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14 September 2016

To: All Councillors

As a Member or Substitute of the **Governance and Resources Committee**, please treat this as your summons to attend the meeting on **Thursday 22 September 2016 at 6.00pm in the Council Chamber, Town Hall, Matlock.**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sandra Lamb', with a stylized flourish at the end.

Sandra Lamb
Head of Corporate Services

AGENDA

1. APOLOGIES/SUBSTITUTES

Please advise Democratic Services on 01629 761133 or e-mail committee@derbyshiredales.gov.uk of any apologies for absence and substitute arrangements.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

9 June 2016

3. PUBLIC PARTICIPATION

To enable members of the public to ask questions, express views or present petitions, **IF NOTICE HAS BEEN GIVEN**, (by telephone, in writing or by electronic mail) **BY NO LATER THAN 12 NOON OF THE WORKING DAY PRECEDING THE MEETING.**

4. INTERESTS

Members are required to declare the existence and nature of any interests they may have in subsequent agenda items in accordance with the District Council's Code of Conduct. Those interests are matters that relate to money or that which can be valued in money, affecting the Member her/his partner, extended family and close friends.

Interests that become apparent at a later stage in the proceedings may be declared at that time.

5. QUESTIONS PURSUANT TO RULE OF PROCEDURE NUMBER 15	
To answer questions from Members who have given the appropriate notice.	
	Page No.
6. INTERNAL AUDIT REPORTS CONCLUDED UNDER THE 2016/2017 OPERATIONAL AUDIT PLAN AND FOLLOW UP OF PREVIOUS RECOMMENDATIONS	4 - 15
To consider the internal audit reports produced in respect of the 2016/2017 Internal Audit Plan and also the progress made by management in implementing the agreed audit recommendations.	
7. ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY (Including Money Laundering)	16 - 40
To consider approval of the draft updated Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy) attached as Appendix 1 to the report.	
8. FIGHTING FRAUD AND CORRUPTION LOCALLY	41 - 51
To note the local government counter fraud and corruption strategy and the actions being taken by DDDC, as shown in the 2016-19 Fighting Fraud and Corruption Checklist, to ensure the Council's counter fraud response is comprehensive and effective.	
9. STATEMENT OF ACCOUNTS 2015/16	52 - 57
To consider approval of the Statement of Accounts for 2015/16.	
NB: DRAFT STATEMENT OF ACCOUNTS 2015/16 – PUBLISHED SEPARATELY	
10. LETTER OF REPRESENTATION 2015/16	58 - 66
To consider and approve the draft Letter of Representation as part of the Members responsibility for approving the financial statements.	
11. EXTERNAL AUDIT REPORT 2015/16	67 - 94
To consider the Annual Report of the District Council's external auditors in relation to Governance arrangements. The External Auditor will attend the meeting.	
12. LAND HOLDINGS REVIEW – PHASE 4	95 - 112
To consider whether 5 sites across the District in which queries or expressions of interest have been received should be retained or sold and the terms which would apply.	
13. CAPITAL EXPENDITURE – HALL LEYS PARK CAFÉ, MATLOCK	113 - 116
To consider the business case outlined in the report to undertake works arising from the District Council's Property Condition Survey using funding from the Capital Programme, with the recommendation that the case be referred to Council for approval at the meeting on 29 September 2016.	

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| 14. COMMUNICATIONS AND MARKETING STRATEGY | 117 - 138 |
| To note the strategic framework of the current Communications and Marketing Strategy and to consider approval of the action plan for 2016/2017. | |
| 15. TRANSFORMATION HUB | 139 - 147 |
| To note the activities of the Transformation Hub to date and consider approval of the Transformation Programme 2016-18 and the updated terms of reference. | |
| 16. FUTURE TELECOMMUNICATIONS SERVICE | 148 - 151 |
| To consider the proposal to engage a consultant to advise the Council on the most cost effective and efficient replacement telecommunications service based on the platform set out in the report. | |
| 17. COMPLAINTS MONITORING | 152 - 159 |
| To note a report providing details of complaints against the Council during 2015/16. | |
| 18. MEMBER DEVELOPMENT WORKING GROUP | 160 - 171 |
| To consider the recommendations set out in the report to trial a community leadership development day; a deadline for the completion of mandatory training and a proposal to replace Members ICT. | |
| 19. PROCUREMENT HUB UPDATE AND ACTION PLAN FOR 2016/17 | 172 - 175 |
| To note the work of the Procurement Hub during 2015/16 and the action plan for 2016/17. | |
| 20. RISK MANAGEMENT – CHIEF EXECUTIVE’S ANNUAL REPORT & RISK MANAGEMENT POLICY AND STRATEGY | 176 - 206 |
| To note the annual Risk Management Strategy report and to consider recommendations to update the Risk Management Policy and Strategy to ensure risk management arrangements continue to be effective, timely and fit for purpose. | |

Members of the Committee - Councillors Deborah Botham, Albert Catt, Steve Flitter, Chris Furness (Vice Chair), Alyson Hill, Susan Hobson, Neil Horton, Angus Jenkins, Tony Millward BEM, Jean Monks, Garry Purdy, Irene Ratcliffe, Lewis Rose OBE, Mark Salt, Jacquie Stevens (Chairman), Colin Swindell, John Tibenham

Substitutes – Councillors Jason Atkin, Richard Bright, Jennifer Bower, Sue Bull, Sue Burfoot, David Chapman, Phil Chell, Tom Donnelly, Ann Elliott, Helen Froggatt, Richard FitzHerbert, Vicky Massey, Joyce Pawley, Mike Ratcliffe, Philippa Tilbrook, Jo Wild

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

**INTERNAL AUDIT REPORTS CONCLUDED UNDER THE 2016/2017
OPERATIONAL AUDIT PLAN AND FOLLOW UP OF PREVIOUS
RECOMMENDATIONS**

PURPOSE OF THE REPORT

This report asks the Committee to consider the internal audit reports produced in respect of the 2016/2017 Internal Audit Plan and also to consider the progress made by management in implementing the agreed audit recommendations.

RECOMMENDATION

That the Committee note the findings and conclusions of the internal audit reviews and follow up of the implementation of previous recommendations.

WARDS AFFECTED

All of the District

STRATEGIC LINK

Internal Audit's service aims and objectives are the provision of an independent service, which objectively examines, evaluates and reports to the Council and its management on the adequacy of the control environment. This contributes to the Council's core values of being open and transparent when making decisions and using public resources ethically and responsibly.

1 BACKGROUND

- 1.1 The 2016/17 Operational Audit Plan was approved by the Governance and Resources Committee on 24 March 2016. It provides a framework by which service functions are reviewed to test and report on the adequacy and effectiveness of risk management systems and the internal control environment within the Council. This supports the Annual Governance Statement by contributing to the economic, efficient and effective use of resources.
- 1.2 The Committee's terms of reference also require that it "considers the reports produced in accordance with the Audit Plan and responses to the recommendations made therein".

2 REPORT

- 2.1 Attached, as Appendix 1, is a summary of reports issued covering the period 7th May to the 26th August, for audits included in the 2016/17 Internal Audit Plan.
- 2.2 Reports are issued as Drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.

2.3 The Appendix shows for each report a summary of the Overall Audit Opinion of the audit and the number of recommendations made / agreed where a full response has been received. Appendix 1 also shows the number of recommendations, analysed between High, Medium and Low priority.

2.4 The overall opinion column of Appendix 1 gives an overall assessment of the reliability of the internal controls examined in accordance with the classifications shown in the following table:

Control Level	Definition
Good	A few minor recommendations (if any).
Satisfactory	Minimal risk; a few areas identified where changes would be beneficial.
Marginal	A number of areas have been identified for improvement.
Unsatisfactory	Unacceptable risks identified, changes should be made.
Unsound	Major risks identified; fundamental improvements are required.

2.5 9 reports have been issued, 6 with a good opinion 2 with a satisfactory opinion and 1 with a marginal opinion. No reports were issued with an unsatisfactory opinion or unsound opinion. 5 recommendations have been made and accepted and are due to be implemented by the end of October 2016.

2.6 The marginal report was in respect of section 106 agreements. The main points arising were in respect of the need to assign responsibility to an individual to:-

- take responsibility for the budget of S106 monies
- monitor triggers and collection dates of monies due
- arrange site visits to determine the status of developments and compliance with agreements

2.7 The appointee would need to be appropriately trained or experienced enough to have a full understanding of s106 agreements in order for them to be able to undertake effective monitoring and reporting.

2.8 In respect of the audits being reported, it is confirmed that there are no issues arising that relate to fraud that need to be brought to the Committee's attention.

