommendations of the Byatt report for improving public sector prourement;

c) the continuing national focus on public sector procurement further to the Gershon report in 2005 and more latterly by initiatives such as the Local Government Sustainable Procurement Action Plan (May 2007);

d) the contribution procurement can make to the effective provision of services and the 'value added' gains that can accrue both in terms of improvements in quality and the optimisation of costs;

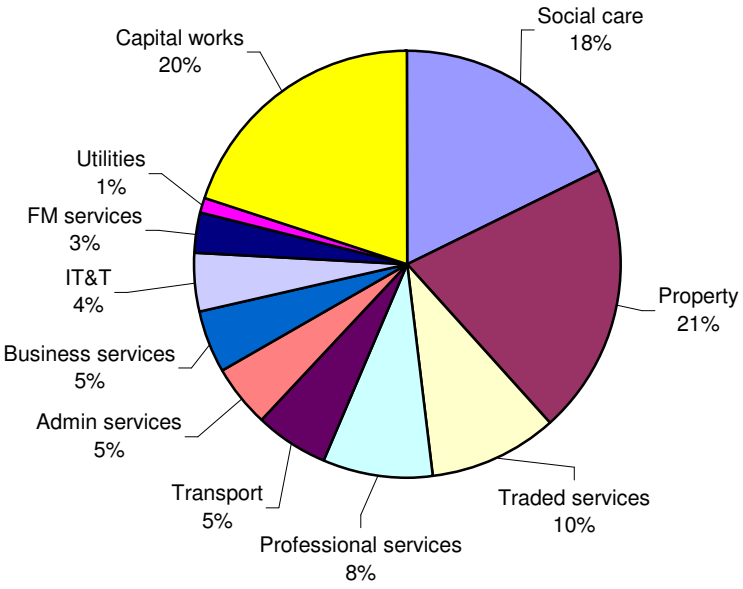
e) the need for the Council to shift its understanding of procurement away from a fairly traditional transactional and gate-keeping view of its role and purpose and mainstream it within the strategic management and planning considerations of the organisation;

f) effective procurement arrangements are major considerations within the VFM assessment for the Use of Resources judgement further to the Comprehensive Performance Assessment (CPA);

g) the need to move away from short-term approaches which place lowest initial cost ahead of whole-life performance at the expense of optimising sustainable solutions for the future.

4 The Council is a major purchaser within the region, spending approximately £120m per annum with external suppliers. This represents about one third of the Council's gross annual budget. Exhibit 1 below shows the type and relative values of Council spend by main category with external suppliers.

Exhibit 1 Spend analysis



The spend analysis shown in Exhibit 1 is based on an independent interrogation of the Council's financial management systems for historic spend in 2003/04 excluding paybill costs, taxes and duties, schools and HRA expenditure.

5 A clear understanding of how procurement can be used to get the best value for the money the Council spends on behalf of tax payers is crucial therefore. In addition, the level of aggregate Council spend on any given category of goods or services can also constitute significant economic power within the market place that may be used to the wider benefit of the community and to help achieve wider policy ambitions and priorities of the Council.

6 Done well, and in the context of a robust overall policy and strategy framework, procurement can help the Council achieve its wider objectives, make more efficient use of scarce resources, drive improvement and mitigate risk.

Background

7 Procurement has suffered in past years at the Council from under-investment, poor management information, and a lack of suitably expert and knowledgeable resources available to support the procurement needs and aspirations of the organisation. Management attention has tended to focus on reactive, service based purchasing activities whilst pressures to demonstrate value for money, achieve economic savings, and ensure compliance with proper practice, government inspection, policy and legislative requirements have made heavy demands on the small central team established in 2004 to provide procurement support and advice across the Council.

8 Whilst working from a low starting point, much work has been done since then to address a challenging development agenda and significant changes and improvements have been made, including:

a) the publication of fully comprehensive Procurement Rules further to the new Financial Regulations adopted as part of the new Constitution in May 2006 and the development of an accompanying Procurement Guidance Manual for practitioners;

b) the development of a fully populated corporate Contracts Register and the adoption of a new automated Supplier Contract Management System;

c) a review of all addressable spend under existing contract and the development of a series of corporate contracts and framework agreements for generic supplies and services, resulting in financial savings, reduced non-compliance and better post-award contract management arrangements;

d) the development of standard procurement documentation covering each stage in the procurement process, along with standard contract terms and conditions available via the Resources Procurement Intranet site;

e) the identification of procurement savings in excess of £800k across the organisation over the last 3 years;

f) the creation of an expert central advisory and support service;

g) the development of a five year Strategic Procurement Programme further to an overall Efficiency Programme for the Council.

9 However, much remains to be done if we are to become truly ‘excellent’ in the future and this strategy is fundamental to putting procurement on the path to excellence over the next 3 years.

Scope & purpose of this strategy

10 This strategy sets out an overall vision of the role, organisation and purpose of procurement activities at the Council in the context of the various policies that must be taken into consideration **once a decision has been made to proceed to procure**. It includes a medium term action plan for development and improvement up to the organisation's move to one-site operations at Hungate in 2010. It is ambitious and challenging, and will require cultural change, enhanced leadership and contract management capabilities across the organisation and step-change service improvement through business process re-engineering and the use of new technologies. Deploying the strategy in practice will require the organisation to better understand the market place and demonstrate a willingness to work effectively and innovatively with suppliers and partners to deliver desirable and sustainable service outcomes to the wider benefit of the community.

11 The scope of this document does not extend to how the organisation may choose to use strategic procurement activities as a lever for change and service transformation. It **does not** in itself, therefore, set out a vision of where the organisation should place itself on the 'commissioning versus providing' continuum for overall strategic management purposes and the future provision of Council services. Those matters are discussed in a separate Competition Strategy (encompassing the five year Strategic Procurement & Commissioning Programme) and an accompanying Competition Handbook that details how practitioners should review, test and document the competitiveness of Council services and alternative market options when determining 'make or buy' decisions.

12 Instead, this document takes a high level view of procurement across the organisation, focusing on setting out:

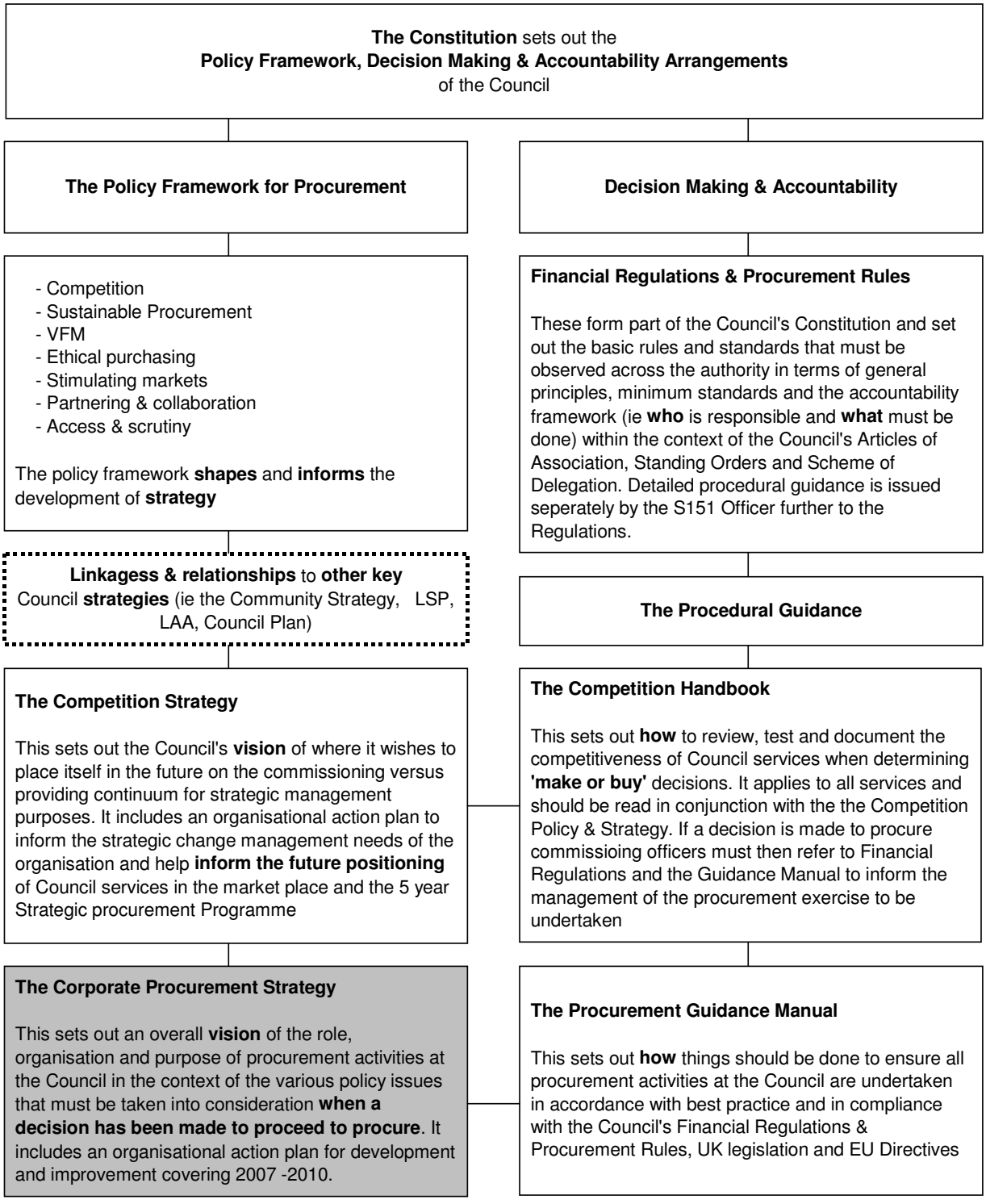
- an overall vision of the role, purpose, objectives and organisation of procurement as a key management activity at the Council, based on a thorough knowledge and understanding of where we are now, key drivers and dependencies and our procurement aspirations for the future;
- the principles and policy framework for procurement and the professional and legislative standards that must be complied with when a decision has been taken to procure from third parties;
- a medium term action plan providing a road map for development and improvement to achieve the vision and objectives set out in this strategy.

13 This strategy does not provide guidance as to how to conduct a procurement exercise per se. Detailed advice on how to carry out individual procurements is provided in the Procurement Guidance Manual for practitioners, which should in turn be read in conjunction with the Council's Financial Regulations and Procurement Rules. Exhibit 2 overleaf shows the relationships between the different elements of the policy and decision making framework for procurement and the place of this strategy in that context.

14 The purpose of this strategy is to:

- contribute to the development of a clear and consistent policy and decision making framework for strategic procurement and purchasing activities across the organisation;
- support the service needs and ambitions of the Council and help to deliver the Council's wider policy objectives and priorities;
- articulate best practice and management standards within a coherent framework of related procurement policy 'platforms';
- meet the expectations of our key stakeholders, including staff, customers, partner organisations, external inspectorates, suppliers and the wider business community;
- help change the way in which the Council thinks about procurement, away from the traditional perception of procurement as a one-off, transactional or regulatory gate-keeping function, to one more focused on achieving thoughtful, effective and innovative procurement solutions that best meet the needs of the organisation and the community.

Exhibit 2 The policy & decision making framework



Note *The shaded box shows the position of this strategy in relation to other key component parts of the overall policy, strategy and decision making framework for procurement at the City of York Council*

Vision, values & objectives

15 An overarching vision statement for procurement at the Council has been developed and is set out below.

> ***"To ensure that all procurement activity results in the right things being bought, at the right price and quality and at the right time on a transparent, consistent, lawful and sustainable basis that best supports the needs and expectations of our customers and the wider community".***

16 A series of key objectives and supporting 'success' measures have been devised further to the Council's strategic vision for procurement. These are organised across key themes and are set out in the table shown at Exhibit 3 overleaf.

17 The strategic vision and objectives for procurement are rooted in a commitment to the following guiding principles and assumed cultural values that should inform the approach to all procurement activity across the organisation:

- **Fairness & transparency**

  The Council is committed to ensuring fairness, openness and honesty in all its procurement activities. All staff and members will act with due probity and propriety in all their dealings with third parties and in the development of business relationships and service partnerships. Equally, the Council expects its contractors and suppliers to act openly and honestly in all their dealings with the Council.

- **Equality & diversity**

  The Council is committed to ensuring equal opportunities, access and treatment for all. All procurement activity will be conducted in a way that is non-discriminatory and promotes equality of opportunity for staff, the public and business. The Council will ensure it fulfils its statutory responsibilities by requiring all its contractors and suppliers to comply with all current equalities legislation including the Race Relations (Amendment) Act 2002, the Race Relations Act 1976, the Sex Discrimination Act 1975, the Disability Discrimination Act 1995, the Employment Equality Regulations 2003 and Codes of Practice issued by the Equality Commission. The Council will promote the healthy development of a mixed economy of supply in which the optimum procurement solution for the organisation and the wider community will be preferred.

- **Sustainability**

  All procurement activities will be undertaken with regard to the need to ensure integrated, sustainable development and the use of assets. Procurement decisions must be made with regard to 'whole life' value for money considerations and environmental impacts. The Council will implement the actions recommended by the Sustainable Procurement Taskforce (May 2007) to support the shared national goal for the UK to become a leader in the EU on sustainable procurement by 2009.

- **Value for Money**

  There will be no automatic preference for lowest price awards where it is known that important quality or other whole life costing considerations should also be evaluated to ensure the Council obtains and sustains best value throughout the life of an asset and/or contracts for supplies and services. All awards will be made through competitive process in accordance with Council Regulations, UK legislation and EU Directives. Corporate contracts for generic supplies and services will be used by all parts of the organisation wherever possible to make best use of the Council's purchasing power in the market place, exploit potential economies of scale and ensure the proper aggregation of contract values across the organisation.

- **Management standards**

  All procurement activity at the Council will be lawful and undertaken in accordance with the relevant professional and best practice standards. The regulatory and procedural framework for procurement will be complied with at all times to ensure accountability, probity and the proper safeguarding of Council assets of public monies. Any exception to this rule must be approved in advance by the Chief Finance Officer and also, when appropriate, the Monitoring Officer. All procurement exercises must be clearly documented to provide a clear audit trail and records must be kept securely by the commissioning department for a specified period. All contracts entered into must be logged on the Corporate Contracts Register maintained by the Corporate Procurement Team for overall management and reporting purposes.

- **Risk Management**

  All risks associated with the development and on-going performance of a contract must be assessed by the commissioning department in accordance with the Council's Risk Management Policy and Strategy. A formal risk assessment should be completed as part of any significant procurement exercise and all mitigation actions recorded within the Risk Register for effective management purposes.

- **Project Management**

  All major procurement exercises must be managed as structured projects, scaled to fit the complexity and value of the procurement and incorporating appropriate levels of monitoring and control. It is the aim of the Council to move towards the use of structured project and programme management methodologies to ensure the necessary skills and disciplines are in place to ensure the successful management and completion of all project work, on time, within budget and in accordance with the project specification.

- **Doing business electronically**

  It is recognised that long term efficiencies in the procurement process may be best realised through the better, universal use of e-technology solutions. The Council is committed to reviewing how e-procurement developments can be used to improve its current arrangements. It is developing the use of its Supplier & Contracts Management System which incorporates an e-tendering solution and allows the business community to access information about all local authority contracts and awards across the region via a shared web-portal. Other long term efficiencies and service improvements will be afforded through the replacement of the Council's financial ledger system.

- **Training & development**

  Effective procurement relies on the involvement of suitably knowledgeable and expert staff to support the initial procurement process but equally then to manage the deployment of individual contracts post-award. The staff training and development required to build competence and capacity across the organisation ranges from a basic knowledge and understanding of purchasing practice to more formal procurement and project management qualifications as appropriate. The Corporate Procurement Team are responsible for developing and delivering a Council-wide training programme for all staff and Members engaged in procurement.