2.9 Attached at Appendix 2 is the current position at 26th August 2016, of internal audit recommendations made as a consequence of audit reviews. 10 recommendations have been satisfactorily implemented since the last report 5 recommendations are in the process of being implemented 6 recommendations have not passed their implementation date and 9 remain outstanding. Appendix 2 gives a commentary next to each recommendation of the progress made. There are several recommendations outstanding from the Data Protection Audit. At the June 2016 meeting of this

committee, Members approved a Data Protection Health Check. It is expected that the outstanding audit recommendations will be incorporated in to the action plan resulting from the data protection health check.

3. RISK ASSESSMENT

3.1 Legal

Each review concludes with an assessment of the relevant risk. As no rule of law has been breached the legal risk is therefore low.

3.2 Financial

There are no financial considerations arising from the report.

4 OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors is also been considered: prevention of crime and disorder, equality of opportunity, environmental health, legal and human rights, financial personal and property considerations.

5 CONTACT INFORMATION

Jenny Williams, Internal Audit Consortium Manager
(Jenny.Williams@chesterfield.gov.uk)

6 BACKGROUND PAPERS

None

7 ATTACHMENTS

Appendix 1 - Summary of Internal Audit Reports Issued – 7th May 2016 to 26^h August 2016

Appendix 2 – Review of outstanding audit recommendations at 26th August 2016

DERBYSHIRE DALES DISTRICT COUNCIL

Internal Audit Consortium - Report to Governance and Resources Committee

Summary of Internal Audit Reports Issued – 7th May 2016 to 26th August 2016

Report Ref	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
D001	Credit Card Usage	To ensure that the Council's credit cards are used appropriately	Good	15/04/2016	9/05/2016	1M	1
D002	Asset Management Arrangements	To ensure that there is a strategy in place that is being followed	Satisfactory	11/05/2016	01/06/2016	2M	2
D003	Section 106	To ensure that section 106 agreements are adhered to, that monies are received and spent in a timely fashion.	Marginal	7/06/2016	28/06/2016	2H	2

Report Ref	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
D004	Recycling Credits	To assess the procedures to verify charges incurred and upon which to calculate recycling credits due from the County Council.	Good	4/7/2016	25/07/2016	0	0
D005	Refuse Contract	To ensure that the operation of the contract is appropriately monitored and that payments to the contractor are correct	Good	4/07/2016	25/07/2016	0	0
D006	VAT	To assess VAT procedures and to ensure the accuracy of the VAT return	Good	12/07/2016	2/08/2016	0	0
D007	Corporate Targets	To ensure that Corporate targets are calculated and reported accurately	Satisfactory	2/08/2016	23/08/2016	0	0

Report Ref	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
D008	Payroll	To ensure that Payroll procedures and controls are operating	Good	18/08/2016	8/09/2016	0	0
D009	Debtors	To ensure that invoices are raised promptly and accurately and that debt collection procedures are operating	Good	18/08/2016	8/09/2016	0	0

Appendix 2

REVIEW OF OUTSTANDING AUDIT RECOMMENDATIONS AT AUGUST 2016

	Recommendation satisfactorily implemented
	Recommendation partially implemented – work in progress
	Target date not reached
	Recommendation remains outstanding

SERVICE	RECOMMENDATIONS	COMMENT
Transport Street Cleansing & Public Conveniences May 2014	Produce and distribute revised driver's procedures packs and obtain signatures of recipients to confirm receipt, understanding and commitment to comply (High)	Driver's handbook revised and at print for distribution once complete.
Data Protection January 2015	Comprehensive data protection training should be provided to all officers and Members of the Council following which refresher training should be provided at an agreed reasonable frequency with the requirement to sign a declaration of understanding and acceptance of their responsibilities and the consequences of failure to comply.	Training has been given to members as part of the induction process All employees have completed ICT security awareness training All employees and members will be required to undertake mandatory data protection/information governance training on the recently acquired online training system
	Discussions be held with the NHS procurement partners to ensure that data protection issues be included in any future tender exercises for new systems (Medium)	Target date 31 March 2015 – In progress awaiting response from NHS

	The document retention policy should be reviewed and updated to include procedures for the destruction of data (High)	The updated document retention policy was approved by G & R Committee in January 2016.
	Once revised the document retention policy should be publicised and held centrally to ensure that all officers are able to comply (Medium)	Target date 31 July 2015
	Once revised and approved, the policy should be reviewed regularly to ensure that it is fit for purpose (Medium)	Agreed to be subject to annual review once revised
	The revised document retention policy should consider electronic and written data independently to ensure that any differences are documented (Medium)	Completed
	Guidance should be included within the data retention policy relating to the destruction of data according to the classification of the data (confidential or not) (Medium)	Completed
	Retention of credit card data be included in the revised data retention policy (Medium)	Completed
	Fair processing notice text should be drafted and provided to all asset owners for inclusion on all data collection application forms to ensure compliance with data protection requirements and consistency across the authority (Medium)	Target date 31 March 2015 – target date rescheduled to July 2015
	Fair processing notice text to include grounds for consent e.g. By submitting data to us and/or using our web site you give your consent that all personal data that you submit may be processed by us in the manner and for the purposes described in the	Completed

	following fair processing notice (Medium)	
	All forms used to collect personal data be reviewed to ensure that they include a corporately approved fair processing notice and a consent clause including forms used by external service providers who collect data on behalf of the Council e.g. Arvato – benefit forms, council tax applications for discounts and exemptions etc. (Medium)	Head of Resources to advise asset owners - Target date 31 March 2015 - target date rescheduled to July 2015
	A Data Protection message be included on creditor remittance advice notes referring creditors to the Council's website for terms and conditions and fair processing information (full text cannot be included on the remittance advice due to the 120 character limit in the text field) (Medium)	Target date 31 March 2015 - target date rescheduled to July 2015
	Asset owners identified in the Data Asset Register should ensure that all data within their remit is reviewed and maintained in accordance with the revised data retention policy once it has been documented and approved (Medium)	
	A procedure for responding to subject access requests be documented to ensure that there is a consistent approach that complies with ICO checklist (High)	Target date 31 March 2015 - target date rescheduled to July 2015
Treasury Management February 2015	The Financial Strategy should be reviewed, updated and approved by Council (Medium)	Target Date November 2015. Due to go to Council November 2016.
	Review and revise procedural guidance to reflect organisation structural changes and in accordance with the new banking contract once implemented (Medium)	Due to outstanding issues regarding the full implementation of the banking contract, the recommendation remains outstanding with a target date to coincide with completion of the

		implementation of the banking contract.
Arc Leisure March 2015	A pricing policy for the sale of goods should be documented to ensure consistency across the centres. A procurement review should also be undertaken to ensure consistency with suppliers to ensure that the best discounts on purchases are achieved where similar products are stocked (Medium)	A consistent pricing policy has been implemented in the short term. Longer term the procedure is under review, new company being looked at for new saleable system which would address pricing consistency, slow moving stock and stock takes. Will be looked at after the outcome of the leisure review.
	All staff responsible for raising billing requests should be made aware of the importance of accounting for income accurately including taking into account price increases and allocating income to the correct period – monthly billing should be undertaken to ensure that income is acknowledged in the relevant month (for budgeting purposes) but it is essential that it is acknowledged in the correct financial period (High)	Low value involved, doesn't justify high risk. Payment is an upfront 9 weeks and will be charged made at the current price at time of billing. Staff will be updated on procedures and to be more consistent when billing Target Date 1 March 2016
NNDR November 2015	Following the implementation and trial of the Corporate Fraud software, a meeting be arranged to agree and prioritise visits to confirm empty property status (Medium)	Target Date dependent upon implementation of fraud software. Completed. A meeting has taken place and visits to empty properties are taking place
Expenses & Allowances August 2015	Procedural guidance for processing claims be documented to ensure that in the absence of experienced officers, claims could be processed (Low)	(Target date of 31.12.2015) Extended to 01.09.2016

Insurance June 2015	Following the implementation of recommendations made in the Data Protection audit of 2014/15 relating to the document retention policy, once the policy has been documented, approved and uploaded centrally, an instruction to all staff be issued stressing the importance of the maintenance of comprehensive records retained in accordance with the retention periods stated to support potential claims (High)	Implementation pending approval of Document Retention Policy
Markets June 2015	Consideration be given to applying recharges if considered significant, where applicable, as part of the markets review (Low)	Target date April 2016
Council Tax December 2015	<ul style="list-style-type: none"> a) NFI matches should be reviewed, especially the high risk ones - High b) Ongoing entitlement to discounts and exemptions should be reviewed periodically - Medium 	<p>Matches to the electoral register – 634 matches on the report, 303 cleared, 91 identified where further details are needed. 240 left to process.</p> <p>Rising 18's – 29 cases on the report, 20 completed, 9 left where letters need sending</p> <p>It will be around end October/ November 2016 when the reports are finished</p>
Planning Fees February 2016	Specification of a report from the Uniform system using the application/fee received date rather than validation date would enable a simple reconciliation to be undertaken to provide the assurance that the systems were synchronised – Medium	Target Date – 01.04.2017
Credit Card Usage April 2016	Upload a copy of the most recent version of Financial Regulations to the Staff Handbook on SIDD to	Target Date – 19.05.2016

	ensure that employees have access to current regulations - Medium	
Asset Management May 2016	The Asset Management Plan should be reviewed and revised as soon as practicable (<i>Restated</i>) - Medium	Target Date - 31.04.2017
	A target date be agreed for the reconciliation of the CIPFA Property's Asset Manager and Uniform Asset Database systems - Medium	Target Date - 31.07.2017
Section 106 June 2016	A robust monitoring system should be implemented to assign ownership and overall control of the system to include responsibility for; monitoring triggers and collection dates of monies due; arrange site visits suitably qualified officers where necessary to determine the status of developments and compliance with agreements; and the status and use of S106 monies - High	Target Date – October 2016
	Appropriate training should be provided to the officer designated with overall responsibility for the system to ensure a sound understanding of the accounting practices employed within the Council and to enable them to interrogate the systems efficiently in order to provide accurate and effective monitoring - High	Target Date – October 2016

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY (Including Money Laundering)

PURPOSE OF THE REPORT

The purpose of this report is to present for consideration by the Governance and Resources Committee the Council's draft updated Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy) which is attached as Appendix 1 to this report.

RECOMMENDATION

That the Governance and Resources Committee approve the Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy) attached at Appendix 1.

WARDS AFFECTED

All of the District

STRATEGIC LINK

The maintenance of an up to date Anti-Fraud, Bribery and Corruption Strategy contributes to the Council's core values of being open and transparent and using public resources ethically and responsibly.

BACKGROUND

- 1.1 One key element of effective financial governance is that the Council has appropriate arrangements in place in respect of fraud. The Council last reviewed its Anti-Fraud and Corruption Strategy and Money Laundering Policy in 2013. It was agreed at the time that the Strategy should be periodically reviewed to ensure that it is kept up-to-date and remains relevant.

REPORT

- 2.1 In line with good practice for all public bodies the Council should have in place an up to date Anti –Fraud, Bribery and Corruption Strategy. The formal commitment to this strategy will serve to restate the Council's zero tolerance of fraud and all forms of malpractice. The refresh of the strategy will also provide an opportunity to promote the key message to both Members and Employees.
- 2.2 The strategy that has been recommended for adoption has been reviewed and updated to reflect developing good practice. The Corporate Leadership Team has been consulted on the content of the Strategy. If there are further

legislative or changes in best practice then the strategy will be reviewed accordingly.

3. RISK ASSESSMENT

3.1 Legal

Fraud, Bribery, Corruption and Money Laundering are all criminal activities. This strategy is intended to minimise the risk that the Council suffers as a result of such activity, or that the Council is unwittingly used to undertake or assist such activity.

3.2 Financial/Risk

There are no direct financial implications of adopting the Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy), and it is envisaged that any costs will be met within existing budgets.

The development and effective publication of a revised strategy will help to mitigate the risk of fraud and help ensure that the Council has effective measures in place to deter, prevent and detect fraud and corruption.

The failure to minimise fraud and corruption could lead to a significant risk of a critical public response and loss of credibility thereby undermining the reputation of the Council.

4 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

CONTACT INFORMATION

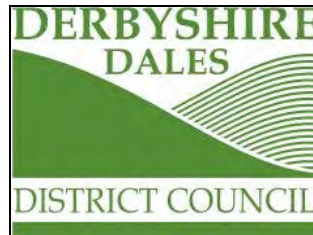
Jenny Williams, Internal Audit Consortium Manager
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BACKGROUND PAPERS

None

ATTACHMENTS

Appendix 1 – Anti- Fraud, Bribery and Corruption Strategy (including money laundering policy)



Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy)

POLICY STATEMENT

Derbyshire Dales District Council expects that both Members and Officers will demonstrate the highest standards of behaviour in the conduct of public business.

In undertaking its functions and activities, the Council will not tolerate any form of fraud, corruption, bribery, abuse of position or other malpractice, whether it is attempted by persons or organisations within or external to the Council.

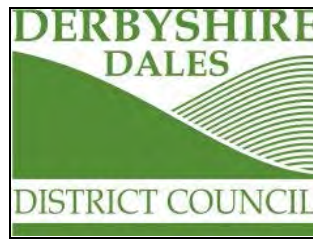
The Council is committed to working in an open, honest and fair way and will:

- Maintain a policy and culture characterised by zero tolerance of fraud and malpractice
- Encourage the prevention of fraud, bribery and corruption or other malpractice
- Promote the detection of fraud, bribery, corruption or other malpractice
- Maintain clear procedures for investigation and further action where necessary

It is expected that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations, with which it comes into contact, will act towards the Council with honesty and integrity.

The Council expects all partners in both public and private sectors to establish robust and transparent governance arrangements.



Anti-Fraud, Bribery and Corruption Strategy

1. INTRODUCTION

- 1.1 The Council is opposed to all forms of fraud and corruption. It recognises that fraud and corruption undermine the standards of public service which it promotes and reduce the resources available for the good of the whole community and erodes public confidence in our governance.
- 1.2 The Anti-Fraud, Bribery and Corruption Strategy is designed to: -
- provide a clear statement of values;
 - encourage prevention;
 - promote detection,
 - act as a deterrent; and
 - set out a clear approach for investigation of any concerns, complaints etc.
- 1.3 **Fraud** is defined as:
- The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain.
 - Failure to disclose information where there is a legal duty to do so.
 - False Representation.
 - Abuse of Position

Corruption is defined as:

The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

Theft is defined as:

A person shall be guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it.

Bribery is defined as:

An inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

Or

Giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for already having done so.

Bribery Includes:

- Bribery of another person
- Accepting a Bribe
- Failure to prevent or disclose Bribery

Further details concerning bribery and related offences and in particular concerning the interpretation of the Bribery Act 2010 can be found at the website given below:

<http://www.legislation.gov.uk/ukpga/2010/23/contents>

1.4 Benefit fraud is where a person,

- a) makes a false statement or representation; or
- b) causes or allows a false statement or representation; or
- c) fails to notify a change of circumstances; or causes or allows another person to fail to notify a change of circumstances for the purpose of obtaining or increasing entitlement to housing/council tax benefit for themselves or another.

1.5 This document presents a Strategy for an Open and Honest Council characterised by a clear policy of Zero Tolerance of Fraud, Bribery, Corruption and related activities. The sections which follow set out the framework which it is intended will help secure that objective.

2. **CULTURE**

2.1 The Council is determined that the culture and tone of the organisation will continue to be one of honesty and opposition to fraud and corruption.

2.2 All individuals and organisations associated with the Council are required to act with integrity. Council staff and Members, at all levels, will lead by example.

- 2.3 The Council's staff are an important element in its stance on fraud and corruption. They are encouraged to raise any concerns and can do this in the knowledge that these will be treated in confidence and properly investigated.
- 2.4 This commitment to investigate the concerns of any members of staff has been formally acknowledged by the Council by the adoption of a Confidential Reporting (Whistleblowing) Policy.

The Confidential Reporting (Whistleblowing) Policy aims to: -

- encourage individuals to feel confident in raising serious concerns and to question and act upon concerns about working practice.
- provide avenues by which these concerns can be raised and subsequently to supply feedback on any action taken.
- ensure that a response is provided to any concerns raised and that people raising concerns are aware of how to pursue them if they are not satisfied.
- reassure individuals that they will be protected from possible reprisals or victimisation if they have made any disclosure in good faith.

Full copies of the Confidential Reporting (Whistleblowing) Policy are available on the Council's Intranet or in printed format if required. It should be noted that the Confidential Reporting (Whistleblowing) Policy covers all issues (not just fraud and corruption).

- 2.5 Where either staff or members of the public have concerns there are a number of channels available to report these concerns through:
- The Chief Executive
 - Heads of Service
 - Managers
 - The Monitoring Officer
 - The Internal Audit Consortium Manager/Senior Auditor
 - The Council's External Auditors
 - The Confidential Reporting (Whistleblowing) Policy
 - Or through the Council's Complaints Procedure
 - Alternatively benefit fraud can be reported directly to the Department for Work and Pensions at their website.