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Exhibit 3 Strategic objectives

VFM, competition & efficiency
To ensure procurement procedures are managed cost efficiently and value for money is obtained in the procurement of all goods, services and works
To fully exploit all available economies of scale and opportunities for market leverage by extending the use of corporate contracts and framework agreements
To support staff and members in identifying scope for year on year contract savings and other procurement related VFM improvements
To promote the greater and more consistent use of whole life costing and cost/benefit techniques in evaluating known or preferred quality considerations where applicable in awarding major contracts
To ensure the proper use of competition to help the organisation obtain and demonstrate best value in the choice and delivery of all Council contracts
Performance management
To establish an appropriate set of key indicators, standards and targets for procurement within an agreed performance management framework that includes all relevant feedback and reporting cycles
To develop the management information systems necessary to ensure the production of accurate, complete, up to date and easily accessible spend analysis and other performance information relevant to the function of procurement at the Council
Sustainability
To adopt the Local Government Sustainable Action Plan as set out by the Sustainable Procurement Task Force (May 2007)
To ensure all procurement practices are consistent with and support the delivery of the Council's wider environmental strategy and Local Agenda 21 Plan
To develop the use of corporate contracts for areas of generic spend and ensure that consideration of environmental impacts, ethical trading concerns and sustainable procurement considerations are fully built into the evaluation process by building in suitable quality criteria into contract specifications and using use of whole life costing techniques in the evaluation process where relevant
To work with the regional Centre of Excellence and other partner organisations to encourage good practice and influence the development of a diverse and sustainable external market place
Partnership & collaboration
To foster and encourage innovative procurement solutions to support the Council's partnership aspirations and help the organisation to work effectively in collaboration with others

Standards & governance
To ensure that risk is appropriately managed and that all procurement activities and transactions are legal, comply with the regulatory framework and the Council's Code of Corporate Governance
To ensure all procurement activity and decision making is carried out in accordance with the Constitution
Staffing & organisation
To ensure that scarce procurement resources are deployed effectively and that systems are in place to deliver the Council's strategic procurement priorities
To determine and clearly document the respective roles and responsibilities of central and devolved staff involved in procurement activities
To invest in the recruitment and retention of suitably qualified, experienced and competent staff and secure an appropriate mix of central and local staff inputs to support the corporate and operational procurement needs of the organisation
To ensure a structured approach to the education, training and development of all staff across the organisation with procurement and contract management responsibilities
Equalities & inclusion
To develop and promote consistent procurement practices and procedures that ensure that the Council fulfils its statutory duties, promotes equality for all in the procurement process and requires all suppliers to comply with all equalities standards
To develop and promote consistent procurement practices and procedure that ensure that the needs of all parts of the community and minority groups are fully considered in the development of suitable contract specifications and procurement solutions
To develop and promote consistent procurement practices that take due account of a preference to purchase locally and/or encourage Small & Medium sized Enterprises in the market place where this does not compromise legal or other competition requirements or the ability of the Council to obtain VFM
To encourage local companies and Small & Medium sized Enterprises to participate in the contracting process and provide a means of impartial advice and support to such companies to assist them in doing so
New technologies
To use new and emerging information technologies wherever possible to reduce transactional costs and improve the efficiency and effectiveness of all aspects of the procurement process for the Council, external suppliers and contractors and to the benefit of the community

Standards & legislation

18 All procurement activity must be conducted in accordance with the Council's Financial Regulations and Procurement Rules, UK Legislation and EU Procurement Legislation. Compliance with the regulatory framework is vital: protecting the Council against litigation, and securing accountability for the way in which public money is spent. Failure to comply with legislative and regulative rules may constitute misconduct and lead to formal disciplinary action.

19 All staff and members involved in procurement must:

- ensure that any procurement exercise is legal, transparent and does not expose the Council to unacceptable risk;
- seek any necessary advice, guidance and support form the Corporate Procurement Team and refer to them in respect of any contract for goods, works or services in excess of the relevant EU thresholds;
- conduct procurement exercises in a fair and transparent manner, consistent with the requirements of the Council's Financial Regulations and the procedures set out in the Procurement Guidance Manual for practitioners;
- report any concerns they may have over the conduct of any procurement exercise, known fraud or corruption or any other breach of the Council's Financial Regulations to the Chief Internal Auditor for investigation and action;

20 In addition, commissioning officers must take into consideration the requirements of the following legislation to ensure that the procurement process is not prejudiced or open to future challenge.

- The Race Relations Amendment Act,
- TUPE Regulations;
- Local Government Act;
- Freedom of Information Act.

21 In doing so, the following principles must be reflected in the documentation, evaluation and award of contracts when selecting and dealing with suppliers:

- the elimination of unlawful racial discrimination, be that direct, indirect or institutional;
- promote equality of opportunity and good relations between persons of different racial groups.

22 Full details of all legislative and regulatory requirements at each stage in the procurement process are set out in the Council's Financial Regulations & Procurement Rules and the Procurement Guidance Manual for practitioners.

Risk management

23 Risk management is integral to good management practice enabling the Council to better understand, document and mitigate the risks and opportunities arising from any given procurement exercise.

24 Procuring goods, services and works from third parties exposes the Council to a range of risks. Procurement risk is often considered from a simple transactional perspective relating to an individual procurement, eg what risks would we run if a contractor fails to deliver a service. However, thinking about procurement as a strategic management concern for the Council, also means thinking about the risks the Council as a corporate entity would be exposed to if any part of the overall process of procurement across the organisation breaks down or is badly managed. Having an effective management infrastructure which includes everything from appropriate governance, decision making, staffing and contract management arrangements is crucial to managing the procurement risks the Council is exposed to everyday as a result of all the various individual commissioning and purchasing activities taking place across the organisation.

25 The management of risk should be proportionate to the size and value of the procurement exercise but should always include consideration of the following stages in the risk management cycle:

- **Identify** the risks that exist
- **Assess** those risks for potential frequency and severity
- **Eliminate** the risks that can be eliminated
- **Reduce** the effect of those risks that can not be eliminated
- **Monitor** the results of any risk management action taken
- **Evaluate** and balance hazards and opportunities to make well-informed decisions

26 Where a major procurement exercise is to be undertaken a recognised project methodology should be adopted, such as Prince II. Integral to most project methodology is the development of a formal risk register.

27 Successful risk management flows from an early assessment of likely risks in the planning stage of any given procurement. Whilst the kinds of risk arising will be specific to each procurement, consideration of the following risk factors would be typical in most exercises:

- discontinuity in the supply of essential goods or services;
- procurement outcomes that are contrary to Council objectives;
- fraud and corruption;
- prosecution and litigation for infringement of regulations;
- change in the external environment;
- understanding the market;
- future supply and demand for the product.

The policy framework

28 All procurement takes place within the context of the overall policy framework at the Council as set out in the Constitution. There are already a number of corporate policies that have a direct bearing on procurement considerations including those for Equalities, Environment, Risk Management, Insurance, x, y, z

29 In addition to those wider 'generic' policy statements, the specific policy framework for procurement at the Council is made up a grouped series of policy 'platforms' relating to the following issues:

- Competition (contracting with external suppliers);
- VFM;
- partnering and collaboration;
- sustainable procurement;
- ethical purchasing;
- stimulating markets and achieving community benefits.

30 The policy headline for each platform is set out below.

Contracting with external suppliers

All goods, works and services which are to be sourced externally will always be acquired through a legally compliant competition process unless there are compelling reasons to do otherwise and any necessary exemption from Council Regulations is allowable under UK law and EU Directives and has been agreed in advance with the Chief Finance Officer. The decision to award must be transparent and evidence of comparative quotes or tenders must be fully documented through an equitable and consistent evaluation process.

VFM policy

Contracts will normally be awarded to the provider offering the most economically advantageous balance of quality and cost. The evaluation process will ensure that competitive bids or quotes are fairly assessed on the basis of quality and other non-cost considerations and the costs that will be incurred by the Council throughout the life of an asset (including its disposal) or contract period.

Partnering & collaboration policy

Opportunities to work effectively in partnership and collaboration with others to deliver better, cost effective outcomes to our customers and across the community will be actively pursued and supported through the development and use of innovative procurement solutions. New approaches will be encouraged in order to support new ways of working in the future wherever possible, providing the Council is protected at all times against risk of loss, misappropriation, fraud,

damage to its reputation or legal challenge. Entering into contractual partnering arrangements with a third party organisation, irrespective of its market place position, will be subject to normal competition and VFM requirements set out in the procurement policy framework. The comparative benefits of non-contractual shared service solutions and informal partnering arrangements based on non-contractual agreements must be documented along with an examination of alternative market place solutions.

Sustainable procurement

Good, services and works will be procured wherever possible and within known financial constraints in such a way as to maximise the whole life values to the organisation, its partners and the wider community whilst seeking to minimise any adverse environmental impacts of any given supply. Thought must be given to any relevant environmental sustainability issues. Equally, consideration should be given to the sustainability of the supply within the market place and how contracted goods, services or works will contribute to the sustainability of the Council and its services to the community.

Ethical purchasing

All procurement decisions must give due regard to known ethical concerns relating to any given supply. Council procurements must not (however indirectly) go towards supporting the known exploitation of child or slave labour, promoting racism or encouraging social segregation or division. Ethical considerations may be brought into the evaluation process as quality or other non-cost considerations. For example, an ethical preference for Fair Trade products for example may be rewarded through additional ‘non-price’ criteria within the evaluation process. A balanced judgement as to the desirability of any given supply should then be assessed on the basis of the overall costs and value that will be incurred and derived by the Council throughout the life of an asset (including its disposal) or contract period.

Stimulating markets & achieving community benefits

The Council has a legal responsibilities to help stimulate the market place, foster the social and economic well-being of its communities and support the development of a vibrant local economy. Procurement solutions will be developed with this in mind and preference given to Small & Medium sized Enterprises and/or local providers where there is no legal or VFM detriment to the Council.

Public access & scrutiny

All procurement activities will be transparent and open to public scrutiny. All contract information relating to existing awards, up and coming contracts and approved supplier lists will be logged on the Council’s web-enabled Supplier Contract Management System for easy reference by the business community across the region.

The strategy

31 This strategy seeks to set out a clear 'road map' of what the Council wants to achieve in respect of procurement over the next three years based on a clear understanding of:

a) how the procurement agenda has developed since the Council adopted the original framework strategy for procurement and initial medium term plan for development and improvement running between 2004/05 – 2006/07 across a range of key service themes or 'continuums';

b) the current baseline position at the Council in respect of each of those continuums further to the work done over the last 3 years;

c) what, realistically, can be achieved over the next 3 years to make further progress within known funding, resourcing and technological constraints;

d) what actions are therefore needed and over what time-scales to ensure the effective deployment of this strategy by the end of 2009/2010.

32 An analysis of a, b and c above, has been prepared on the basis of a set of key service continuums derived from the strategic objectives for procurement set out on pages 10 & 11 of this document. The continuums chosen include:

- VFM, competition & efficiency;
- Performance management;
- Sustainability;
- Partnership & collaboration;
- Standards & governance;
- Staffing & organisation;
- Equalities & inclusion;
- New technologies;
- Ethical purchasing.

33 Each continuum contains within in it a series of sub-set considerations. These are set out on pages x-x. Each continuum sets out the key features that might be expected in relation to different levels of performance based on a scale of 1 – 7 where:

1 = failing
2 = poor
3 = inadequate
4 = satisfactory
5 = above average
6 = good
7 = excellent

34 These continuums have then been used to assess where the organisation started from, the current position and what can be achieved over the next 3 years within known funding, resourcing and technological constraints. Each sub-set consideration has therefore been marked to clearly indicate the following:

Starting position at end of 2003/04

Current position at end of 2006/07

Aspiration by end of 2009/2010

35 As the continuum analysis demonstrates the organisation has achieved a great deal over the last 3 years. On average overall arrangements now equate to somewhere between a '3' and a '4', having averaged a high '1' to borderline '2' before the creation of the current Corporate Procurement Team, deployment of the Council's original framework strategy for procurement and implementation of the first 3 year action plan (2004/05-2006/07) for improvement and development.

36 Clearly, however, there remains a great deal to be done across the piece to now move the organisation forward and put it firmly on the road to excellence. The ambition set out in this strategy and the accompanying action plan at Annex A will ensure the organisation is able to position itself firmly in the range of '5' to '6' over the next 3 years with a view to then moving up to excellence after 2010 when step-change improvement opportunities will be afforded by:

a) the move to one-site operations at Hungate, and;

b) the realisation of medium to long term benefits of much work now in progress to modernise procurement practices at the Council through the planned use of new technologies come on stream.

37 Whilst a realistic assessment of what is achievable over the next 3 years, the medium term ambitions set out in the continuums are challenging and represent significant stretch targets for improvement within existing arrangements. It will therefore be vital to keep these under on-going review as the new action plan is implemented to ensure the strategy can be achieved. Key areas for action that will support progress across all service continuums will include:

a) the development of fully worked up policy statements to establish a robust framework for procurement worked up from the principles and policy 'headlines' set out on pages 7-9 and 14 & 15 of this document respectively that is fully aligned with the future corporate strategy of the Council;

b) fully embedding across all parts of the organisation the regulatory and compliance framework established following the review of the Constitution and adoption of new financial regulations and procurement rules in May 2006;

c) developing overall organisational skills, knowledge and competencies through targeted training and support to departmental commissioning officers and directed work with the staff 'procurement community';

d) reviewing the organisational management of procurement activities across the organisation in the lead up to one-site operations at Hungate to optimise the best use of scarce specialist resources in future years;

e) developing the planned use of new technologies to support the management information needs of the organisation, promote effective contract and supplier management practices, build-in light touch monitoring arrangements to ensure compliance and promote good governance, achieve administrative efficiencies and process improvements, communicate effectively with our key stakeholders, partners, customers, suppliers and the wider community;

f) establish a robust approach to whole life costing to support effective bid evaluation processes that enables the organisation to exercise and demonstrate balanced procurement judgements based on the whole life value of goods, services and works that fully reflect all policy considerations in the decision making process;

g) ensure partnering, shared service and other collaboration opportunities can be fully exploited in support of the Council's overall strategic ambitions and management considerations in future years.

38 A detailed action plan setting out what will be done further to this strategy and in what time-scales is attached at Annex A. The arrangements for monitoring and reporting progress on the strategy and action plan over the next 3 years are set out on page 29 of this document.

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VFM, competition & efficiency

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Regulatory framework	No or incomplete regulatory infrastructure	**Weak regulatory infrastructure**	Infrastructure exists but not embedded	**Sound infrastructure embedded & mostly observed without need for remedial action or sanction**	Sound infrastructure fully embedded & observed	**Sound infrastructure fully embedded & observed and regularly reviewed and updated**	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Compliance	**Evidence of whole-scale non-compliance**	**Evidence of significant non-compliance**	Evidence of non-compliance	Low incidence of non-compliance	Very little non-compliance	**Non-compliance is the exception**	Non-compliance is the exception
Vulnerability to 3rd party challenge & intervention	High risk and unlikely that any challenge could be defended	High risk and unlikely that any challenge could be defended	**Medium risk and uncertainty as to whether all/any challenges could be defended**	**Low to medium risk but most challenges could be defended**	Low risk and most challenges could be defended	**Low risk but few challenges that could be confidently defended**	Low risk. Challenge is the exception. Challenges can always be confidently defended
Organisational skills, knowlegde & competencies	**Lack of skills, knowledge and expertise across the organisation**	Low level general skills, knowledge and expertise across the organisation	**Limited investment in general skills staff training & development, inconsistent profile**	Adequate investment in general skills staff training & development across the Council	**Planned investment in general skills training that meets the needs of commissioing departments**	Planned investment in general skills training that meets the current & future needs of the Council	Planned investment in general skills training that meets the current & future needs of the Council
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources	**Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council**	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	**Adequate investment in specialist procurement function that meets the priority service needs of the organisation most of the time**	Appropriately resourced and resilient specialist procurement function that meets the current service needs of the organisation	**Appropriately resourced specialist procurement function that meets the current & projected future service needs of the Council**	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future needs of the Council
Strategy & policy	**Lack of coherant strategy & policy framework for procurement**	Weak and inconsistent strategy & policy framework for procurement	**Discrete strategy & policy framework for procurement**	Coherant strategy & policy framework for procurement that is linked to overall corporate strategy & plan	**Coherant strategy & policy framework within overall Council strategy that supports strategic management and decision making**	Coherant strategy & policy framework linked to overall corporate strategy and seen as key driver for strategic management and decision making	Coherant strategy & policy framework fully aligned to corporate strategy & plan and seen as core to strategic management practices at the Council
Whole life costing/value	**No use of whole life costing/value**	**Little use of whole life costing/value**	Some use & awareness of WLC but no coherant policy or approach	**Acceptance & use of whole life costing/value as norm**	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm
Stimulating the market place	**No attempts to stimulate the market place**	Adhoc or uninformed attempts to stimulate the market place	**Awareness of requirements but no capacity to support in practice**	Awareness of requirements but little capacity to support in practice	**Some efforts to develop market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services	Market place development core to procurement and approach fully aligned with the strategic management of the Council
Innovation & new technologies	No evidence of innovative procurement solns and/or use of new technologies	**Some evidence of adhoc use of innovative procurement solns and/or use of new technologies**	**Limited planned use of innovative procurement solns and/or use of new technologies**	Planned use of innovative procurement solns and/or use of new technologies but limited in nature and scope of application	**Universal use of innovative procurement solutions and use of new technologies within defined & time-bound plan**	Well developed universal use of innovative procurement solns and/or use of new technologies within plan	Regarded as best practice site for innovative procurement solns and/or use of new technologies
MIS & use of performance management information	**No management and performance information**	**Inadequate and unreliable management and performance information**	Limited but reliable management and performance information	Reliable management and performance information systems used for basic monitoring and reporting purposes	**Reliable MIS used to target, track and direct procurement activities in addition to standard monitoring & reporting**	Reliable MIS used to target, track and direct procurement activities, inform the budget process and resource allocations	Reliable MIS used to target, track and direct procurement activities, inform the budget process and drive resource allocations

Performance Management

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Management information systems	**Little or no use of MIS to support performance management routines**	**Limited use of MIS but restricted in scope and unreliable/poor quality base data**	Some use of MIS but restricted in scope and management routines not embedded	Established use of reliable MIS and related management routines but limited in scope and impact	MIS used to actively inform the roll-out of the procurement strategy and development work across the organisation	**MIS used to actively inform planned spend and development agenda at the Council**	MIS analysis central to the strategic decision making of the Council
Performance measures	**No use of agreed performance measures for procurement**	**Initial review but no consistent use or agreed basket of PIs for management purposes**	Agreed basket of measures but data capture, reporting and monitoring routines not embedded	Agreed basket of measures, adequate data capture arrangements and management routimes in place	**Basket of measures fully reflect best practice indicators agreed nationally, regularly reviewed and monitored**	All as 5 along with benchmarking activities to identify areas for improvement	All as 6 & outcomes built into overall efficiency & strategic procurement programme
Monitoring and reporting	**No established monitoring and reporting arrangements**	**Some monitoring and reporting but limited in scope and visibility**	Monitoring and performance management routines established in principle but not embedded	Monitoring and performance management routines established and embedded	Monitoring and reporting routines meet all best practice requirements	**Monitoring and reporting routines meet all best practice requirements and result in positive action being taken by the Council to remedy or improve current practice**	Monitoring and reporting routines meet all best practice requirements and integrated into the strategic management and decision making routines of the Council
Strategy & policy	**Lack of coherant strategy & policy framework for procurement**	Weak and inconsistent strategy & policy framework for procurement	**Discrete strategy & policy framework for procurement that incorporate performance management requirements**	Coherant strategy & policy framework for procurement incorporating best practice performance management arrangements that is linked to overall corporate strategy & plan	**Coherant strategy & policy framework within overall Council strategy that drives performance management needs and supports decision making**	Coherant strategy, policy & integral performance management framework linked to overall corporate strategy, seen as key driver for strategic management and decision making	Coherant strategy, policy & integral performance management framework linked to overall corporate strategy, fully aligned to corporate strategy & plan and seen as core to strategic management practices at the Council
Process & innovation	**Transactional and localised activity No coherant data capture or information management infrastructure**	**Transactional and localised activity. Weak information management infrastructure and insuffiently supported (evident technology and/or other resourcing limitations)**	Some evidence that corporate and local processes have built in performance data needs	Procurement activity transacted in a way that ensures standard management and performance information can be collected across the organisation	Procurement activity transacted in a way that ensures good management and performance information can be collected across the organisation	Universal arrangements ensure comprehensive management and performance information is collected across the organisation with minimum administration	As 6. Accurate and timely performance information informs all procurement decisions and drives efficiency and improvement
Stimulating the market place	**No attempts to use performance information to understand the market place**	Some adhoc analaysis of the market place to support discrete procurement exercises	**Awareness of requirements but no capacity to support unified approach in practice**	Awareness of requirements but little capacity to support unified and planned approach in practice	**Some planned effort to use performance data to stimulate the market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services based on sound performance data and analysis	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council

Sustainability

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & policy	**The organisation does not have a procurement strategy and policy framework that considers sustainability**	The organisation gives little or no consideration to sustainability issues in its procurement strategy and policy framework	**The organisation gives some consideration to sustainability in its procurement strategy and policy framework**	Sustainability considerations are incorporated within the overall strategy and policy framework for procurement	Sustainability considerations are fully intergated within the overall strategy and policy framework for procurement which is fully reflected in supporting working practices and processes	**As 5. The strategy includes actions recommended by Sustainable Procurement Taskforce for the UK to become an EU leader on sustainable procurement by 2009**	As 5 and the strategy ensures all actions recommended by Sustainable Procurement Taskforce are achieved by 2009
Organisational skills knowledge & competencies	**Lack of skills, knowledge and experience of sustainability across the organisation**	**Low level general skills & knowledge of sustainability across the organisation**	General skills & knowledge base across the Council with some local adhoc expertise	Good basic general skills and knowledge of sustainability issues in procurement across the organisation	**Developed general skills, knowledge and localised specialisms according to service understanding of sustainable procurement considerations across the organisation**	Developed general skills, knowledge and expertise of sustainability across the organisation supported and maintained by robust corporate procurement training plan	Well developed general skills, knowledge and expertise of sustainability across the organisation underpinned by corporate procurement training plan and seen as a best practice Council
Best practice compliance	**No evidence of compliance with sustainable procurement best practice requirements**	**Adhoc evidence of compliance with sustainable procurement best practice requirements**	No coherant approach to promoting compliance with sustainable procurement best practice requirements	**Coherant approach to promoting universal compliance with sustainable procurement and evidence of some local good practice for specific schemes**	Coherant approach to promoting universal compliance with sustainable procurement best practice requirements and evidence of much local good practice for specific schemes	Best practice requirements built into every procurement exercise	Seen as best practice exemplar authority
Process & Innovation	**The organisation does not take account of sustainability within its standard procurement processes and documentation including T&C's**	Little evidence that the organisation takes account of sustainability issues within its standard procurement processes and documentation including T&C's	**Evidence that the organisation takes some account of sustainability within its standard procurement processes and documentation including T&C's**	Evidence that the organisation clearly takes account of sustainability within its standard procurement processes and documentation including T&C's	**Well developed approach to sustainability taken into account within the organisations standard procurement processes and documentation including T&C's to deliver desired contract outcomes**	Well developed approach to sustainability within standard procurement processes and documentation including T&C's to deliver desired contract outcomes and support the delivery of overall Council objectives	Innovative and imaginative approach to sustainability within standard procurement processes and documentation including T&C's as well as consideration in WLC seen as a best practice Council
Stimulating the market place	**No attempts to develop the market place for sustainable supplies & services**	Some adhoc analaysis of the market place to support discrete procurement exercises and promote sustainability and sustainable procurement solutions	**Awareness of requirements but no capacity to support unified approach in practice**	Awareness of requirements but little capacity to support unified and planned approach in practice	**Some planned effort to use Council purchasing power to stimulate the market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Whole life costing/value	**No use of whole life costing/value**	**Little use of whole life costing/value**	Some use & awareness of WLC but no coherant policy or approach	**Acceptance & use of whole life costing/value as norm**	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm

Partnership & Collaboration

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & Policy	**The organisation does not have a procurement strategy and policy framework that considers the use partnering and colloboration procurement issues and solutions**	The organisation gives little or no consideration to partnering and collaboration issues in its procurement strategy and policy framework	**The organisation gives some consideration to partnering and collaboration opportunities in its procurement strategy and policy framework**	Partnering and collaboration considerations are incorporated within the overall strategy and policy framework for procurement	Partnering and collaboration considerations are fully intergated within the overall strategy and policy framework for procurement which is fully reflected in supporting working practices and processes	**As 5 and the approach taken actively fosters effective partnering procurement and colloboration initiatives**	As 5 and the approach taken ensures all partnering and colloboration opportunties are fully exploited and help deliver the objectives of the LAA and shared service agenda
Organisational skills knowledge & competencies	**Lack of skills, knowledge and experience of partnering and colloboration procurement across the organisation**	Low level general skills & knowledge of partnering and colloboration procurement across the organisation	**Low level general skills & knowledge of partnering and colloboration procurement across the organisation but pockets of developed specialism**	Good basic general skills and knowledge of partnering and colloboration procurement issues across key services in the organisation	**Developed general skills & knowledge across the organisation and localised expertise and training according to service need**	Developed general skills & knowledge across the organisation supported and maintained by robust corporate procurement training plan	As 6 and seen as a best practice authority for Comprehensive Area Assessment purposes
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources to support partnering or other collaborative procurement exercises	**Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council**	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	**Adequate investment in specialist procurement function that meets the priority partnering needs of the organisation most of the time**	Appropriately resourced and resilient specialist procurement function that meets the current partnering needs of the organisation	**Appropriately resourced specialist procurement function that meets the current & projected future partnering needs of the Council**	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future partering needs of the Council
Best practice compliance	**No evidence of compliance with procurement best practice requirements**	**Adhoc evidence of compliance with procurement best practice requirements**	No coherant approach to promoting compliance with procurement best practice requirements	**Coherant approach to promoting universal compliance with best practice requirements and evidence of some local good practice for specific schemes**	Coherant approach to promoting universal compliance with procurement best practice requirements and evidence of much local good practice for specific schemes to deliver Council objectives	Best practice requirements built into every procurement exercise and good evidence of innovative procurement solutions to deliver Council objectives	As 6 and seen as a best practice authority for Comprehensive Area Assessment purposes
Regulatory framework	No or incomplete regulatory infrastructure that does not cover partnering & collaboration arrangements	**Weak regulatory infrastructure that pays insufficient regard to partnering and collaboration**	Infrastructure exists but not embedded	**Sound infrastructure embedded & mostly observed without need for remedial action or sanction**	Sound infrastructure fully embedded & observed	**Sound infrastructure fully embedded & observed and regularly reviewed and updated**	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Stimulating the market place	**No attempts to develop the market place through partnering or collaboration initiatives**	Some adhoc use of partnering and colloboration that stimulates the market place by default rather than design	**Awareness of requirements but no capacity to support unified approach in practice**	Awareness of requirements but little capacity to support unified and planned approach in practice	**Some planned effort to use partnering or shared purchasing power to stimulate the market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services through innovative partering and collaboration initiatives	Analysis based market place development core to procurement and approach fully aligned with the strategic management and objectives of the Council for the LAA
Whole life costing/value	**No use of whole life costing/value**	**Little use of whole life costing/value**	Some use & awareness of WLC but no coherant policy or approach	**Acceptance & use of whole life costing/value as norm**	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm

Standards & Governance

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Regulatory framework	No or incomplete regulatory infrastructure	**Weak regulatory infrastructure**	Infrastructure exists but not embedded	**Sound infrastructure embedded & mostly observed without need for remedial action or sanction**	Sound infrastructure fully embedded & observed	**Sound infrastructure fully embedded & observed and regularly reviewed and updated**	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Compliance	**Evidence of whole-scale non-compliance**	Evidence of significant non-compliance	**Evidence of non-compliance**	Low incidence of non-compliance	Very little non-compliance	**Non-compliance is the exception**	Non-compliance is the exception
Vulnerability to 3rd party challenge & intervention	High risk and unlikely that any challenge could be defended	High risk and unlikely that any challenge could be defended	**Medium risk and uncertainty as to whether all/any challenges could be defended**	**Low to medium risk but most challenges could be defended**	Low risk and most challenges could be defended	**Low risk but few challenges that could be confidently defended**	Low risk. Challenge is the exception. Challenges can always be confidently defended
Performance & management standards	**No idenification of agreed standards for procurement**	Initial review but no consistent use or reference to agreed standards for management purposes	**Agreed standards but evidence of non-compliance and assurance routines not fully embedded and/or resourced**	Agreed standards and management routimes in place and corporate assurance functions fully resourced to check and report compliance	**Agreed standards fully reflect national best practice and regularly reviewed and monitored**	All as 5 along with benchmarking activities to identify areas for improvement	All as 6 & outcomes built into overall efficiency & strategic procurement programme
Monitoring and reporting	**No established monitoring and reporting arrangements**	Some monitoring and reporting but limited in scope and visibility	Monitoring and performance management routines established in principle but not embedded	Monitoring and performance management routines established and embedded	**Monitoring and performance management routines established and embedded that promote accountability and result in remedial action or sanction as necessary**	**Monitoring and reporting routines meet all best practice requirements and result in positive action being taken by the Council to remedy and improve current practice**	Monitoring and reporting routines meet all best practice requirements and integrated into the strategic management and decision making routines of the Council
Process & innovation	**Transactional and localised activity No coherant management infrastructure**	Transactional and localised activity Weak management infrastructure and insuffiently supported (evident technology and/or other resourcing limitations)	Some evidence that corporate and local processes have built in management standards and reflect basic governance requirements	**Procurement activity transacted in a way that ensures management standards are maintained and the basic governance needs of the organisation fully observed**	High standards and good governance routines built into all procurement activity without exception	**Good governance arrangements foster innovation and allows the organisation to stretch its risk appetite without compromising the probity or propriety of Council activities**	As 6. Authority arrangements recognised nationally as best practice
Strategy & policy	**The organisation does not have a procurement strategy and policy framework that incorporates standards & governance arrangements**	The organisation gives little or no consideration to standards & governance concerns as part of an overall strategy and policy framework for procurement	The organisation gives some consideration to standards & governance as part of the strategy and policy framework for procurement	Standards & governance considerations are incorporated within the overall strategy and policy framework for procurement	**Standards & governance considerations are fully intergated within the overall strategy and policy framework for procurement which is fully reflected in supporting working practices and processes**	**As 5. All standards and governance requirements for procurement are regularly monitored and reviewed by the Audit & Governance Committee**	As 5. All standards and governance requirements for procurement are regularly monitored and reviewed by the Audit & Governance Committee which may direct departmental remedy and/or Executive action