- 2.6 Senior Management are responsible for following up any allegation of fraud or corruption received and will do so by taking the following action: -
- immediately informing the Head of Resources or the Internal Audit Consortium Manager/Senior Auditor or the Chief Executive;
 - recording and securing all evidence received and collected;
 - ensuring that evidence is sound and adequately supported;
 - implementing Council disciplinary procedures where appropriate;
 - where the matter is raised through the Confidential Reporting (Whistleblowing) Policy, responding in accordance with that Policy.
- 2.7 Senior Management are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt.
- 2.8 The investigation process must not be misused and any abuse, such as raising malicious allegations, will be dealt with as a disciplinary matter.

3. **PREVENTION**

3.1 **Staff**

- 3.1.1 Staff recruitment will be in accordance with the Council's Recruitment and Selection procedures particularly with regard to the obtaining of written references. These will be used to assist in verifying the previous record of potential staff in terms of propriety and integrity. All recruitment processes must involve the Human Resources Section.
- 3.1.2 Employees of the Council must follow the Code of Conduct which is included in the Council's Constitution
- 3.1.3 Employees must declare any circumstances where their personal interests (financial and non-financial) may conflict with those of the Council e.g. processing a planning application form for a relative or friend. Standard forms are available on the intranet on which to make declarations. Any concerns regarding a potential conflict of interest must be discussed with a senior manager.
- 3.1.4 The Council has in place agreed disciplinary procedures which management and employees must follow.
- 3.1.5 Many procedures have been designed to ensure that the work of one member of staff is checked by another. These types of checks are important deterrents to fraud. Managers must ensure that all staff have access to procedural guidance and should periodically confirm that the agreed procedures are being operated.

- 3.1.6 Where necessary staff will receive appropriate training to ensure that they are equipped to identify and tackle fraud related matters.
- 3.1.7 Investigation officers will receive appropriate levels of training ensuring high quality investigations. This will include training by other professional investigation bodies such as the police.
- 3.1.8 Computer Payroll details will be compared with computer benefit details and any matches will be investigated. Likewise any data matches raised by the National Fraud Initiative will be investigated. The provisions of the Data Protection legislation will be applied.

3.2 **Members**

3.2.1 Councillors and co-opted members must follow the rules in Part 5 of the Council's Constitution, including:

- General Principles of Conduct
- Members' Code of Conduct
- Code of Conduct on Planning Matters
- Summary of other rules affecting members' conduct
- Protocol on Member / Officer Relations

Councillors learn about these rules as part of the induction process and further ongoing training will be provided as appropriate.

3.2.2 The Council has a Governance and Resources Committee to deal with standards of conduct of Councillors.

3.3 **Systems**

3.3.1 It is a management responsibility to maintain the internal control system. This includes the responsibility for the prevention of fraud and other illegal acts. By undertaking an agreed plan of work, internal audit will evaluate the adequacy and effectiveness of these controls as a means of assisting management to discharge its responsibilities.

3.3.2 The Head of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangement of the Council's financial affairs. In addition, the Monitoring Officer is responsible for ensuring that the Council's business is conducted in accordance with legislation and good practice.

3.3.3 To help him/her do this, all service financial recording systems must be designed in consultation with and to the satisfaction of the Head of Resources.

3.3.4 The Council's Financial Regulations and Procedures are set down in Part 4 of the Council's Constitution. These Regulations and Procedures set out in detail how the Council's financial affairs are to be administered and controlled.

3.4 **Combining with Others**

3.4.1 Arrangements are in place to encourage the exchange of information between the Council and other agencies on fraud and corruption activity as an aid to prevention/detection. The agencies involved include: -

- External Audit ;
- Department for Work and Pensions
- Inland Revenue
- Customs and Excise.

In exchanging data with other organisations the Council will comply with the requirements of the Data Protection Legislation.

4. **DETECTION AND INVESTIGATION**

4.1 The internal control and other monitoring systems outlined above have been designed to highlight fraudulent activity, and they should be sufficient in themselves to deter fraud.

4.2 It is the responsibility of managers to prevent and detect fraud and corruption. However it is often the alertness of other staff, Members and the public that enables detection to occur and appropriate action to be taken.

4.3 Financial Procedures require managers to immediately notify the Head of Resources or the Internal Audit Consortium Manager/Senior Auditor of any financial irregularity or suspected irregularity. Reporting is essential because it:

- Ensures consistent treatment;
- Enables investigation to be assisted by an independent team;
- Ensures agreed investigation procedure is followed.

- 4.4 Depending on the nature and the anticipated extent of the allegations, the Audit Section will normally work closely with Management and other Agencies, such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are secured for the Council.
- 4.5 The Council's Disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour by a Council Employee.
- 4.6 Ignoring potential/possible fraud, including benefit fraud, may be construed as improper behaviour by a Council employee. If an employee has any suspicion, they should make appropriate officers aware, so that the matter can be investigated in accordance with the confidential reporting (Whistleblowing) policy.

The people to contact are:-

- your Manager
- your Head of Service
- the Chief Executive
- The Head of Resources
- the Internal Audit Consortium Manager/Senior Auditor
- the Benefits Team

Where your own Manager is not available or should you so choose then you should contact another senior manager.

- 4.7 Causing or allowing a person to either make a false statement or declaration, or to fail to notify a change of circumstances is an offence under the law relating to the payment of benefit. Any employee / member involved is liable to prosecution.
- 4.8 Where financial impropriety is discovered, the Council's presumption is that the Police will be called in. Referral to the Police is a matter for the Chief Executive, in consultation with the Head of Resources and relevant Head of Service. Referral to the Police will not prohibit and should not delay action under the Disciplinary Procedure.

5. **HOUSING BENEFIT AND COUNCIL TAX SUPPORT (Local Council Tax Reduction)**

- 5.1 Whilst encouraging genuine claimants to apply for benefit the Council has adopted a number of initiatives to detect and prevent fraudulent applications, such as: -
- checks at the start and during the life of a benefit claim;
 - A page on the Council's website that provides a range of information for reporting suspected fraud.

- Publicity for a national fraud 'hotline' and the reporting tool on the Department for Work and Pensions website together with details on the Council's website of other channels for reporting issues.
- participation in all DWP sponsored or similar Data matching exercises, including National Fraud Initiative (NFI), Housing Benefit Matching Service (HBMS) and Real Time Information (RTI) to identify and investigate data irregularity;
- internal data matching, payroll data to benefit data;
- using computer links to the Department for Work and Pensions to check entitlements, to receive benefit notifications, and to check National Insurance numbers and other data;
- having a prosecution policy for alleged benefit /council tax fraudsters;
- undertaking land registry checks;
- co- operating with the Department for Work and Pensions Single Fraud Investigation Service (SFIS) on the referring and investigation of potential Housing Benefit and associated social security benefit fraud.
- Regular articles in 'Dalesmatters'.
- The employment of a shared Revenues Counter Fraud Assistant
- Resources allocated to the identification and correction of data inaccuracies or fraud associated with single person discount fraud on council tax liability

5.2 The Council has adopted a Policy to undertake the Prosecutions of persons who have committed criminal offences in obtaining housing benefit and/or council tax support to which they were not entitled.

5.3 Benefit staff receive training in fraud awareness. Codes of Conduct have been established for Benefits staff. These explicitly state that no employee should deal with any claimant who is personally known to them or get involved in any case where they have a pecuniary interest, e.g. the claim is in respect of a property they own or for a member of their family.

6. **RAISING AWARENESS OF THIS POLICY STATEMENT**

6.1 To be effective, it is essential that all staff and Members are aware of the existence of this Policy Statement. This will be achieved through a variety of means, such as: -

- Inclusion on the Council's Internet and Intranet site;
- Articles in Dalesmatters and Staffmatters;

CONCLUSION

- 7.1 The Council has in place a clear set of systems and procedures to assist it in the fight against fraud and corruption.
- 7.2 The Council will maintain a continuous overview of such arrangements through the annual review of the Constitution and Financial Regulations / Procedures, various Codes of Conduct and audit arrangements.
- 7.3 This Policy Statement will be subject to periodic review to ensure its continued relevance.

September 2016

DERBYSHIREDALES DISTRICT COUNCIL

**ANTI-MONEY LAUNDERING POLICY
(INCORPORATING TERRORIST FINANCING
REQUIREMENTS)**

(September 2016)

DERBYSHIRE DALES DISTRICT COUNCIL

ANTI – MONEY LAUNDERING POLICY

1. Introduction

- 1.1 The Proceeds of Crime Act (POCA) 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees regarding suspected money laundering.

2. Purpose of the Policy

- 2.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This policy has been written so as to enable the Council to comply with the Proceeds of Crime (Anti-Money Laundering) Practical guidance for Public Service Organisations by the Chartered Institute of Public Finance and Accountancy (CIPFA) relating to the anti money laundering regulations.
- 2.2 While all organisations are required to take appropriate steps to prevent money laundering local authorities do not undertake activities which have been identified as being high risk and the approach outlined is considered proportionate to what is considered to be a low risk to the Council and its employees. While the Council undertakes activities considered to be ‘low risk’ what constitutes money laundering is very widely defined and it is important that the Council takes appropriate steps to prevent money laundering.
- 2.3 The purpose of the Policy is to make all staff aware of the legislation and their responsibility under it including the consequence of non – compliance of the Policy.
- 2.4 Potentially any member of staff or member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it.
- 2.5 Whilst the risk of the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities as serious criminal sanctions could be imposed for breaches of the legislation.

3. The Council's Obligations

- 3.1 Under the Legislation Organisations conducting “relevant Business” must:
- Appoint a Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity;
 - Implement a procedure to enable the reporting of suspicions of money laundering;
 - Maintain client identification procedures in certain circumstances; and

- Maintain record keeping procedures.

4. Scope of the Policy

- 4.1 This Policy applies to all staff and elected members of the Council and aims to maintain high standards of conduct, by reducing the risk of criminal activity through money laundering. This policy sets out the procedures, which must be followed.
- 4.2 Failure by staff and members to comply with the procedures set out in this Policy may lead to a criminal offence being committed and disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.
- 4.3. Managers must ensure that all staff are aware of this policy and their duties within it.
- 4.4. The Anti Money Laundering Policy is part of the Council's Anti -Fraud and Corruption policy and Strategy and sits alongside its Confidential Reporting Code and Employees Code of Conduct.

5. What is Money Laundering?

- 5.1. Money laundering is a process by which the illegal proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises.
- 5.2. The source of money, either in cash, paper or electronic form (often referred to as "dirty money") is disguised and given the appearance of being clean funds. These are normally used to hide the proceeds of serious criminal activities such as terrorism, drug smuggling, theft and fraud.
- 5.3. The money laundering legislation and regulations attempt to provide a preventative solution to this problem.
- 5.4. The broad definition of money laundering means that potentially anybody (and therefore any Council employee, irrespective of what Council business they are undertaking) could contravene the Regulations if they become aware of or suspect the existence of criminal property and continue to be involved in a matter which relates to that property without reporting their concerns.
- 5.5 Primary money laundering offences include:
 - Concealing, disguising, converting, transferring criminal property or removing it from the UK
 - Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
 - Acquiring, using or processing criminal property

There are also two secondary offences:

- failure to disclose any of the three primary offences
- “tipping off” whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

6. What is Terrorist Financing?

- 6.1 The Terrorism Act 2000 creates a money laundering offence under Section 18 whereby a person commits an offence if he or she enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property:
- by concealment
 - by removal from the jurisdiction
 - by transfer to nominees, or
 - in any other way.

7. Money Laundering Reporting Officer (MLRO)

- 7.1 The Money Laundering Reporting Officer will receive staff disclosures on suspicions of money laundering and decide on disclosure to National Crime Agency (NCA).
- 7.2 The Money Laundering Reporting Officer is:
The Head of Resources
Town Hall
Bank Road
Matlock
Derbyshire
DE4 3GL
Tel: 01629 761284
- 7.3 In the absence of the MLRP the Head of Corporate Services is authorised to deputise 01629 761281
- 7.4 The Legal Section is available to give advice as required.

8. Disclosure Procedure

8.1 Reporting to the Money Laundering Reporting Officer

8.2 Enquiries can be made of the individual to establish whether or not there is an innocent explanation before deciding whether or not to make a disclosure to the MLRO. However, once you have reasonable grounds for knowing or suspecting that the individual is engaged in money laundering a report must be made and the suspected money launderer must not be informed of this. Under no circumstances must an employee do anything that may tip off the subject of the report that such report has been made.

8.3 Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO. This disclosure should be within “hours” of the information coming to your attention, not weeks or months later.

SHOULD YOU NOT DO SO, THEN YOU MAY BE LIABLE TO PROSECUTION.

8.4 Your disclosure should be made using the disclosure forms attached as **Appendix 1**. The report must include as much detail as possible, for example:

Full details of the people involved (including yourself if relevant) e.g. name, date of birth, address, company names, directorship, phone numbers etc. Full details of the nature of their/your involvement:

8.5 Once you have reported the matter to the MLRO you must follow any directions they may give. You **MUST NOT** make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the National Crime Agency (NCA). Simply report your suspicions to the MLRO who will refer the matter to the NCA if they consider this appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

9. Consideration of disclosure by the Money Laundering Reporting Officer

9.1 Upon receipt of a disclosure report (copy attached as Appendix 1) the MLRO must note the date of receipt on the section of the report and acknowledge receipt of it. They should advise you of the timescale within which they expect to respond to you.

9.2 The MLRO will consider the report and any other available internal information they think relevant: e.g.

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Any identification evidence held

9.3 And undertake such other reasonable inquiries they think appropriate in

order to ensure that all available information is taken into account in deciding whether a report to the National Crime Agency (NCA) is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

- 9.4 Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:
- There is actual or suspected money laundering taking place; or
 - There are reasonable grounds to know or suspect that this is the case; and
 - Whether he needs to seek consent from the NCA for a particular transaction to proceed.
- 9.5 All disclosure reports referred to the MLRO and reports made by him to the NCA must be retained by the MLRO in a confidential file kept for that purpose for a minimum of 5 years.
- 9.6 The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to the NCA.

10. Training

- 10.1 In support of this policy, the Council will:
- Make all staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation; and
 - Give targeted training to those most likely to encounter money laundering.

STRICTLY CONFIDENTIAL

Report to: Money Laundering Reporting Officer (MLRO)

Re: money laundering activity suspicion

To:, DDC Money Laundering Reporting Officer

From:

Name.....Post.....
[Insert name of employee or member and post title]

Service: Ext/Tel No:
[Insert service area and contact details]

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address (es) of person(s) involved:

[If a company/public body please include details of nature of business]

[Please continue on a separate sheet if necessary]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how]

[Please continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:

[Please continue on a separate sheet if necessary]

Have you discussed your suspicions with anyone else?

[Please tick the relevant box] Yes No

If yes, please specify below, explaining why such discussion was necessary:

[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?

[Please tick the relevant box] Yes No

If yes, please include details below:

[Please continue on a separate sheet if necessary]

Have you consulted any supervisory body guidance re money laundering (e.g. the Law Society)?

[Please tick the relevant box]

Yes

No

If yes, please specify below:

[Please continue on a separate sheet if necessary]

Do you feel you have a reasonable excuse for not disclosing the matter to the National Crime Agency? (E.g. are you a lawyer and wish to claim legal professional privilege?)

[Please tick the relevant box]

Yes

No

If yes, please set out full details below:

[Please continue on a separate sheet if necessary]

Are you involved in a transaction which might be a prohibited act under sections 327- 329 of the Act and which requires appropriate consent from the NCA?

[Please tick the relevant box] Yes No

Section 327 - Concealing, disguising, converting, transferring criminal property or removing it from the UK.

Section 328 – entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.

Section 329 – acquiring, using or possessing criminal property.

If yes, please enclose details in the box below:

[Please continue on a separate sheet if necessary]

Please set out below any other information you feel is relevant:

[Please continue on a separate sheet if necessary]

DECLARATION:

Signed:.....**Dated:**.....

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years imprisonment.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE:

Action Plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the National Crime Agency?

[Please tick the relevant box] Yes No

If yes, please confirm date of report to NCA:and complete the box below:

Details of liaison with the NCA regarding the report:

Notice Period: To

Moratorium Period: To

Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? Yes No

If yes, please confirm full details in the box below:

Date consent received from NCA:

Date consent given by you to employee or member:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to member or employee for any prohibited act transactions to proceed:

Other relevant information:

Signed:.....Dated:.....

THIS REPORT IS TO BE RETAINED FOR AT LEAST FIVE YEARS

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

FIGHTING FRAUD AND CORRUPTION LOCALLY

PURPOSE OF REPORT

This report is to make Members aware of “The local government counter fraud and corruption strategy 2016 – 2019”. The report also provides an assessment of Derbyshire Dales District Council’s position against the Fighting Fraud and Corruption Locally checklist 2016 - 2019.

RECOMMENDATIONS

That the local government counter fraud and corruption strategy be noted.

That subject to any comments members may wish to make, the position shown in the 2016 – 19 Fighting Fraud and Corruption checklist and associated action plan be noted.

WARDS AFFECTED

All of the District

STRATEGIC LINK

An awareness of fraud and prevention methods contributes to the Council’s core values of being open and transparent when making decisions and using public resources ethically and responsibly.