Staffing & Organisation

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Organisational skills, knowlegde & competencies	**Lack of skills, knowledge and expertise across the organisation**	Low level general skills, knowledge and expertise across the organisation	**Limited investment in general skills staff training & development, inconsistent profile**	Adequate investment in general skills staff training & development across the Council	**Planned investment in general skills training that meets the needs of commissioing departments**	Planned investment in general skills training that meets the current & future needs of the Council	Planned investment in general skills training that meets the current & future needs of the Council
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources	**Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council**	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	**Adequate investment in specialist procurement function that meets the priority service needs of the organisation most of the time**	Appropriately resourced and resilient specialist procurement function that meets the current service needs of the organisation	**Appropriately resourced specialist procurement function that meets the current & projected future service needs of the Council**	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future needs of the Council
Organisational management arrangements	**Organisation does not understand balance of skills and experience needed to support its procurement needs or the best way in which to organise its procurement resources**	Organisation recognises the need for skilled staffing resources but investment in corporate support infrstructure is limited and not aligned to organisational service needs	**Organisation acknowledges need to develop balanced departmental and corporate skills profile but level of investment and overall capacity does not meet all the needs of the Council**	Organisational management needs have been thoroughly reviewed in context of service needs and future development considerations	**Optimum organisational management solution defined and deployed but medium to long term benefits still to realised**	Optimum organisational management solution defined and deployed and successful change management process delivers benefits within agreed timescles and to budget	Optimum organisational management solution kept under review and flexibility built in to allow for change or re-alignment according to the strategic needs of the organisation
Innovation & new technology	**Organisation does not use new technologies to support organisational capacity and investment in procurement resources**	Organisation considers use of new technologies to support organisational capacity but investment is limited and piecemeal	Some consideration of new technologies to build capacity and organisational management needs	**Planned use of new technologies to build capacity and respond to organisational management needs**	**Planned use of new technologies within an overall e-Governement programme of works to build capacity and deliver organisational management needs**	As 5 to build capacity, deliver tangible administrative efficiencies and foster the successful shared service/collaborative procurement solutions to drive out economies of scale	Fully e-compliant service using p2p, e-market place and e-tendering solutions to deliver procurement function. The Council is seen as a best practice authority
Compliance	**No investment in necessary compliance and assurance functions and routines for procurement**	Insufficient investment in procurement function and compromised governance arrangements and internal control environment. Unacceptable incidence of investigations, remedial action and sanctions	Some investment in support infrastructure for procurement to deliver a limited compliance function but significant incidence of investigation activities, remedial action and sanctions	**Investment made allows minimum governance and assurance standards and compliance functions to be fulfilled but some incidence of investigation activities, remedial action and sanctions**	**Sufficient investment in coherant infrastructure but minor incidence of investigation activities, remedial action and sanctions**	Governance systems minimise reactive investigation needs and allows for the re-direction of expert procurement resources to support the advisory, training and specialist procurement needs of the organisation	Effective governance arrangements maximises best use of resources and enables light touch compliance function
Training & communications	**No or very few organised training events for developing staff skills, knowledge and expertise across the organisation**	Few organised training events for developing staff skills, knowledge and expertise across the organisation. Training that does take place is adhoc, inconsistent and poorly targeted	Some organised training events for developing staff skills, knowledge and expertise across the organisation but patchy and inconsistent	**Evidence of organised and co-ordinated staff training programme. Intranet site and procurement community established and Member Champion identified by the Council**	Evidence of an established training programme ensuring all relevant staff groups understand all relevant rules and regulations with regard to delivering best practice procurement. Member training programme etablished.	**Established training programme, mature procurement community and comprehensive web-site. Member training programme and procurement 'master classes' well regarded and attended.**	Training programme extended to include external partners and stakeholders including the supplier community to promote best practice and support the needs of SMEs and local suppliers.

Equalities & Inclusion

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & Policy	**The organisation does not have a procurement strategy and policy framework that considers equalities & inclusion issues**	The organisation gives little or no consideration to equalities & inclusion issues in its procurement strategy and policy framework	The organisation gives some consideration to equalities & inclusion issues in its procurement strategy and policy framework	**Equalities considerations are incorporated within the overall strategy and working practices in such a way as to meet all legal and best practice requirements**	Equalities issues are fully intergated within the overall strategy and policy framework, aligned with the Council's overall Equalties Strategy and fully reflected in all working practices and processes	**As 5. The focus on equalities encourages SMEs and others less well placed to participate in the procurement process**	As 6. A programme of outreach work ensures impartial advice and support is provided to encourage active participation across the community
Organisational skills knowledge & competencies	**Lack of skills, knowledge and experience of equalties across the organisation**	**Low level general skills & knowledge of equalities across the organisation**	General skills & knowledge base across the Council with some local adhoc expertise	Thorough skills and knowledge of equalties issues in procurement across the organisation	**Developed general skills, knowledge and localised specialisms according to service need**	Developed general skills, knowledge and expertise of equalities across the organisation supported and maintained by robust corporate procurement training plan	Well developed general skills, knowledge and expertise of equalities across the organisation underpinned by corporate procurement training plan and seen as a best practice Council
Compliance	**No evidence of compliance with all legal and best practice requirements**	Most legal requirements met but adhoc evidence of compliance with best practice requirements	**All legal requirements observed but no coherant approach to promoting compliance with best practice requirements across the organisation**	**Coherant approach to promoting universal compliance with all legal requirements and evidence of some local good practice and inclusion initiatives**	**Coherant approach to promoting universal compliance with all legal and best practice requirements and evidence of much local good practice for specific schemes**	As 5. Best practice evident in all Council procurements and outreach work to promote equalties and inclusion across the business community as necessary	As 6. Seen as best practice exemplar authority
Process & Innovation	**The organisation does not take account of equalities within its standard procurement processes and documentation including T&C's**	Little evidence that the organisation takes account of equalities issues within its standard procurement processes and documentation including T&C's	Evidence that the organisation takes some account of equalties within its standard procurement processes and documentation including T&C's	**Evidence that the organisation clearly takes account of equalities within its standard procurement processes and documentation including T&C's**	**Well developed approach to equalities within standard procurement processes and documentation including T&C's and with others to deliver desired contract outcomes**	Well developed approach to equalities within standard procurement processes and documentation including T&C's to deliver desired contract outcomes, community needs and overall Council objectives	Innovative and imaginative approach taken including well developed approach to WLC. Seen as a best practice Council
Stimulating the market place	**No attempts to influence the market place to promote equalities and inclusion**	Some adhoc analaysis of the market place to support discrete procurement exercises and promote equalities and inclusion	**Awareness of requirements but no capacity to support unified approach in practice**	Awareness of requirements but little capacity to support unified and planned approach in practice	**Planned effort to use purchasing power to promote equalities and inclusion in the market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Whole life costing/value	**No use of whole life costing/value**	**Little use of whole life costing/value**	Some use & awareness of WLC but no coherant policy or approach	**Acceptance & use of whole life costing/value as norm**	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm
Regulatory framework	No or incomplete regulatory infrastructure	**Weak regulatory infrastructure**	Infrastructure exists but not embedded	**Sound infrastructure embedded & mostly observed without need for remedial action or sanction**	Sound infrastructure fully embedded & observed	**Sound infrastructure fully embedded & observed and regularly reviewed and updated**	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Vulnerability to 3rd party challenge & intervention	High risk and unlikely that any challenge could be defended	High risk and unlikely that any challenge could be defended	**Medium risk and uncertainty as to whether all/any challenges could be defended**	**Low to medium risk but most challenges could be defended**	Low risk and most challenges could be defended	**Low risk but few challenges that could be confidently defended**	Low risk. Challenge is the exception. Challenges can always be confidently defended

New Technologies

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Innovation & new technology	**Organisation does not use new technologies to support organisational capacity and investment in procurement resources**	Organisation considers use of new technologies to support organisational capacity but investment is limited and piecemeal	Some consideration of new technologies to build capacity and organisational management needs	**Planned use of new technologies to build capacity and respond to organisational management needs**	**Planned use of technologies within an overall t-Governement programme of works to build capacity and deliver organisational management needs**	As 5 to build capacity, deliver tangible efficiencies and foster the successful collaborative procurement solutions to drive out economies of scale	Fully e-compliant service using p2p, e-market place and e-tendering solutions to deliver procurement function. The Council is seen as a best practice authority
Strategy & Policy	**The organisation does not have a procurement strategy and policy framework that considers the use of new technologies**	The organisation gives little or no consideration to new technologies in its procurement strategy and policy framework	The organisation gives some consideration to new technologies in its procurement strategy and policy framework	**The overall strategy shapes the use of new technologies for procurement to support organisational capability and capacity**	The strategy and policy framework direct future investment in new technolgies to drive service improvement and efficiency	**As 5. The strategy is fully aligned with the Council's IT Strategy and ITD programme of work to deliver all t-government requirements**	As 6. A programme of outreach work ensures impartial advice and support is provided to encourage active participation across the community using new technologies
Process & innovation	**Transactional and localised activity No coherant data capture or information management infrastructure**	Transactional and localised activity. Weak information management infrastructure and insuffiently supported (evident technology and/or other resourcing limitations)	Some evidence that corporate and local processes have exploited available technologies to improve process management	**Procurement activity makes best use of available technology efficiencies within existing organisational constraints**	Procurement activity transacted in a way that ensures process efficiency, promotes accessibility and supports effective contract and supplier management practices	**New technology solutions optimised, minimal manual administration, good communications, effective supplier management, transparency of process and light touch compliance routines**	As 6. Opportunities for extending and improving use of new technologies kept under constant review and built into strategic management and decision making processes
Stimulating the market place	**No attempts to influence the market place to support new technology developments further to the needs of the organisation**	Some adhoc analaysis of the market place to support discrete procurement exercises	Awareness of requirements but no capacity to support unified approach in practice	**Awareness of requirements but little capacity to support unified and planned approach in practice**	**Planned effort to use combined purchasing power to nurture technologies within the market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Compliance	**No use of new technologies to manage compliance**	Little use of new technologies to manage compliance	Use of new technologies to help inform compliance management issues within existing service and infrastructure constraints	**As 3. Active consideration of how to use new technologies for light touch compliance to support the governance needs of the organsiation**	**Council arrangements make best use of new technology solutions available in the market place within given resource constraints**	An innovative programme of development is in place that forecasts future needs and informs the development of the Council's IT Strategy	As 6. Council seen as best practice authority
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources to support the development and use of new technologies	**Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council**	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	**Adequate investment in specialist procurement function that meets the priority service needs of the organisation most of the time**	Appropriately resourced and resilient specialist procurement function that meets the current service needs of the organisation	**Appropriately resourced specialist procurement function that meets the current & projected future service needs of the Council**	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future needs of the Council
Management information systems	**Little or no use of MIS to support procurement**	**Limited use of MIS but restricted in scope and unreliable systems/poor quality base data**	Some use of MIS but restricted in scope and management routines not embedded	Established use of reliable MIS and related management routines but limited in scope and impact	MIS used to actively inform the roll-out of the procurement strategy and development work across the organisation	**MIS used to actively inform planned spend and development agenda at the Council**	MIS analysis central to the strategic decision making of the Council

Ethical Purchasing

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & policy	**The organisation does not have a procurement strategy and policy framework that considers ethical purchasing issues**	The organisation gives little or no consideration to ethical procurement in its strategy and policy framework	The organisation gives some consideration to ethical concerns in its procurement strategy and policy framework	**Ethical purchasing considerations are incorporated within the overall strategy and policy framework for procurement**	Ethical considerations are fully intergated within the overall strategy and policy framework for procurement and are fully reflected in supporting working practices and processes	**As 5 and the strategy includes specific actions to develop continuous market research and understanding**	As 6 and the Council is seen as best practice authority
Organisational skills knowledge & competencies	**Lack of skills, knowledge and experience of ethical purchasing issues across the organisation**	**Low level general skills & knowledge across the organisation**	General skills & knowledge base across the Council with some local adhoc expertise	Thorough general skills and knowledge across the organisation	**Developed general skills, knowledge and localised specialisms according to service evident across the organisation**	Developed general skills, knowledge and expertise across the organisation supported and maintained by robust corporate procurement training plan	Well developed general skills, knowledge and expertise across the organisation underpinned by corporate procurement training plan and seen as a best practice Council
Compliance	**No evidence of compliance with all legal and best practice requirements**	Most legal requirements met but adhoc evidence of compliance with best practice requirements	**All legal requirements observed but no coherant approach to promoting compliance with best practice requirements across the organisation**	**Coherant approach to promoting universal compliance with all legal requirements and evidence of some local good practice**	**Coherant approach to promoting universal compliance with all legal and best practice requirements and evidence of much local good practice for specific schemes**	As 5. Best practice evident in all Council procurements and outreach work to promote ethical trading principles across the business community as necessary	As 6. Seen as best practice exemplar authority
Process & Innovation	**The organisation does not take account of ethical considerations within its standard procurement processes and documentation including T&C's**	Little evidence that the organisation takes account of ethical issues within its standard procurement processes and documentation including T&C's	Evidence that the organisation takes some account of ethical issues within its standard procurement processes and documentation including T&C's	**Evidence that the organisation clearly takes account of ethical issues within its standard procurement processes and documentation including T&C's**	**Well developed approach to ethical procurement within the organisations standard processes and documentation including T&C's to deliver desired contract outcomes**	Well developed approach to ethical procurement within the organisations standard processes and documentation including T&C's to deliver desired contract outcomes and support the delivery of overall Council objectives	Innovative and imaginative approach to ethical procurement in partnership with the business community to deliver community benefits. Seen as a best practice Council
Stimulating the market place	**No attempts to develop the market place for ethical supplies & services**	Some adhoc analaysis of the market place to support discrete procurement exercises and promote ethical considerations in the p2p cycle	**Awareness of requirements but no capacity to support unified approach in practice**	Awareness of requirements but little capacity to support unified and planned approach in practice	**Some planned effort to use Council and partnering purchasing power to stimulate the market place for key categories of supplies & services within resourcing constraints**	Coherant programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Whole life costing/value	**No use of whole life costing/value**	**Little use of whole life costing/value**	Some use & awareness of WLC but no coherant policy or approach	**Acceptance & use of whole life costing/value as norm**	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm

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Reporting & monitoring arrangements

32 The Executive Member for Corporate Services is responsible for recommending this strategy to the Executive for approval by Full Council. As such, the strategy forms part of the Council's Policy Framework as set out in the Constitution and hence an important part of the organisation's overall strategic management and decision making arrangements. As such it is important that progress on the implementation of the strategy and the actions set out in the Medium Term Action Plan attached as Appendix A to this document are clearly set out and rigorously maintained. The following reporting and monitoring arrangements will apply:

a) mid-year monitoring reports will be taken to the Corporate Management Team and the Corporate Services Executive Member Advisory Panel to provide regular updates for senior management and members on progress and any areas of delay or concern in the deployment of the overall strategy;

b) an annual review and re-fresh of the strategy will be reported to Corporate Management Team and the Corporate Services Executive Member Advisory Panel along with a year end outturn report to ensure the strategy remains fit for purpose over the next 3 years and is properly focused on the needs of the organisation. A full revision of the strategy will take place in autumn 2009 in preparation for a change to one-site operations from 2010 onwards after the move to Hungate;

c) the strategy and action plan will be circulated to all chief officers and service managers who will be expected to reflect and/or include any relevant matters or actions arising in their areas of responsibility within departmental service plans;

d) non-compliance or major service failure will be reported to the Audit & Governance Committee for remedial action in accordance with the provisions of the Constitution, Financial Regulations & Procurement Rules.