1 BACKGROUND

1.1 Fighting fraud and corruption locally is a strategy for English local authorities’ that is the result of collaboration by local authorities and key stakeholders from across the counter fraud landscape. The full strategy and the associated Companion document can be viewed by the following link:-

<http://www.cipfa.org/services/counter-fraud-centre/fighting-fraud-and-corruption-locally>

1.2 The strategy states that fraudsters cost the local tax payer millions of pounds each year and places the emphasis on council leaders, chief executive and finance directors to provide the local leadership to take action to protect the public purse. Council’s must ensure that they are active in looking for and identifying fraud and embedding a counter fraud culture at the heart of their organisation.

2 REPORT

Principles of fighting fraud locally

- 2.1 The key principles developed in fighting fraud locally are:-
- **Acknowledge:** acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.
 - **Prevent:** preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.
 - **Pursue:** punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive law enforcement response.
- 2.2 Local authorities can ensure their counter fraud response is comprehensive and effective by considering their performance against each of six themes:-
- Culture – creating a culture in which beating fraud and corruption is part of daily business
 - Capability – ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks
 - Capacity – deploying the right level of resources to deal with the level of fraud risk
 - Competence – having the right skills and standards
 - Communication – raising awareness, deterring fraudsters, sharing information, celebrating successes
 - Collaboration – working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information.
- 2.3 The strategy recommends that the starting point for each local authority is to perform its own risk assessment and fraud resilience check.

Risk Assessment and fraud resilience check

- 2.4 The 2016 – 19 Fighting Fraud and Corruption checklist has been completed by the internal Audit Consortium Manager and the Corporate Leadership Team in conjunction with other relevant officers (Appendix 1).
- 2.5 When completing the checklist and identifying potential areas for further action, responses have been kept proportionate to the perceived risk within Derbyshire Dales District Council and to the resources available. An action plan has been developed to address any issues arising (Appendix 2)
- 2.6 The completion of the checklist shows that in the main the Council can demonstrate that it has a good anti- fraud culture and that there are appropriate and proportionate measures in place to prevent and detect fraud. The implementation of the action plan will further strengthen the anti-fraud culture.

CIPFA Fraud and Corruption Tracker Summary Report 2016

- 2.7 Also attached for information in the link below is CIPFA's Fraud and Corruption Tracker Summary Report 2016 that is an annual survey of the fraud and corruption detected in local authorities across the UK.

<http://www.cipfa.org/services/counter-fraud-centre/fraud-and-corruption-tracker>

3. RISK ASSESSMENT

3.1 Legal

Not Applicable.

3.2 Financial

The completion of the checklist is an aid to measure the Council's counter fraud and corruption culture and response. The review of governance arrangements in relation to fraud and the implementation of the action plan at Appendix 2 will contribute towards the reduction of the risk of fraud and corruption occurring.

4 OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental health, legal and human rights, financial personnel and property considerations.

5 CONTACT INFORMATION

Jenny Williams, Internal Audit Consortium Manager
(Jenny.Williams@chesterfield.gov.uk)

6 BACKGROUND PAPERS

None

7 ATTACHMENTS

Appendix 1 - Fighting Fraud and Corruption Locally 2016 – 2019 Checklist
Appendix 2 Action Plan

Fighting Fraud and Corruption Locally 2016 – 2019 Checklist

A local authority is self-regulating in respect of counter fraud. It should aim to show that it undertakes realistic self-assessment and has identified and understands the major risks. It should acknowledge the problems and put in place plans which can demonstrate that it is taking action with visible outcomes. It should aim to create a transparent process and report the results to the corporate management team and those charged with governance.

You are encouraged to use this checklist to measure your counter fraud and corruption culture and response.

	Issue	Arrangements Fit for Purpose/Working		COMMENTS
1.	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.		Part	A fraud risk register has been developed by the Internal Audit Section but has not yet been reviewed by the risk management group The Internal Audit Manager reports quarterly to the Governance and Resources Committee to confirm that no fraud has been detected. Internal audit regularly tests the operation of internal controls in key areas.
2.	The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.	Y		The Corporate Committee received a report in March 2014 that was an assessment against the risks in Protecting the Public Purse 2013. KPMG presented the findings of the 2014 report to Members. The fraud risk register will be kept up to date with emerging fraud risks.
3.	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist.	Y		This report completes the checklist

4.	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	Y		The Anti- fraud Bribery and Corruption Strategy was presented to the Corporate Committee in 2013. This Strategy is currently being reviewed and updated for approval by the Governance and Resources Committee in September 2016.
5.	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	Y		Internal control arrangements throughout the council are assessed by internal audit. There is employee and Members Codes of Conduct in place, registers of gifts and hospitality and a requirement to declare any business interests. The Council's constitution sets out how it operates, how decisions are made and the procedures which are followed to ensure such decisions are transparent.
6.	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.		Part	The fraud risk register developed by internal Audit should be considered by the risk management group.
7.	Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	Y		Counter fraud staff have moved over to the DWP however managers including the Internal Audit Consortium Manager have the opportunity to comment on draft policies
8.	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Y		The investigation of benefit fraud has moved to the DWP however the council does have a dedicated counter fraud officer who would investigate and progress on cases of council tax support fraud. No other fraud identified in recent years.

9.	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	Y		<p>Management are responsible for ensuring that there are adequate systems in place to prevent fraud and corruption.</p> <p>Internal audit assess the internal controls in place and the operation of these controls. Internal audit report quarterly to state if any fraud and corruption has been identified in the areas reviewed</p> <p>The council has recently acquired some software to help identify incidents of benefits/ business rates and council tax fraud</p>
10.	<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> - codes of conduct including behaviour for counter fraud, anti-bribery and corruption - register of interests - register of gifts and hospitality. 	Y		<p>Codes of conduct are included within the Constitution.</p> <p>Officers are required to declare any interests.</p> <p>There is an Anti-Fraud, Bribery and Corruption Strategy</p> <p>Officers are required to declare and record any offers of gifts and hospitality and if they were accepted or not.</p>
11.	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.	Y		<p>Standard recruitment procedures are in place to vet staff prior to them being employed including:-</p> <ul style="list-style-type: none"> • Taking up 2 references • DBS checks where appropriate • Verification of qualifications • Right to work checks
12.	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.		Part	<p>Staff were last reminded in 2014 of the need to declare any offers of gifts and hospitality. Consideration should be given to an annual reminder</p> <p>There is no requirement at DDDC for Members to declare gifts and hospitality.</p>

13.	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.		Part	<p>No counter fraud experts but internal audit cover the whole of the organisation and this is seen as proportionate to the size of the organisation.</p> <p>Consideration should be given to providing all managers with fraud awareness training.</p>
14.	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	Y		<p>There is a Confidential Reporting (whistle blowing) policy in place that was last reviewed and updated in 2010</p> <p>All whistle blower complaints are treated seriously and investigated in line with policy.</p> <p>The Monitoring Officer is responsible for monitoring the policy</p>
15.	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.		Part	<p>The policy applies to Council employees but states that other parties may wish to use it e.g. Members, contractors, ex-employees and Members of the Public</p> <p>Consideration should be given to updating the policy so that it also applies to - other workers including freelance staff, trainers, volunteers, consultants and contractors, employees of another LA with whom the council has joint working arrangements and Members</p>
16.	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	Y		<p>Small district councils have a lower risk of fraud, no counter fraud specialists but the internal audit plan covers all of the Council's activities.</p>
17.	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's		Part	<p>No specific fraud plan but the annual audit plan covers all of the Council's activities based on a risk assessment. This is considered proportionate to the risk</p>

	business and includes activities undertaken by contractors and third parties or voluntary sector activities.			
18.	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	Y		Housing Benefit fraud investigation has gone to the DWP. The Council actively participates in NFI work The Audit Commission's annual fraud and corruption survey used to be completed before their abolition. Now the TEICCAFF annual survey is completed.
19.	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	Y		DDDC does not have any specific fraud officers. Internal audit have those rights of access if required.
20.	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	Y		Benefit cases are now referred to the DWP Any proven instances of fraud and corruption would be publicised
21.	All allegations of fraud and corruption are risk assessed.	Y		Any reports of fraud and corruption allegations would be thoroughly investigated and the police consulted at an early stage where appropriate. No fraud and corruption allegations have been received in recent years
22.	The fraud and corruption response plan covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress		Part	There is no specific fraud and corruption response plan. Internal audit would investigate appropriately.
23.	The fraud response plan is linked to the audit plan and is communicated to senior management and members.		Part	There is no fraud response plan as such but internal audit would follow their special investigation procedures