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Annex A

Medium term action plan 2007/08 – 2009/2010

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VFM, competition & efficiency

	Action	Responsibility	Due Date	Success measure
1	Complete the work needed to maintain a comprehensive automated register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact for purposes of new SCMS system	CPT	By 30/9/07	SCMS is fully implemented, populated and maintained to ensure all MI information is complete, accurate and up to date
2	Identify how the 'thin client' function will be organised and resourced in the relevant Directorates, the respective role and responsibilities of 'thin clients' and the 'quality assured provider' (QAP) in managing service delivery and monitoring performance and all related member reporting arrangements.	Director of Resources & AD ARM	Before 30/9/07	A 'thin client' report is due for Member approval during the Summer of 2007
3	Develop a competition strategy that sets out the vision of where the Council wishes to place itself in the future with regards to 'make or buy' and a handbook that sets out how to review, test and document the competitiveness of the Council services when determining 'make or buy' decisions. (10)	Director of Resources & AD ARM	Before 30/9/07	Strategy and handbook completed and fully embedded into organisation
4	CPS to be reviewed and updated as necessary in light of the on-going development of a Competition Strategy and Policy for the organisation and associated thin-client management arrangements	AD ARM	Before 31/3/08	Fully integrated strategy and policy framework for procurement
5	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation

VFM, competition & efficiency (continued)

	Action	Responsibility	Due Date	Success measure
6	SCMS fully implemented and used to analyse complete range of goods, works and services procured across the authority to identify further opportunities to maximise economies of scale through aggregation and the targeted use of framework contracts and/or corporate contracts	CPT	Before 31/3/08	Full review of all procurement activity, contracts history and live contracts undertaken using SCMS
7	Programme of aggregation and the further targeted use of framework contracts and/or corporate contracts developed for phased implementation up to 2010/2011	CPT	By 31/3/08	Comprehensive programme developed based on SCMS analysis and ready for implementation from ¼/08
8	All major procurement exercises to be managed in accordance with project management standards of the organisation and individual risk registers documented	Commissioning officers with CPT support	By 31/3/08	Successful project management and delivery of agreed contract outcomes
9	Undertake a comprehensive review of the number of suppliers regularly used across the Council with a view to rationalising select lists and reducing proliferation	CPT	By 31/3/08	Number of suppliers reduced by a minimum of 5% per annum over the next 3 years
10	Develop the use of automation and IT solutions following the implementation of SCMS and the new ledger system to streamline administrative procedures and maintain complete and accurate contract data, records and volume and spend analyses	CPT	On-going from 1/4/07 to 31/3/10	Best use made of available technologies
11	Undertake a full review of the use and take up of partnership and collaborative working arrangements including YPO as a means of streamlining supplier numbers, achieving greater economies and scale, enforcing standards and benchmarking alternative costs of supply and changes to existing contract arrangements	CPT	By 31/3/08	Total contract spend through the YPO or other major partnership procurement initiatives to be increased by a minimum of 5% per annum over the next five years from 2008/09 onwards

VFM, competition & efficiency (continued)

	Action	Responsibility	Due Date	Success measure
12	Implement effective control mechanisms as part of the implementation of the new ledger system to control the addition of new creditors within the ledger system and prevent purchasers placing multiple small orders for supplies or making orders outside contracts or standardised product ranges	CPT & FMS Project Team	By 31/3/09	Effective system of internal control implemented
13	Establish the use of *e*-catalogues within the new ledger system to channel all spend on high volume/low cost items and generic goods and services	CPT	By 31/3/09	*E*-catalogues used for generic spend wherever possible. Orders placed through *e*-catalogues across the organisation to increase by a minimum of 25% on base over the next 3 years.
14	Undertake initial pilot to trial the use of purchase cards following the implementation of the new ledger system in 2008/09	CPT	By 30/6/2009	Initial pilot undertaken and reported

Performance management

	Action	Responsibility	Due Date	Success measure
15	Establish robust suite of performance measures for the procurement function based on an agreed basket of measure reflecting both national and local standards and targeted improvements	AD ARM	By 1/9/07	PI suite developed and agreed
16	Establish reporting and monitoring arrangements consistent with the requirements of the new strategy	AD ARM	Before 1/12/07	Monitoring and reporting routines established and embedded
17	Undertake regional and national benchmarking exercises based on agreed basket of measures to inform development and improvement work	CPT	From 1/4/08	Regular benchmarking exercises undertaken and results used to inform on-going development work and future years work programmes
18	Establish new MIS infrastructure based on SCMS & new ledger system to facilitate the development of a robust performance monitoring and management framework for procurement.	CPT	Fully operational by 31/3/09	New technologies infrastructure implemented
19	Identify data requirements for performance management purposes and ensure that new MIS infrastructure fully utilised to collect and report all required information	CPT	31/3/09	Data capture and quality assurance routines established and embedded
20	Meaningful MIS used to routinely analyse spend, drive improvement and/or innovation within the Council	CPT	From 1/4/09	Regular programme of spend analysis undertaken on a quarterly basis
21	Meaningful MIS used to help analyse spend, drive improvement and/or innovation across the market place for key categories of goods and services	CPT	By 31/3/10	Market analysis information available to support major procurement initiatives

Sustainability

	Action	Responsibility	Due Date	Success measure
22	Review all standard procurement documentation and processes to ensure full consideration of sustainability considerations is built into standard contracting arrangements and evaluation procedures	CPT	1/9/07	All standard documentation compliant with best practice
23	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation
24	Policy fully realised and implemented across the organisation within the context of an overall sustainability and environmental policy for the Council	CMT	By 31/3/08	Comprehensive policy framework for sustainability that includes sustainable procurement
25	Complete the work needed to maintain a comprehensive automated register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact that includes designation of compliance with sustainability considerations for MIS and reporting purposes	CPT	From 1/4/08	SCMS is fully implemented, populated and maintained to ensure all MI information is complete, accurate and up to date and allows meaningful information to be obtained about sustainable procurement developments and contract progress across the organisation

Partnership & collaboration

	Action	Responsible Officer	Due Date	Success measure
26	Review regulatory framework to help facilitate innovative partnering procurement and collaboration and issue further detailed guidance as required	AD ARM	By 1/9/07	Regulations reviewed and updated for current best practice. Additional practitioner guidance issued further to the Regulations as required.
27	Continue to develop collaborative events such as 'meet the buyer' to develop avenues of communication and opportunity for existing and potential suppliers and contractors on a regular basis	CPT	On-going	Full programme of events included in CPT work plan on an annual basis
28	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation
29	Develop in-house skills and competencies to support the delivery of Council objectives for partnering and collaboration ion the future	CPT	By 31/3/08	Comprehensive corporate training programme devised and being delivered to key staff groups from 08/09 onwards

Standards & governance

	Action	Responsible Officer	Due Date	Success measure
30	Review regulatory framework to ensure it meets the needs of the new strategy and issue further detailed guidance as required	AD ARM	By 1/9/07	Regulations reviewed and updated for current best practice. Additional practitioner guidance issued further to the Regulations as required.
31	Review all standard core procurement documentation in light of the introduction of SCMS and ensure consistent use across the organisation	CPT	By 1/9/07	All documentation reviewed and standardised available both on SCMS and the procurement intranet site for use by all staff
32	Review the procurement site on the Council Intranet ensuring all standard documentation, guidance, Codes of practice, key contacts and advice on 'most commonly asked questions' are up to date	CPT	By 1/9/07	Intranet site fully reviewed update and accurately maintained and complies with best practice
33	Complete the work needed to maintain a comprehensive automated register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact	CPT	By 30/9/07	SCMS is fully implemented, populated and maintained to ensure all MI information is complete, accurate and up to date
34	Utilise the SCMS maintain a record of officers involved in procurement on behalf of the Council and include principal contact details for all contracts including major service agreements for internal works previously specified under CCT in the central Contracts Register	CPT	Before 31/3/08	SCMS system maintains a full register of responsible officers and contract details.
35	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation

Staffing & Organisation

	Action	Responsible Officer	Due Date	Success measure
36	Identify all existing knowledge and skills gaps amongst officers currently involved in procurement work and provide training and development support to ensure all relevant staff meet the minimum standards necessary to support the Council's needs	CPT	By 31/3/08	Staff training needs identified and training programme prepared and delivered
37	Undertake a full review of CPT skills and expertise following re-structure of the service in December 2006 to ensure it meets the service needs of the Council and commissioning departments	AD ARM	By 1/9/07	Skills analysis complete and any necessary training and development action agreed with team members through the Council's appraisal and PDP processes
38	Undertake a full organisational management review of procurement activities and functions across the Council and report to Members	AD ARM	By 31/12/07	Review completed and reported to Members for consideration and further action
39	SCMS used as a vehicle for delivering and sharing good practice, supporting local practices and the work of departmental commissioning officers and effecting light touch compliance across the Council for good governance purposes	CPT	By 31/3/08	SCMS fully populated embedded and seen as both a compliance tool and source of good practice
40	Design and deliver an on-going programme of annual training events including induction workshops for all existing and new staff involved in procurement (31)	CPT	By 31/3/08	Comprehensive corporate training programme designed and ready to be rolled out from 1/4/08
41	Design a programme of procurement 'master classes' covering a variety of procurement related topics to be presented by guest speakers and external experts in the relevant field. This will be used to engage both internal and external stakeholders including Members, CLG and Chamber of Commerce	CPT	By 31/3/09	Programme designed, publicised and delivered on an annual basis

Equalities & inclusion

	Action	Responsible Officer	Due Date	Success measure
42	Review regulatory framework to help facilitate and encourage SME and local suppliers access and participation.	AD ARM	By 1/9/07	Regulations reviewed and updated for current best practice. Additional practitioner guidance issued further to the Regulations as required.
43	Review all standard procurement documentation and processes to ensure full consideration of sustainability considerations is built into standard contracting arrangements and evaluation procedures	CPT	By 1/9/07	All standard documentation compliant with best practice
44	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation
45	Equalities & inclusion policy fully realised and implemented across the organisation within the context of the Council's overall Equalities Strategy	CMT	By 31/3/08	Comprehensive policy framework for sustainability that includes sustainable procurement
46	Complete the work needed to maintain a comprehensive automated register of all contracts that includes designation of compliance with equalities requirements for reporting purposes	CPT	From 1/4/08	SCMS is fully implemented, populated and maintained to ensure all MI information is complete, accurate and up to date and allows meaningful information to be obtained about sustainable procurement developments and contract progress across the organisation
47	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation

Equalities & inclusion (continued)

48	Develop in-house skills and competencies to support the delivery of Council objectives covering all equalities and inclusion issues	CPT	By 31/3/08	Comprehensive corporate training programme devised and being delivered to key staff groups from 08/09 onwards
49	Equality and inclusion issues are broadly publicised both within the organisation and with the supplier community and included as part of regular awareness raising opportunities such as 'meet the buyer' events	CPT	By 31/3/08	Regular programme of awareness events established that includes coverage of equalities and inclusion issues
50	Utilise the SCMS to monitor equality and inclusion for MIS purposes including supplier and locality profiling	CPT	From 1/4/08	SCMS delivering necessary data and MIS requirements in relation to equality and inclusion

New technologies

	Action	Responsible Officer	Due Date	Success measure
51	E-procurement strategy fully developed for implementation across the organisation within the context of the overall CPS	AD ARM	By 31/3/08	Comprehensive policy and strategy framework for procurement
52	Utilise new technologies to promote and embed the use of *e*-procurement solutions across the organisation	CPT	By 31/3/08	*e*-procurement solutions implemented and used to shape future policy and strategy
53	Utilise the SCMS and new FMS to encourage suppliers to be e-compliant for example by paying by BACS, accepting purchase cards, providing access via internet sites. Wherever appropriate the requirement to transact electronically will be included in contract terms and conditions	CPT	On-going	*e*-procurement solutions including purchase cards piloted during 2009/10 following the implementation of the new FMS system
54	Establish new MIS infrastructure based on SCMS & new ledger system to facilitate the development of a robust performance monitoring and management framework for procurement.	CPT	Fully operational by 31/3/09	New technologies infrastructure implemented
55	Utilise the SCMS and new FMS to provide management information on the proportion of procurement transactions currently undertaken and set annual targets for shifting to *e*-procurement solutions by 2010	CPT	By 31/3/09	Targets set and reported post FMS implementation in 08/09
56	Establish the use of *e*-catalogues within the new ledger system to channel all spend on high volume/low cost items and generic goods and services	CPT	By 31/3/09	*E*-catalogues used for generic spend wherever possible. Orders placed through *e*-catalogues to increase by a minimum of 25% on base over the next 3 years.
57	Undertake initial pilot to trial the use of purchase cards following the implementation of the new ledger system in 2008/09	CPT	By 30/6/2009	Initial pilot undertaken and reported

Ethical purchasing

	Action	Responsible Officer	Due Date	Success measure
58	Review all standard procurement documentation and processes to ensure full consideration of ethical considerations is built into standard contracting arrangements and evaluation procedures	CPT	1/9/07	All standard documentation compliant with best practice
59	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Before 31/3/08	Standard evaluation models and corporate methodology in place to include whole life costing where appropriate documented in the procurement guidance manual and embedded across the organisation
60	Policy fully realised and implemented across the organisation within the context of an overall ethical conduct and standards policy for the Council as a whole	CMT	By 31/3/08	Comprehensive policy framework for sustainability that includes sustainable procurement
61	Develop in-house skills and competencies to support the delivery of Council objectives covering all ethical trading and purchasing issues	CPT	By 31/3/08	Comprehensive corporate training programme devised and being delivered to key staff groups from 08/09 onwards
62	Ethical purchasing issues are broadly publicised both within the organisation and with the supplier community and included as part of regular awareness raising opportunities such as 'meet the buyer' events	CPT	By 31/3/08	Regular programme of awareness events established that includes coverage of equalities and inclusion issues
63	Utilise the SCMS to monitor equality and inclusion for MIS purposes including supplier and locality profiling	CPT	From 1/4/08	SCMS delivering necessary data and MIS requirements in relation to equality and inclusion
64	Ensure the staff training programme for procurement includes coverage of all ethical trading issues covered in the corporate procurement strategy	CPT	By 31/3/08	Comprehensive corporate training programme devised and being delivered to key staff groups from 08/09 onwards

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Annex B

Key contacts & management arrangements

The Corporate Procurement Team

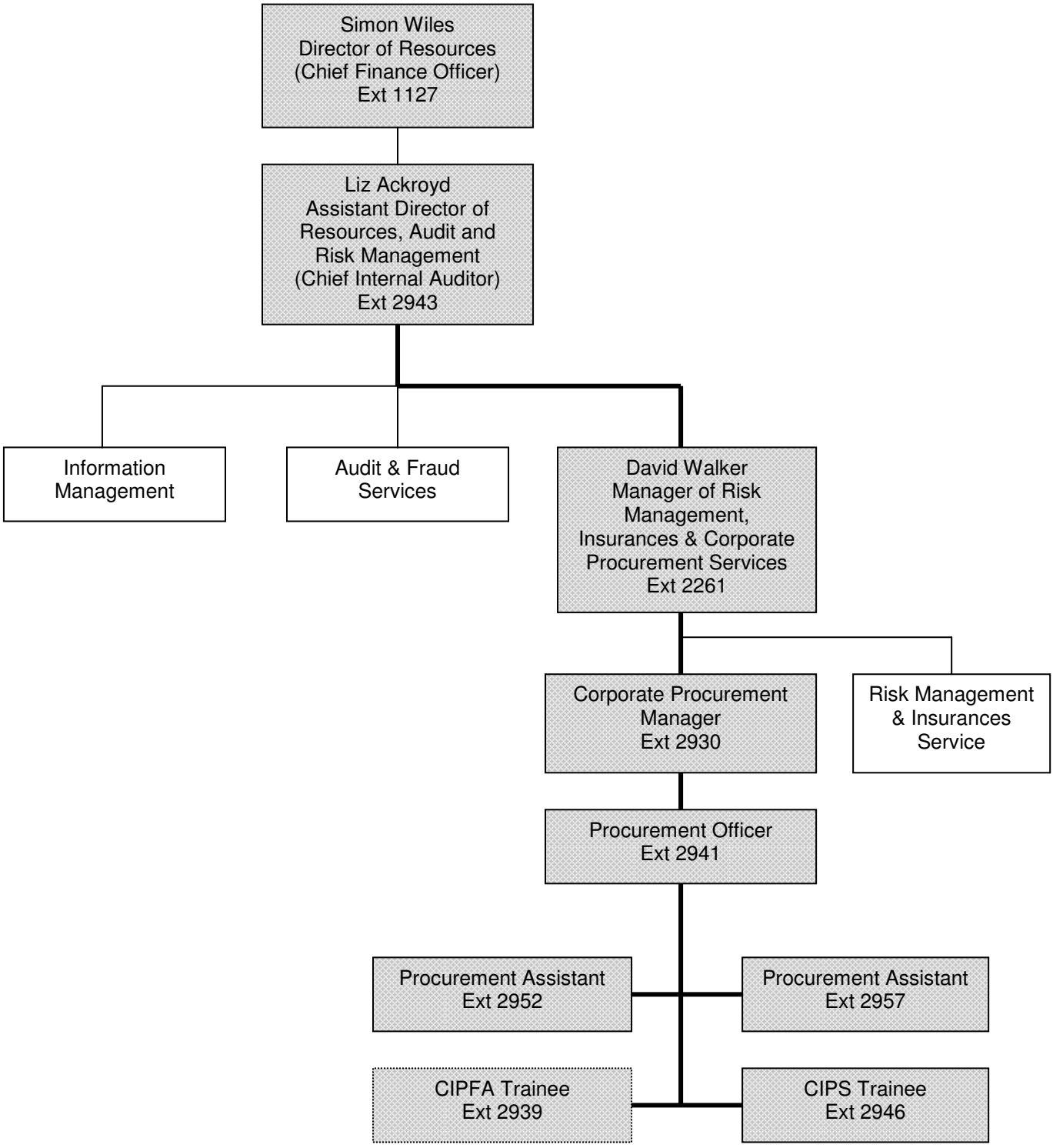
Contact	Tel ext
David Walker Manager of Risk, Insurances and Procurement Services	2261
Catherine Cowling Corporate Procurement Manager	2930
Sam Willetts Procurement Officer	2941
CIPFA Trainee	2939
Procurement Trainee	2946
Procurement Assistant	2957
Procurement Assistant	2952

‘Proper’ Officer contacts (Article 13 of the Constitution)

Contact	Tel ext.
Simon Wiles Director of Resources (Chief Finance Officer)	1100
Liz Ackroyd Assistant Director of Resources: Audit and Risk Management (Chief Internal Auditor)	2943
Suzan Hemingway Head of Civic, Democratic and Legal Services (Monitoring Officer)	1004

Organisation chart

Corporate Procurement Services



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Annex C

Procurement Rules

(Not attached for discussion draft purposes but to be included as an Appendix to the final strategy document as per Part 4 of the Constitution, Annex 2 to the Financial regulations)

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Meeting of Executive Member for Corporate Services and Advisory Panel

8 June 2007

Report of the Assistant Director (Audit & Risk Management)

Corporate Procurement Team Workplan 2007/08

Summary

1 This paper sets out the key deliverables of the Corporate Procurement Teams (CPT) workplan for 2007/08 and reviews progress against the procurement three year action plan 2004/2007. The workplan has been developed around four key drivers:

a) the corporate procurement strategy & three year action plan

b) the strategic procurement programme

c) breaches and waivers

d) routine projects & IT development bids

Background

2 The Corporate Procurement Team (CPT) was re-structured with effect from 1 April 2007 following a report to Corporate Services EMAP on 12 December 2006. One of the key objectives of this restructure was to create critical mass within the newly formed team by providing greater non-managerial staffing capacity to properly support the delivery of key service objectives.

3 There is a large and challenging agenda for the new team with regards to delivering an efficient and effective procurement service to the Council. The CPT workplan has been developed to aligned itself to the new corporate procurement strategy and three year action plan as well as including work streams from the annual breaches & waivers report and IT development bids. The key drivers include:

a) the requirements of the National Procurement Strategy published in 2004 in response to the recommendations of the Byatt report for improving public sector procurement

b) the continuing national focus on public sector procurement further to the Gershon report in 2005 and more latterly by initiatives such as the Local Government Sustainable Procurement Action Plan (May 2007)

c) the contribution procurement can make to the effective provision of services and the 'value added' gains that can accrue both in terms of improvements in quality and the optimisation of costs

d) the need for the Council to shift its understanding of procurement away from a fairly traditional transactional and gate-keeping view of its role and purpose and mainstream it within the strategic management and planning considerations of the organisation

e) effective procurement arrangements are major considerations within the VFM (Value for Money) assessment for the Use of Resources judgement further to the Comprehensive Performance Assessment (CPA)

f) the need to move away from short-term approaches which place the lowest initial cost ahead of whole-life performance at the expense of optimising sustainable solutions for the future

4 The procurement strategy and action plan provides the overarching strategic context to the annual work plan. There are a number of serious concerns that need to be addressed at an operational level over the next twelve months including:

a) addressing the unacceptable incidence of non-compliance with regulatory requirement which place the Council at risk of litigation, damage to its reputation and financial loss

b) a lack of sufficiently expert and knowledgeable staff across the organisation to conduct initial procurement exercises and to then proactively manage contracts post-award allied to known skills gaps within the organisation in respect of effective programme and project management

c) staffing diseconomies of scale across the Directorates

d) insufficient and incomplete financial management information about the type and amount of goods, services and works procured across the organisation

e) the absence of a coherent policy framework within which procurement should take place

f) insufficient involvement, investment and influence in the work of regional Centre of Excellence

g) the need to clearly establish a preference for VFM based procurement as opposed to lowest cost

h) the need to clearly establish appropriate rules and definitions around partnering and collaboration procurement initiatives

Three Year Action Plan

5 At the time that the CPT was formally established within the Council in 2004 a medium term action plan for development and improvement was already established covering the period 1 April 2004 to 31 March 2007. This plan set out key measurable actions and deliverables for the CPT (the full plan along with progress made is attached at Annex A to this report).

6 The three year plan comprised some 60 actions across 9 performance continuums and was developed along the four themes of the National Procurement Strategy:

I. Providing leadership and building capacity

II. Partnering and collaboration

III. Doing business electronically

IV. Stimulating markets and achieving community benefits

7 The table at Exhibit 1 below summarises progress made by CPT since 2003/04 in achieving the plan:

Exhibit 1 Progress against the medium term plan 2004/5-2006/07

Status	**No of Actions**	**% of overall plan**
Complete	22	37
Complete but aspects awaiting technological solutions carried forward into new plan	20	33
Additional actions arising further to the original plan and now to be carried forward.	6	10
Carried forward (Not done)	12	20

8 Exhibit 1 shows that substantial progress in achieving what was an extensive and challenging plan has been made with only 20% of actions remaining to be actioned. Of those actions outstanding, progress has been delayed due to technological constraints in the current MIS (Management Information Systems) infrastructure principally relating to the delayed replacement of the FMS (Financial Management System) ledger system.

9 The new corporate procurement strategy sets out the next three year action plan (2007 – 2010) taken as a separate item on this agenda, takes into account the actions required to deliver the objectives of the strategy as well as any outstanding issues to be carried forward from the original plan. In setting out a new three year action plan consideration has been given to the performance continuums that we wish to measure in going forward. These are:

- VFM, competition & efficiency
- Performance management
- Sustainability
- Partnership & collaboration
- Standards & governance
- Staffing & organisation
- Equalities & inclusion
- New technology
- Ethical purchasing

10 The monitoring of the original three year action plan also included reviewing progress against the milestones of the National Procurement Strategy. These milestones are not prescriptive in how they should be applied but that they are considered in procurement activity across the Council. Annex B to this paper sets out the milestones and the progress made against them in more detail.

11 The target dates for achieving these milestones (2004 - 2006) has now expired and as can be seen in Annex B. All but three have been achieved in part or in full. As with the three year plan, a key constraint to progress has been the technological constraints of existing financial management and management information systems. These matters are now being addressed. All other outstanding actions have been carried forward into the new three year plan and be delivered through the CPT's annual work plans between 2007/08 – 2009/2010.

The annual workplan

12 The CPT workplan for 2007/08 (Annex C) has been developed using the four key drivers set out at Paragraph 1. The plan is ambitious and therefore vital for ensuring a clear focus is kept on what has to be delivered over the next twelve months. The plan has been prioritised under each of the new continuum headings set out at Paragraph 10.

13 The workplan is set out in full in Annex C. High priority and immediate actions by continuum heading are set out in summary in Exhibit 2 overleaf. Progress against the workplan will be reported to Members as part of the mid-year and outturn report set out in the Reporting & Monitoring Arrangements of the Corporate Procurement Strategy.

Consultation

14 No formal consultation has been undertaken for the purposes of this report.

Options

15 There are no options applicable to this report.

Analysis

16 Not relevant for the purpose of this report.

Corporate priorities

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

Implications

18 There are no Financial, Legal, HR, IT, Equalities, Crime and Disorder, Property or other implications arising from this report.

Risk Management

19 In compliance with the Councils Risk Management strategy. There are no risks associated with the recommendations of this report

Exhibit 2 Key deliverables 2007/08

Continuum	Action
VFM, Competition & Efficiency	Ensure that the revised procurement savings process agreed at EMAP in February 2007 is delivered
	Establish a Corporate Contract Portfolio – Identify relevant contracts and client officers
	Minor works review - The whole area of minor works needs to be reviewed to identify spend and how contractors are used and suitable solutions developed
New Technologies	SCMS to be embedded across the organisation to provide proper control and management of contracts and sound management information
Performance Management	Review and Monitoring of the Strategic procurement programme including the provision of regular progress reports to Members
	Document the performance management framework required for procurement including the development of PI's, standards and targets for future monitoring and reporting purposes
Standards & Governance	Complete the work needed to prepare and maintain a full register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact.
	Develop formal tender evaluation models and issue guidance across the Council.
	Develop corporate competition strategy and handbook
Staffing & Organisation	Identify all existing knowledge and skills gaps amongst officers currently involved in procurement work and provide training and development support to ensure all relevant staff meet the minimum standards necessary to support the Council's needs
Equalities & Inclusion	Review and revise all tender documentation and application forms for approved supplier status to include extended questions on company compliance with equalities legislation
Sustainability	Review contracts with environmental impact to look at whether we can procure high environmental impact goods which are more sustainable through the use of Recycling Action Yorkshire RAY strategy
Ethical Purchasing	Ensuring that all procurement decisions give due regard to ethical concerns and that ethical considerations are considered where possible as part of the tender evaluation process
Partnership & Collaboration	Develop more collaborative working with regional groups such as Centre of Excellence and Northern Procurement Officers Group to achieve national procurement strategy objectives

Recommendations

20 Members are asked to:

a) note the progress made against the three year action plan and national procurement strategy milestones as set out in paragraphs 6-12 of this report;

Reason

To raise awareness of the progress made to date in delivering the three year action

b) note and comment on the CPT work plan as set out in paragraphs 12 –13 and Annex C of this report.

Reason

To ensure the effective and efficient delivery of all procurement activities and functions across the Council, optimise scarce resources, support the delivery of the Corporate procurement strategy and secure full compliance with all regulatory requirements and Council policy.

Contact Details:

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Report Approved *Y* **Date** *25 May 2007*

Specialist Implications Officer(s) None

Wards Affected Not applicable **All** ☐

For further information please contact the author of the report

Background Papers

Corporate Procurement Strategy 2007 - 20010
National Procurement Strategy

Annexes

Annex A – Procurement three year action plan 2004/2007
Annex B – Milestones of National Procurement Strategy
Annex C – Procurement Team work plan

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Value for Money & Savings

No	Action	Priority	Progress to date	Status
1	Review and report on the targeted use and relevance of whole life costing and cost/benefit techniques in assessing agreed types of major contracts for goods or works where particular quality or policy issues are known to be important considerations in the way in which the Council wishes to deliver services within the community.	H	There is some evidence in contracts that whole life costing is now been considered the evaluation and award. The evaluation models to be included in the Procurement Manual will contain detailed information as to what is required with regard to Whole Life Costing. An analysis of models will be carried out later in the year to see how effectively it is applied across the Council. In addition the Strategic Procurement Programme will be monitored across the course of 2007/08 and this will include looking at the cost benefit analysis undertaken in arriving at the Procurement solution	Partially completed with additional work carried forward into 2007/10 plan
2	Determine standardised ranges of goods and services procured across the authority and aggregate requirements within corporate call-off contracts or through the YPO as appropriate to maximise economies of scale.	H	Spend analysis completed in 2005/06 to identify the main areas of spend and how this is distributed across the Council Directorates. In addition a number of framework agreements have been developed including Legal, Property and Planning along with a corporate contract portfolio. The introduction of the SCMS system will allow for more rigorous control and development in this area	New and further action to be included in the 2007/10 plan
3	Conduct the pilots planned to trial the use of purchase cards, evaluate and report findings.	L	The use of purchase cards has been looked at but is on hold pending the introduction of the new FMS system.	Carried forward into 2007/10 plan
4	Review and amend financial regulations and standing orders as necessary to accommodate the use of whole life costing and cost/benefit techniques where appropriate.	M	Financial regulations have been reviewed to include the use of whole lfe costing and cost/benefit analysis. The reviewed regulations came into foce in May 2006	Complete
5	Review the use of automation and IT solutions to streamline administrative procedures and maintain complete and accurate contract data, records and volume and spend analyses.	H	This is currently in hand with the introduction of the SCMS system providing a real time electronic contracts register which will be further supported with the delivery of the new FMS system in 2008	Partially completed with additional work carried forward into 2007/10 plan
6	Review the current use and take up of the YPO and other partnership working arrangements as a means of streamlining supplier numbers, achieving greater economies and scale, enforcing standards and benchmarking alternative costs of supply and changes to existing contract arrangements.	L	The initial work has been undertaken but it needs to be revisited during 2007	Partially completed with additional work carried forward into 2007/10 plan
7	Put effective control mechanisms in place to control the addition of new creditors to the FMS system and prevent purchasers placing multiple small orders for supplies or making orders outside contracts or standardised product ranges.	M	This has been reviewed but it is not possible to control the addition of new creditors on the current sytem as they can and are set up at devolved sites. The solution will be delivred as aprt of the new FMS system to be introduced in 2008	Carried forward into 2007/10 plan
8	Conduct a systematic review of the use of corporate 'call off' contracts at the Council for the most commonly procured goods and services and negotiate new contracts/put in place corporate contracts where necessary.	H	This links to 2 above with further work to be undertaken	Partially completed with additional work carried forward into 2007/10 plan
9	Review the number of contractors used by the Council with a view to rationalising select lists and reducing supplier numbers.	H	This is linked to 7 above and further work will be undertaken using the SCMS system and the new FMS system during 2008	Partially completed with additional work carried forward into 2007/10 plan