24.	Asset recovery and civil recovery is considered in all cases.	Y		This would be considered if the situation arose
25.	There is a zero tolerance approach to fraud and corruption which is always reported to committee.	Y		This is specified in the anti-fraud, bribery and corruption policy. Any identified incidences would be reported to Committee.
26.	There is a programme of proactive counter fraud work which covers risks identified in assessment.		Part	Audit Commission's fraud and corruption modules are completed in respect of the main financial system audits. NFI results are investigated The internal audit plan is risk based which takes in to account the risk of fraud
27.	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.		Part	There is no dedicated fraud team, however, the Council ensures any concerns are reported to the appropriate agencies. Internal audit is a member of the Midlands and Nottinghamshire audit groups where investigations and fraud issues are discussed.
28.	The local authority shares data across its own departments and between other enforcement agencies.	Y		The Council actively participates in the NFI work and will notify other agencies of concerns where appropriate
29.	Prevention measures and projects are undertaken using data analytics where possible.	Y		Results of surveys used to identify new fraud areas and to verify if appropriate internal controls are in place Participation in NFI
30.	The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	Y		NFI results are investigated and acted upon. Internal audit verify that this is taking place.
31.	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.		N	There is a shared dedicated counter fraud officer who would investigate and progress any cases of council tax support fraud cases. In the event of any other type of corporate fraud the Police would be informed at an early stage. If necessary a specialist resource would be procured.

32.	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.		Part	The Council does not have a counter fraud team The internal audit team has knowledge of all the Council's operations
33.	The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for: <ul style="list-style-type: none"> - surveillance - computer forensics - asset recovery - financial investigations 		Part	The Council does not have a counter fraud team The internal audit consortium has used DCC IA in the past in respect of computer forensics specialist knowledge. Specialist knowledge would be bought in where required
34.	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	Y		This would occur if the situation arose

Fraud Checklist Action Plan

Identified Weakness	Action	Officer	Implementation Date
The fraud risk register developed by Internal Audit needs to become part of the risk management process	The fraud risk register is reviewed and discussed by the risk management group	Risk Management Group	March 2017
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts	CLT to consider rolling out fraud awareness training for managers	CLT	March 2017
There should be regular reminders to Members and staff of the need to declare any gifts and hospitality	That an annual reminder be placed on the intranet/ raised at team meetings	CLT	December 2016
The Confidential Reporting Policy has not been reviewed since 2010	The Confidential Reporting (Whistleblowing) Policy should be reviewed and updated. Once this has happened staff should be made aware of the new policy.	CLT	March 2017

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

See also the Draft Statement
of Accounts 2015/16
published separately to the
Agenda

STATEMENT OF ACCOUNTS 2015/16

SUMMARY

This report provides interpretation of the Statement of Accounts for 2015/16 and highlights the key issues. The Committee is requested to consider and approve the Statement of Accounts.

RECOMMENDATION

That the Committee approves the Statement of Accounts for 2015/16.

WARDS AFFECTED

All.

STRATEGIC LINK

The Council's financial position is taken into account in determining all the priorities in the Corporate Plan.

The financial position as at 31st March 2016 will be reflected in the review of the Council's Financial Strategy, which will be presented to the Council Meeting in November 2016, and in the revenue spending proposals for 2017/18, which will be presented in early 2017.

1. BACKGROUND

1.1 Under the Accounts and Audit Regulations 2015 the District Council must:-

- consider either by way of a Committee or by the Members meeting as a whole the Statement of Accounts;
- following that consideration, approve the Statement of Accounts by a resolution of that Committee or meeting;
- following approval, ensure that the Statement of Accounts is signed and dated by the person presiding at the Committee or meeting at which that approval was given; and
- publish (which must include publication on the Council's website), the Statement of Accounts together with any certificate, opinion, or report issued, given or made by the auditor.

2. REPORT

2.1 The Statement of Accounts 2015/16, distributed separately with this Agenda, has been audited by the Council's External Auditors, KPMG.

Some minor changes have been made to the Statement of Accounts in order to address issues identified during the audit. However, the overall financial position remains the same as that reported to Council on 30th June 2016.

2.2 The Audit Opinion will be issued after the Committee has approved the Statement of Accounts and Letter of Representation. As part of corporate governance, the External Auditor is required to report relevant matters relating to the audit to the Committee. The External Audit Report 2015/16 from KPMG is included elsewhere on the Agenda of this meeting.

2.3 The Accounts and Audit Regulations state that the accounts must be prepared in accordance with "proper practices". The Local Government Act 2003 defines proper practices as those:

- Which the authority is required to follow by virtue of any enactment, or
- Which are contained in a code of practice or other document which is identified by the Secretary of State. The Secretary of State has determined that the following documents are relevant:
 - The Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA);
 - The Service Reporting Code of Practice (SeRCOP), published by CIPFA.

2.4 The Council's accounts have been prepared to comply with proper practices, as demonstrated by the satisfactory completion of the external audit of the accounts. Compliance can also be checked by reviewing the Statement of Accounts against the Audit Commission's Aide Memoire, which is included as Appendix 1 to this report.

3 RISK ASSESSMENT

3.1 Legal

Legal Considerations are contained within the body of the report. The legal risk is low.

3.2 Financial

The accounts have been prepared in accordance with proper practices, and have been audited. There is therefore no financial risk arising from this report.

3.3 Corporate Risk

A risk assessment of the final accounts process has not identified any significant corporate risks.

4 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

5. CONTACT INFORMATION

For further information contact:

Karen Henriksen, Head of Resources

Telephone: 01629 761284

E-mail: karen.henriksen@derbyshiredales.gov.uk

6. BACKGROUND PAPERS

None

7. ATTACHMENTS

Appendix 1 – Statement of Accounts 2015/16 – Aide Memoire for Members

Draft Statement of Accounts 2015/16 - published separately

STATEMENT OF ACCOUNTS 2015/16- AIDE MEMOIRE FOR MEMBERS

The purpose of the questions below is to help establish and provide evidence of a robust review of the accounts by the S151 officer and Members.

No.	Issue	Members comment and evidence
1	<p>Was the closedown plan (which allows the statement of accounts to be approved by members by 30 September 2016) achieved?</p> <p>Does this allow sufficient time for member review?</p>	<p>The accounts were signed by the S151 Officer on 13th September and sent to Members prior to Governance and Resources Committee on 22nd September.</p>
2	<p>Have the auditors received regular updates on the plan and been warned of potential problems?</p>	<p>The auditors received a copy of the plan in March.</p> <p>During the closure process discussions have been held with the auditors regarding various areas of accounting. The key issues were:</p> <ul style="list-style-type: none"> • Property, plant and equipment • Related Party Transactions • Accounting for Business Rates <p>The auditors were given a copy of the completed disclosure checklist and draft accounts at the commencement of the audit – the disclosure checklist helps them to identify potential problem areas.</p>
3	<p>Have staff preparing the accounts attended CIPFA/KPMG workshops and are they aware of the key issues and changes in the CIPFA Code of Practice 2015/16?</p>	<p>Yes.</p> <p>The Accountancy and Exchequer Manager and the Principal Accountant attended the KPMG Final Accounts Workshop.</p>
4	<p>Do staff preparing the accounts have up to date CIPFA guidance notes for practitioners?</p>	<p>Yes</p>
5	<p>Have the accounts been checked for casting errors, internal inconsistency and cross referencing? (All numbers which are expected to agree do agree).</p>	<p>Yes. Extensive use of Excel is incorporated into the document to reduce the risk of casting errors and to check internal consistency. Internal consistency and cross referencing is also checked thoroughly by senior accounting staff.</p>

No.	Issue	Members comment and evidence
6	<p>Does the narrative statement set out the results for the year and comparison to budget, commenting on the significant items?</p> <p>Do the figures quoted reconcile to the main statements?</p>	<p>Yes – see pages 1 to 6 of the draft Statement of Accounts.</p> <p>Yes.</p>
7	<p>Has the audit of the accounts been advertised and accounts made available for public inspection?</p> <p>Have members of the public raised any objections? (If so, what are they?)</p>	<p>Adverts were placed during the week ending 26th June 2016. The accounts were available for public inspection from 1st July to 11th August.</p> <p>No objections were received.</p>
8	<p>Has the disclosure checklist been completed in detail and sent, together with a set of the completed accounts, to the auditor as part of the accounts working papers protocol?</p>	<p>The auditors were given a copy of the draft accounts on 30 June 2016 and a copy of the completed disclosure checklist on 16th August 2016.</p>
9	<p>Has a bank reconciliation been completed as at 31st March 2016 with no unexplained entries?</p>	<p>Yes. The bank reconciliation for the year ending 31st March 2016 was completed on 1st June 2016. There were no unexplained entries.</p>
10	<p>Have all year-end control accounts been reconciled?</p> <p>How have you maintained control when staff are involved in budget preparations Nov – Feb time?</p> <p>Any significant slippages in reconciling suspense accounts e.g. cash suspense?</p>	<p>Yes.</p> <p>Sufficient resources in the Accountancy & Exchequer Section and prioritisation of tasks to suitably trained staff (see risk register).</p> <p>No. Control and suspense accounts are reconciled at least quarterly. The cash suspense account is checked daily.</p>
11	<p>Are there any significant unexplained budget variances and latest forecasts?</p>	<p>No unexplained variances.</p>
12	<p>Have working papers been completed in accordance with the auditor's final accounts protocol? Were they ready for the start of the audit?</p>	<p>Working papers comply with the protocol, but were not fully completed for the commencement of the audit. This was due in part to a change in style of the audit. A plan of action has been agreed with the auditors in preparation for the 2016/17 accounts.</p>