Best Value & Competition

				Status
10	Establish a Member Review process to consider the award of major contracts at the Council currently let under the previous CCT regime in accordance with the decision making criteria set out in the Rollo report	H	The Rollo methodology has been adopted and deployed in relation to the services were previously considered under CCT. There is a need to develop a competition strategy for all services as a priority during 07/08	Partially completed with additional work carried forward into 2007/10 plan
11	Prepare and implement a forward programme of major service contracts for consideration and award by the Member Review Panel. This is captured in the Strategic Procurement Programme which forms a subset of the Efficiency Programme.	H	Completed and approved	Complete
12	Identify how the 'thin client' function will be organised and resourced in the relevant Directorates, the respective role and responsibilities of 'thin clients' and the 'quality assured provider' (QAP) in managing service delivery and monitoring performance and all related member reporting arrangements.	M	There has been work carried out by the Director of Resouces in developing the the 'thin client' function with two draft reports issued to CMT and a third one pending. CMT and Mmeber approval on a way forward expected by Summer 2007	Partially completed with additional work carried forward into 2007/10 plan
13	Determine the process, timescales, costs, funding and other related issues needed to develop the existing DSO as a QAP delivering any future in-house service contracts awarded to it by the Member Review panel and report on any structural and operational changes necessary to support this development.	N/A	The Commercial Services Directorate has been reviewed and restructured and now forms part of the Neighbourhood Services Directorate. The future role of in-house service contracts will be considered as part of the competition strategy.	Carried forward into 2007/10 plan
14	Prepare service level agreements for works awarded to the QAP by the Member Review panel and report to Members for approval within 2 months of concluding negations.	N/A	This was undertaken using the Rollo methodology and an SLA with regard to the current contract between Neighbourhood Services and Housing for the provision of maintenance to the Council's Housing Stock	Complete
15	Complete all the short to medium term service specific actions set out further to the Rollo report in respect of street cleansing, grounds mtce and refuse collection.	N/A	This needs to be revisited	Carried forward into 2007/10 plan
16	Document the performance management framework required for procurement including the development of PIs, standards and targets for future monitoring and reporting purposes	H	A in-house suite of PI's was developed in 2004. The publication of national performance indicators requires these to be reviewed and updated with regard to future performance management	Partially completed with additional work carried forward into 2007/10 plan
17	Identify the kinds of data required for performance management purposes and put in place the necessary administrative systems and reporting cycles to collect and collate information		This will be developed as part of the future work in 16 above	Carried forward into 2007/10 plan
18	Review the type and level of resources needed to support the development of performance management within the CPT	M	The CPT was restructured from 1 April 2007 (following a report to EMAP in December 2006) to resource it adequately to meet its immediate targets	Complete

Controls, Compliance & Managing Risk

No	Action	Priority	Progress to date	Status
19	Review and update financial regulations/contracts procedure rules, standing orders and the Purchasing Policy and Code of Practice for changes in legislation and codified good practice advice and guidance on a triennial basis.	M	New Financial Regulations including procurement rules and procedures issued in May 2006 Procurement Strategy due June 2007	Complete
20	Review the Constitution and the disciplinary Codes regarding staff and Member responsibilities for referring known breaches of financial regulations and standing orders to the S151 officer for monitoring purposes.	M/H	Part of Fin Regs/Con review	Complete
21	Complete the work needed to prepare and maintain a full register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact.	H	This has been completed but will be further developed with the introduction of the SCMS system during 2007	New and further action to be included in the 2007/10 plan
22	Review and standardise all core procurement documentation and ensure consistent use across the organisation.	H	These have been developed and are available on the procurement intranet site. These documents are in need of review with regards to the development of SCMS, corporate contract portfolio and frameworks.	New and further action to be included in the 2007/10 plan
23	Complete the set up of a user friendly procurement site on the Council Intranet to hold all standard documentation, guidance, Codes of practice, key contacts and advice on 'most commonly asked questions'.	M	This has been developed but will be reviewed to provide a web enabled solution.	New and further action to be included in the 2007/10 plan
24	Maintain an annual programme of internal compliance and contract audits across all Directorates and review all significant contracts on a regular basis to provide feedback and note learning points for development and management purposes.	M	Annual provision of contract audit days planned into the Audit Plan to support contract compliance work across the Council	Complete
25	Identify all officers involved in procurement on behalf of the Council and include principal contact details for all contracts including major service agreements for internal works previously specified under CCT in the central Contracts Register.	M	Procurement community identified and establish across the organisation Corporate contracts portfolio established identifying appropriate CPT or client officer leads. This is substantially complete but there is scope for further development through the SCMS system and implementation of the procurement strategy	New and further action to be included in the 2007/10 plan
26	Prepare a specific staff guidance manual to managing risks in major procurement projects and incorporate in the Council's Purchasing Policy and Code of Practice.	M	Guidance completed and included on the procurement intranet site. Further guidance on risk included in the Procurement strategy going to EMAP in June	Complete

Staffing & Organisation

	Action	Priority	Progress to date	Status
27	Maintain a central team of procurement experts and set up and manage all corporate contracts, support major project work, provide specialist advice, train and support local staff operationally as required, set standards and promote and protect the corporate interests of the organisation.	H	CPT established and operating from 2004. Review of management and organisation of CPT undertaken in 2006 and team restructured with effect from 1 April 2007	Complete
28	Identify all staff involved in procurement and maintain a central register of purchasing and contracting responsibilities and delegated authorities.	L	As 25. Responsibility co-ordination, management, and reporting on contracts is the responsibility of the CPT with effect from 1 April 07	Complete
29	Identify all existing knowledge and skills gaps amongst officers currently involved in procurement work and provide training and development support to ensure all relevant staff meet the minimum standards necessary to support the Council's needs.	M	The 2006 restructure report recognised the need to build capacity to deliver training support across the organisation with delivery commencing during 2007/08 as part of the CPT workplan	Carried forward into 2007/10 plan
30	Establish a Council wide procurement network as a vehicle for sharing good practice and policing compliance across the organisation.	M	Procurement Community established. This will be further developed, managed and monitored through the SCMS system	New and further action to be included in the 2007/10 plan
31	Design and deliver an on-going programme of annual training events including induction workshops for all existing and new staff involved in procurement.	L	As 29	Carried forward into 2007/10 plan
32	Clarify and document the respective roles and responsibilities of the CPT and Directorate staff involved in procurement and update the Purchasing Policy and Code of Practice accordingly - feed into manual development.	L/M	Some early work to establish roles and responsibilities undertaken. This is in need of review in the light of the Council's single office solution. Members have asked for a full organisational review to be undertaken and this will be delivered in December by the Assistant Director of Audit & Risk Management	Partially completed with additional work carried forward into 2007/10 plan
33	Design a programme of procurement 'master classes' covering a variety of procurement related topics to be presented by guest speakers and external experts in the relevant filed	L	This has not yet been done but will considered in relation to establishing the CPT profile both internally and externally. This will include developing the Councils relationship with York Chamber of Commerce, joint Member presentations using guest speakers and engaging senior officers through formal groups such as CLG	Carried forward into 2007/10 plan

Equalities & Inclusion

No	Action	Priority	Progress to date	Status
34	The Purchasing Policy and Code of Practice is updated to include clear guidance on equalities and inclusion issues to reflect the requirements set out recently by the LGA for race equality and procurement.	L	Core processes and statements included in policy framework drafted for Member consideration in June 2007	Complete
35	Ensure the staff training programme includes coverage of all equalities and inclusion issues.	M	As 29	Carried forward into 2007/10 plan
36	Review and revise all tender documentation and application forms for approved supplier status to include extended questions on company compliance with equalities legislation.	L	This has been completed but will be reviewed as action 22	Complete
37	The use of wording of standard contract conditions covering equalities is included in all contracts	H	As 36	Complete
38	The Purchasing code is updated to reflect Directorate staff and management responsibilities for compliance and exception reporting to the CPU.	M	This has been superseded by the new Financial Regulations & Procurement Rules. A fuller corporate review is to be undertaken as action point 32	Partially completed with additional work carried forward into 2007/10 plan
39	Regular compliance testing is conducted by Audit across all Directorates and included in the annual report on breaches and waivers of regulations	M	Complete	Complete
40	A supplier survey is conducted by Internal Audit to determine contractor compliance with equalities legislation to help inform the development of improvement targets and minimum performance standards	L	Deleted action as requirement covered by contract audit programme	Complete
41	Equalities issues are included as part of regular awareness raising events held by the CPT with existing and potential suppliers and contractors.	L	To be covered as part of training as per action point 29 & 33	Carried forward into 2007/10 plan
42	Equalities details are logged as a separate field in the contracts register for MIS purposes.	L	This has not been done but the new SCMS system will provide the management information required to comply and monitor this requirement	Carried forward into 2007/10 plan

Local Purchasing

	Action	Priority	Progress to date	Status
43	Locality details to be logged as a separate field in the contracts register for MIS purposes.	L	The current contract register holds some information with regard to supplier location. The new SCMS will further develop this functionality allowing for monitoring and reporting	Partially completed with additional work carried forward into 2007/10 plan
44	The supplier survey to be conducted by Internal Audit should collate data on locality for management information purposes	L	Deleted action as in action point 40 above	Complete
45	Awareness raising events are held with existing and potential suppliers and contractors on a regular basis	L	This has not yet been completed and is linked to action point 33	Carried forward into 2007/10 plan

Ethics, Environment and Sustainability

No	Action	Priority	Progress to date	Status
46	Design and implement a questionnaire to support pre-tender selection processes that covers all ethical, environmental and sustainability issues and concerns as set out in by the specific policy to be developed further to the above.	N/A	Complete	Complete
47	Address all local Agenda 21 issues raised by the Council's local Agenda 21 strategy.		Ethical, environmental and sustainability issues integrated into procurement strategy & manual	Complete
48	Prepare a fully comprehensive policy and set of required procedures setting out what is required and expected in relation to each main product and service area and documenting how the Council will work to ensure this is observed when procuring the relevant goods and services.	H	As 47	Complete
49	Ensure the staff training programme for procurement includes coverage of all ethical trading, environment and sustainability issues covered in the policy once prepared.	M	As action point 47 and 29	Partially completed with additional work carried forward into 2007/10 plan

E-Procurement

No	Action	Priority	Progress to date	Status
50	Encourage Directorates to become *e*-compliant in procuring goods and services wherever possible, for example purchase order processing	M	Limited action on the procure to pay cycle due to technological limitations at the Council. This action will be further developed with the implementation of SCMS and the Council's new FMS system	Partially completed with additional work carried forward into 2007/10 plan
51	Encourage suppliers to be e-compliant for example by paying by BACS, accepting purchase cards, providing access via internet sites. Wherever appropriate the requirement to transact electronically will be included in contract terms and conditions.	M/H	As point 50	Partially completed with additional work carried forward into 2007/10 plan
52	Determine the proportion of procurement transactions currently undertaken and set annual targets for shifting to *e*-procurement solutions	H	Limited progress due to the constraints of Financial regulations and ability of current FMS system to deal with this kind of solution. The new SCMS and FMS systems will allow progress in this area	Partially completed with additional work carried forward into 2007/10 plan
53	Review the security and probity implications of automating purchasing activities and establish effective control mechanisms and audit trails to prevent and detect fraud, corruption and misuse.	M	Limited work has been undertaken with regards to a pilot for purchasing cards but again as in point 52 above the current FMS system constraints have hampered any further progress.	Partially completed with additional work carried forward into 2007/10 plan
54	Prepare a fully comprehensive policy and set of required procedures setting out the Council's vision for e-procurement, demonstrating how this links with related initiatives and plans such as the ATS project and the Council's IT strategy and IT Development plan and setting out a three year action plan	M	The initial scoping work has been done however it now needs revising further to the corporate procurement strategy and the introduction of the new SCMS and FMS systems during 2007/08	Partially completed with additional work carried forward into 2007/10 plan
55	Review and revise contract standing orders and financial regulation as to accommodate technological progress and any changes in existing procurement procedures necessary to successfully implement e-procurement initiatives.	M	This has been completed. The Financial and Procurement regulations issued in May 2006 have taken into account the progress in this area and allow for the CFO to change or modify the procedures subject to advances in technology including electronic procurement solutions	Complete
56	Maintain a watching brief of the Leeds City LETS initiative and investigate use and business benefits of adopting electronic tendering systems and procedures at the Council.	L	LETS initiative abandoned by Leeds and SCMS introduced as a regional solution implemented by York during 2006/07.	Complete
57	Develop a Procurement Website aimed at Suppliers, other councils and outside bodies such as District Audit, that may wish to view its contents.		Intranet site established to date. Web site to be developed further to the introduction of SCMS	Partially completed with additional work carried forward into 2007/10 plan

Working with Others

	Action	Priority	Progress to date	Status
58	Work with the Regional Centre of Procurement Excellence (CoPE) to deliver value for City of York Council.	M	Some limited involvement but needs to be developed during 2007/08	Partially completed with additional work carried forward into 2007/10 plan
59	**Benchmarking with peer authorities** - Carry out meetings with neighbouring council procurement teams to share Best Practice.	L	Member of Northern Procurement Officers Group and developing contacts with Centre of Excellence at a regional level. Benchmarking exercises to be formally established with peer authorities during 2007/08	Partially completed with additional work carried forward into 2007/10 plan
60	**District Audit** - Work with District Audit to improve Procurement	M	Complete	Complete

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National Procurement Strategy Milestones 2004 - 2006

To be completed by 2004

No	Milestone	Priority	Progress to date	Status
1	Corporate procurement strategy developed, owned by chief executives, members and senior officers.	H	Complete	Complete
2	Strategy's implementation regularly measured.	M	The strategy includes reporting and monitoring arrangements	Complete
3	Approach to partnering in construction and service delivery set out.	M	Two stage process agreed in principle and adopted by Property	Complete
4	Approach to collaboration and new trading powers set out.	M	This has been covered to date by the Rollo methodology. This is now under review with the development of a competition strategy and procedural methodology due to be reported to Members in September 2007	Partially completed with additional work carried forward into 2007/10 plan
5	Appraisal of service delivery models included in Best Value reviews.	N/A	As per 4	Partially completed with additional work carried forward into 2007/10 plan
6	Staff consulted on employment issues in procurement processes and contracts.	M	As per 4	Partially completed with additional work carried forward into 2007/10 plan
7	2003 ACT and 03/2003 circular built into processes and contracts.		The use of the Prudential borrowing system is considred in relation to procurement activities and trading more widely considered in relation to commercial activities	Complete
8	Publish a selling to the council guide (website).	M	This has been written and is available on the procurement intranet site. This will be developed further on the Council website with the implementation of SCMS	Partially completed with additional work carried forward into 2007/10 plan
9	Ensure corporate procurement strategy is addressing sustainability and equalities issues, helps to achieve the community plan and involves the voluntary sector.	H	Strategy and manual due for Member approval in June 07	Complete
10	Conclude a compact with the local voluntary and community sectors.	M	This has been circulated for signature and agreed in principle	Partially completed with additional work carried forward into 2007/10 plan

To be completed by 2005

1	Health checks against National Strategy (Single tiers and county councils).	M	This needs further development through regional groups and the Centre of Excellence	Carried forward into 2007/10 plan

2	Centres of excellence involved (districts and upper tiers).	L	SCMS is the biggest driver and we are already involved in the CoE regional groups including Northern Procurement Officers and SCMS user groups	Partially completed with additional work carried forward into 2007/10 plan
3	Average time from OJEU notice to contract award notice reduced by 10%.	M	This needs further development to establish base figure and should be monitors further to the implementation of SCMS	Carried forward into 2007/10 plan
4	Smaller districts collaborating with others for shared services.	M	This has been set up within the NY area through CoE	Complete
5	All councils co-operating regionally via networks of centres of excellence.	M	This is established but requires further development. As 2	Partially completed with additional work carried forward into 2007/10 plan
6	Appropriate e-procurement solution implemented.	M	Forms part of new FMS due to be delivered in 2008	Partially completed with additional work carried forward into 2007/10 plan
7	Using government procurement card/equivalent for low value purchases.	M	This needs to be revisited following the implementation of FMS	Partially completed with additional work carried forward into 2007/10 plan
8	Relationship of procurement to community plan addressed.	M	The Councils Local Strategic Partnership should comply with the Councils procurement framework and strategy however no direct procurement support has been provided	Carried forward into 2007/10 plan
9	Workforce diversity, equality and sustainability issues addressed.	M	Annual staff survey undertaken by CYC Sustainability officer appointed and sustainability included in both strategy and manual	Complete
10	Diverse and competitive supply market encouraged.	M	Complete	Complete
11	Sustainability built into procurement strategy, processes and contracts.	M	This forms part of the strategy to be reported to Members in June 2007work will be completed in June 2007	Complete
12	Concordat for SME's and voluntary sector compact concluded.	L	Further work to involve SME's and the voluntary sector to be undertaken during 2007/08	Partially completed with additional work carried forward into 2007/10 plan
13	Information Memorandum to prospective bidders included in process.	M	This is included in the standard procurement documentation	Complete
14	Invitation to bidders to demonstrate effective use of supply chain included in tenders.	L	Where appropriate this is picked up in the Technical Section of the Invitation to Tender	Complete
15	Give bidders option to specify benefits under community plan.	L	As 8 above	Carried forward into 2007/10 plan

To be completed by 2006

1	Average time form OJEU notice to contract award notice reduces by 25%.	M	As action point 3 2005 above	Carried forward into 2007/10 plan

2	Accessing an appropriate e-Marketplace.	M	As per e-procurement section of Annex A	Partially completed with additional work carried forward into 2007/10 plan

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Procurement Work Plan 2007/08

Work stream	Deadline	Lead Officer	Source	Link
VFM, Competition & Efficiency				
Monitor performance of Legal Framework	Sep-07	CIPFA Trainee	Budget	
Realign Savings Targets – Ensure process operates effectively for 2008/09 budget	Nov-07	David Walker	Budget	
Minor works review - The whole area of minor works needs to be reviewed to identify spend and how contractors are used and suitable solution developed	Dec-07	Catherine Cowling	Breaches & Waivers Report	NPS
Establish Corporate Contract Portfolio – Identify relevant contracts and client officers	Aug-08	Sam Willetts	3 Year Action Plan	NPS
Consolidation of postal requirements – Look at savings quick wins for post contract with CoE and other LA's	Mar-08	Grazyna	3 Year Action Plan	NPS
Staff Agency Contract – support on delivering a framework. Ongoing contract management lies with HR	May-07	Adam Ozakpinar	Corporate Contract	NPS
Schools Framework agreement for provision of ICT services and hardware – provision of an EU compliant framework for schools	Sep-07	Adam Ozakpinar	IT Project	ITD BID
Vehicle Tracking Procurement – support to deliver a new system	Aug-08	Mark Stower	IT Project	ITD BID
Commercial Waste Procurement – support to deliver a new system	Aug-08	Mark Stower	IT Project	ITD BID
Joseph Rowntree Pathfinder Project	Ongoing	Catherine Cowling	Strategic Procurement Programme	BSF
Park and Ride Procurement – ongoing procurement support	Oct-07	Catherine Cowling	Strategic Procurement Programme	NPS
e-purchasing – Fully embedded NYS Evolvi System	Sep-07	Mark Stower	3 Year Action Plan	NPS
Consolidated Invoicing – Use NYS and Jewson contract to look at consolidated invoicing.	Sep-08	CIPFA Trainee	3 Year Action Plan	NPS
Corporate Contract for Security Services - Identify who uses security services Identify number of suppliers Aggregate contracts	Dec-07	CIPFA Trainee	Breaches & Waivers Report	
Managed Voice and Data Network – ongoing procurement support to deliver a new contract	Sep-07	Catherine Cowling	Corporate Contract	ITD BID
Support to Highways PFI	Sep-07	Sam Willetts	Strategic Procurement Programme	
City Walls Maintenance Contract	Jan-08	CIPFA Trainee	Breaches & Waivers Report	
Answerlink - Disaster recovery issue File Audit Including: Contract Summary, Creation of CCN Log (if applicable), Liaison with the BDT rep /business regarding terms of the renewal in accordance with the contract and financial regulations and Renewal documentation as appropriate	Jun-07	Adam Ozakpinar	IT Project	ITD BID
Education Contracts with Foundation now Tribal - Consolidation of 3 contracts, possible novation or new agreements required including company name change. Additional modules to be included. Assess technical consolidation of systems, Assess potential cost saving Create and agree new contract	1-Jun	Adam Ozakpinar	IT Project	ITD BID
Lift Purchase and Maintenance - Identify who uses lift services, Identify number of suppliers, Aggregate contracts	Sep-07	CIPFA Trainee	Breaches & Waivers Report	
New Technologies				

SCMS - Development and delivery	Jul-07	Sam Willetts	3 Year Action Plan	NPS
FMS Replacement – Procurement support and input into procurement module	Oct-07	Sam Willetts	IT Project	NPS
SCMS – Maintenance and ongoing support	Ongoing	Gillian Haws	Routine	SCMS
Performance Management				
Review and Monitor the Strategic procurement programme providing regular progreess reports - see attached plan	1-Jul	Sam Willetts	Strategic Procurement Programme	NPS
Document the performance management framework required for procurement including the development of PI's, standards and targets for future monitoring and reporting purposes.	Sep-07	Catherine Cowling	3 Year Action Plan	NPS
YPO - Need to re-establish officer role and formalise reports to Member Benchmarking etc linked to 3 year action plan	Jul-07	Sam Willetts	3 Year Action Plan	NPS
Standards & Governance				
Evaluation models development – issue guidance on evaluation models and weightings	Jun-07	David Walker	3 Year Action Plan	NPS
Complete the work needed to prepare and maintain a full register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact. In accordance with SCMS project plan	Dec-07	Sam Willetts	3 Year Action Plan	SCMS
Review and standardise all core procurement documentation and ensure consistent use across the organisation	Oct-07	Mark Stower / Assistants	3 Year Action Plan	SCMS
Prepare a specific staff guidance manual to managing risks in major procurement projects and incorporate the Councils purchasing policy and code of practice	Jun-07	Catherine Cowling	3 Year Action Plan	NPS
Embed procurement strategy and review progress on an annual basis.	Mar-08	Catherine Cowling	3 Year Action Plan	NPS
Develop Competition strategy and handbook	Sep-07	Liz Ackroyd/David Walker	Strategic Procurement Programme	NPS
Complete the set up of a user friendly procurement site on the Council intranet to hold all standard documentation, guidance, codes of practice, key contacts and advice on most commonly asked questions	Sep-07	Grazyna	3 Year Action Plan	NPS
Support to Community Transport review	Ongoing	David Walker	Strategic Procurement Programme	
Support to Admin Accom Review	Ongoing	Catherine Cowling	Strategic Procurement Programme	
Review the Supporting People area to find solution to their procurement requirments which avoids future Waivers	Jan-08	Mark Stower	Breaches & Waivers Report	
Identify all officers involved in procurement on behalf of the Council and include principle contact details for all contracts including major service agreements for internal works. Delivered through SCMS, see project plan	Dec-07	Gillian Haws	3 Year Action Plan	NPS
Staffing and Organisation				
Identify all existing knowledge and skills gaps amongst officers currently involved in procurement work and provide training and development support to ensure all relevant staff meet the minimum standards necessary to support the Council's needs.	Mar-08	Sam Willetts	3 Year Action Plan	NPS
Admin of Procurement Shared drive and Review and Tidy of Procurement Hard Files – to tidy up and correspond to the shared drive	Aug-07	Sam Willetts / Assistant	Information Management Agenda	ARM Service Plan
Design and deliver an on-going programme of annual training events including induction workshops for all existing and new staff involved in procurement.	Jun-07	David Walker / Catherine Cowling	3 Year Action Plan	NPS

Design a programme of procurement 'master classes' covering a variety of procurement related topics to be presented by guest speakers and external experts in the relevant filed	Mar-08	David Walker / Catherine Cowling	3 Year Action Plan	NPS
Identify all staff involved in procurement and maintain a central register of purchasing and contracting responsibilities and delegated authorities and Establishing Effective council wide procurement network as a vehicle for sharing good practice and policing compliance across the organisation	1-Dec	Gillian Haws	3 Year Action Plan	NPS
Equalities and Inclusion				
Review and revise all tender documentation and application forms for approved supplier status to include extended questions on company compliance with equalities legislation.	1-Dec	Catherine Cowling	3 Year Action Plan	NPS
Ensure equalities details are logged as a separate field in the contracts register for MIS purposes.	2-Dec	Assistants	3 Year Action Plan	NPS
Sustainability				
Review of sustainable and environmental contracts – review contracts with environmental impacts to look at whether we can procure high environmental impact goods more sustainably through the use of RAY	Mar-08	Grazyna	Corporate Objectives	NPS
Ethical Purchasing				
Ensure that all procurement decisions give due regard to ethical concerns and that ethical considerations are considered where possible as part of the tender evaluation process	Ongoing	Catherine Cowling	Three Year Action Plan	NPS
Partnership & Collaboration				
Develop more collaborative working with regional groups such as CoE and Northern Procurement Officers Group to achieve national procurement strategy objectives	Ongoing	Catherine Cowling	Three Year Action Plan	NPS
Continue to monitor opportunites for collaboration when undertaking any procurement exercise	Ongoing	Catherine Cowling	Three Year Action Plan	NPS

Very High priority
High priority
Medium priority
Low priority

NPS -National Procurementy Strategy
SCMS - Supplier Contract Man System
BSF - Building schools for the future

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Meeting of Executive Member for Corporate Services and Advisory Panel **8 June 2007**

Report of the Assistant Director Audit and Risk Management

Corporate Procurement Manual

Summary

1 The purpose of this paper is to advise Members of the development of a best practice corporate procurement manual for use by practitioners across the organisation, to be issued further to the provisions of the Council's Financial Regulations & procurement Rules.

2 The manual sets out detailed guidance in relation to all aspects of Council procurement activity including:

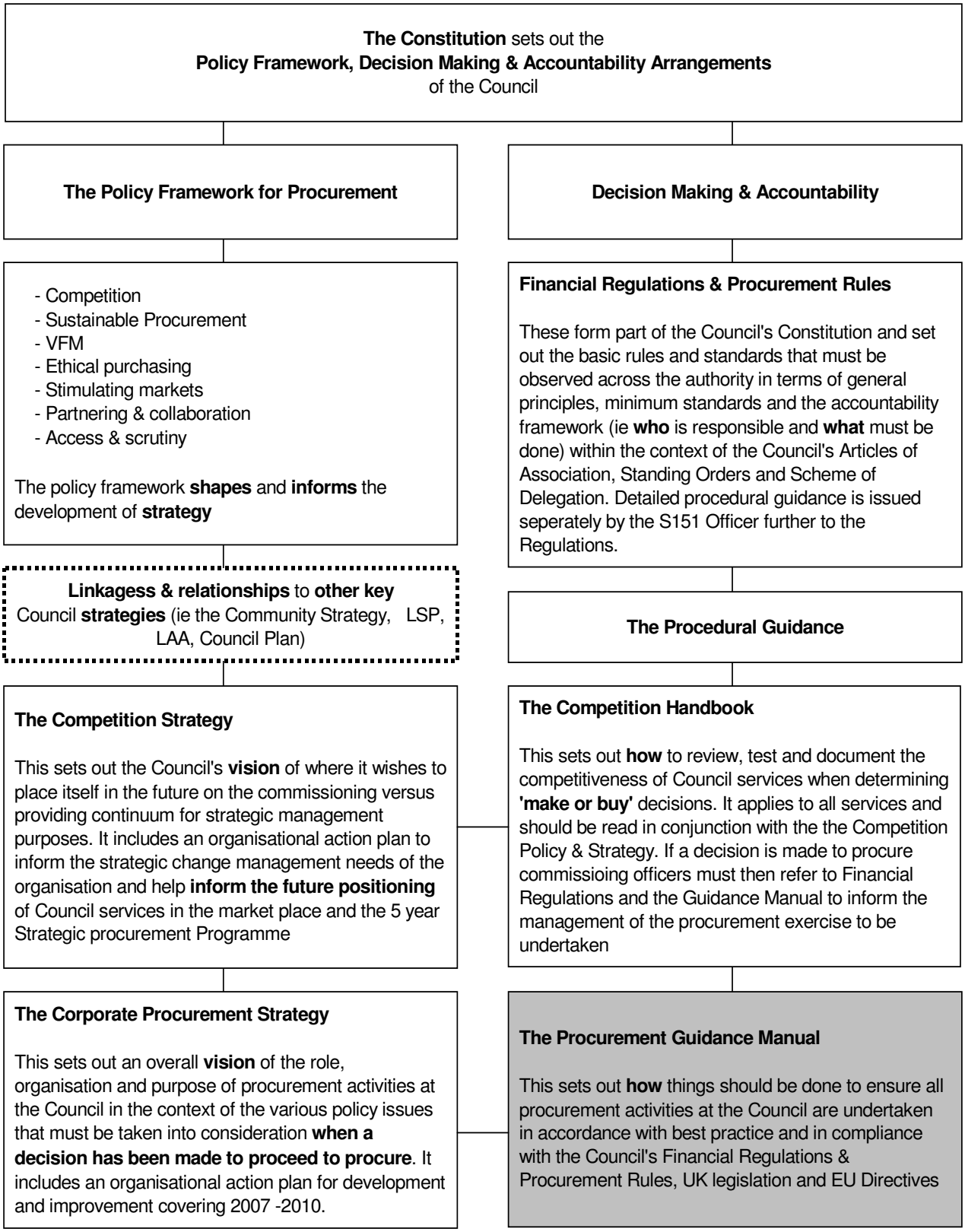
- the selection, evaluation and award of contracts;
- sustainability and the use of Whole Life Costing (WLC);
- the use of frameworks & call-off arrangements;
- compliance with the Council's Financial Regulations & Procurement Rules, UK legislation and EU Directives.

Background

3 The Corporate Procurement Team (CPT) was re-structured with effect from 1 April 2007 following a report to Corporate Services EMAP on the 12 December 2006. One of the first priorities of the new team has been to prepare a detailed procurement guidance manual (the Manual) for practitioners further to the Council's revised financial regulations and Procurement Rules, adopted in May 2006.

4. The Manual should be referred to in conjunction with Financial Regulations and understood in the context of the Council's Corporate Procurement Strategy and medium term action plan. It has been written to help guide practitioners through the full procurement cycle, ensuring that all activities are undertaken in accordance with best practice and in compliance with regulations as well as UK and EU legislation. Exhibit 1 below shows how the Manual sits in relation to the other component parts of the Council's policy and decision making framework for procurement.

Exhibit 1 The policy & decision making framework for procurement



Note *The shaded box shows the position of the manual in relation to other key component parts of the overall policy, strategy and decision making framework for procurement at the Council*

Consultation

5 No formal consultation has been undertaken for the purposes of this report.

Options & analysis

6 Not applicable as this report is for information only.

Corporate Priorities

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

Implications

8 There are no Financial, HR, Equalities, Legal, Crime & Disorder, IT, Property or other implications to note.

Risk Management

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

Recommendations

10 Members are asked to

a) note and comment on the Corporate Procurement Manual attached as Annex A to this report.

Reason

To provide a best practice guide to the effective management of procurement practice at the Council.

Contact Details

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David Walker Risk, Insurance & Procurement Services Manager 01904 552261	Liz Ackroyd Assistant Director of Resources (ARM) **Report Approved** Y **Date** *25 May 2007*
Liz Ackroyd AD Resources (ARM) 01904 551706	

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable **All** ☐

For further information please contact the author of the report

Background Papers

Future organisation and function of procurement services in Resources – Corporate Services EMAP 12 December 2006

Annexes

Annex A – Corporate Procurement Manual (Due to its size, this is available on the council's website www.york.gov.uk under Council meetings or from Democracy Support Group on 01904 551088.)