No.	Issue	Members comment and evidence
13	Is there a sufficient basket of evidence gathered to allow the S151 officer and members to conclude on the effectiveness of Internal Audit, in relation to the Annual Governance Statement? E.g. Self-assessment by Internal Audit Manager, External Auditor's view of Internal Audit, Heads of Service view of Internal Audit.	<p>The Annual Governance Statement 2015/16, identifying the Governance Framework and a review of its effectiveness, was approved by the Governance and Resources Committee on 9th June 2016;</p> <p>The Internal Audit Annual Report was considered at the same meeting. This report includes an opinion on the overall adequacy and effectiveness of the Council's control environment including any qualifications to that opinion;</p> <p>The Internal Audit section is subject to regular inspection by the Council's external auditors, who place reliance on the work undertaken by the section.</p>
14	Has the action plan from the previous year's Annual Governance Statement been complied with? Are there any remaining control risks that undermine the content of the Annual Governance Statement or the Accounts?	<p>Progress on the action plan for the 2014/15 Annual Governance Statement is as follows:</p> <ul style="list-style-type: none"> • The Council set a corporate savings target to save £1m from 1 April 2014 to 31 March 2017. At 31st March 2016 savings achieved amounted to £894,000. Efficiency savings have been achieved to allow a balanced budget to be set for 2016/17. The Council continues to plan and monitor the achievement of efficiency savings, regularly updating the medium term financial plan. • Action to recover Housing Benefit overpayments is continuing, and the position is being regularly monitored. The adequacy of the bad debt provision has been reviewed. • Some of the actions identified in the internal audit review into the Council's arrangements for data protection and information governance remain outstanding. We have recently commissioned an independent Health Check, which will produce a comprehensive action plan to address these issues.

Prepared by Karen Henriksen, Head of Resources 13/09/2016.

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

LETTER OF REPRESENTATION 2015/16

PURPOSE OF REPORT

This report requests that Members consider the draft Letter of Representation as part of their responsibility for approving the financial statements.

RECOMMENDATION

That the draft Letter of Representation be approved.

WARDS AFFECTED

All

STRATEGIC LINK

The Letter of Representation is an important aspect of the Council's corporate governance arrangements. As such, it contributes towards the achievement of all the Council's aims, priorities and targets.

1 REPORT

- 1.1 The International Standard on Auditing (U.K. & Ireland) 580 (ISA 580) requires the external auditor to obtain evidence that the Council's management acknowledges its responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework, and has approved the financial statements. The auditor can obtain evidence of management's acknowledgement of such responsibility by obtaining a written representation from management and a signed copy of the financial statements.
- 1.2 ISA 580 gives guidance on matters which might be included in a management "letter of representation". The Head of Resources' letter of representation has been prepared in accordance with that guidance and is given in Appendix 1. In preparing the letter, the Head of Resources has consulted with members of the Council's Corporate Leadership Team, and has discussed the draft contents with the External Auditor. The letter contains no matters of concern which need to be brought to the attention of Members.
- 1.3 In addition, ISA 580 requires the external auditor to obtain evidence that those charged with governance acknowledge their collective responsibility for the preparation of, and have approved, the financial statements. Approval of the letter of representation by the Governance & Resources Committee prior to receiving the external auditor's Annual Governance Report contributes to that evidence.

2 RISK ASSESSMENT

2.1 Legal

There are no legal risks arising from the report.

2.2 Financial

There are no financial risks arising from the report.

2.3 Corporate

There are no corporate risks arising from this report.

3 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4 CONTACT INFORMATION

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Email: karen.henriksen@derbyshiredales.gov.uk

5 BACKGROUND PAPERS

International Standard on Auditing (UK & Ireland) 580 – Management Representations

6 ATTACHMENTS

Appendix 1 – Letter of Representation



Mr J Cornett
KPMG LLP
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Please ask for: Karen Henriksen
Direct Dial No: 01629 761284
Your Ref.
My Ref. CE/KH
E-mail: karen.henriksen@derbyshiredales.gov.uk

22 September 2016

Dear John,

Derbyshire Dales District Council - Audit for the year ended 31 March 2015

This representation letter is provided in connection with your audit of the financial statements of Derbyshire Dales District Council ("the Authority"), for the year ended 31 March 2016, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2016 and of the Authority's expenditure and income for the year then ended; and
- ii. whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

These financial statements comprise the Authority Movement in Reserves Statement, the Authority Comprehensive Income and Expenditure Statement, the Authority Balance Sheet, the Authority Cash Flow Statement and the Collection Fund and the related notes.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015, for the preparation of financial statements that:

- i. give a true and fair view of the financial position of the Authority as at 31 March 2016 and of the Authority's expenditure and income for the year then ended; and
- ii. have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Authority has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Authority confirms the following:
 - i) The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Authority has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

7. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.
10. The Authority confirms that:
 - a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view.
 - b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Authority to continue as a going concern.
11. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 (revised) *Employee Benefits*.

The Authority further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,

have been identified and properly accounted for; and

- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Governance and Resources Committee on 22 September 2016.

Yours sincerely,

Karen Henriksen

Head of Resources (Section 151 Officer)

Councillor J Stevens

Chairman of Governance and Resources Committee

DRAFT

Appendix to the Authority Representation Letter of Derbyshire Dales District Council: Definitions

Financial Statements

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- b) An entity is related to a reporting entity if any of the following conditions applies:
- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel in a local authority context are all chief officers (or equivalent), elected members, the chief executive of the authority and other persons having the authority and responsibility for planning, directing and controlling the activities of the authority, including the oversight of these activities.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control, joint control or significant influence over the reporting entity; and
- b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

BACK TO AGENDA



External Audit Report 2015/16

Derbyshire Dales District Council

12 September 2016



Contents

The contacts at KPMG in connection with this report are:

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (on 0207 694 8981, or by email to andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3H.



Section one: Introduction



This document summarises:

- The key issues identified during our audit of the financial statements for the year ended 31 March 2016 for the Authority; and
- Our assessment of the Authority’s arrangements to secure value for money.

Scope of this report

This report summarises the key findings arising from:

- Our audit work at Derbyshire Dales District Council (‘the Authority’) in relation to the Authority’s 2015/16 financial statements; and
- The work to support our 2015/16 conclusion on the Authority’s arrangements to secure economy, efficiency and effectiveness in its use of resources (‘VFM conclusion’).

Financial statements

Our *External Audit Plan 2015/16*, presented to you in February 2016, set out the four stages of our financial statements audit process.



This report focuses on the third stage of the process: substantive procedures. Our on site work for this took place during August 2016.

We are now in the final phase of the audit, the completion stage. Some aspects of this stage are also discharged through this report.

VFM Conclusion

Our *External Audit Plan 2015/16* explained our risk-based approach to VFM work. We have now completed the work to support our 2015/16 VFM conclusion. This included:

- Assessing the potential VFM risks and identifying the residual audit risks for our VFM conclusion;
- Considering the results of any relevant work by the Authority in relation to these risk areas; and
- Carrying out additional risk-based work.

Structure of this report

This report is structured as follows:

- Section 2 summarises the headline messages.
- Section 3 sets out our key findings from our audit work in relation to the 2015/16 financial statements of the Authority.
- Section 4 outlines our key findings from our work on the VFM conclusion.

Our recommendations are included in Appendix one. We have also reviewed your progress in implementing prior year recommendations.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.



Section two: Headlines



<p>This table summarises the headline messages for the Authority. Sections three and four of this report provide further details on each area.</p>	<p>Proposed audit opinion</p>	<p>We anticipate issuing an unqualified audit opinion on the Authority’s financial statements by 30 September 2016. We will also report that your Annual Governance Statement complies with guidance issued by CIPFA/SOLACE in June 2007.</p>
<p>Audit adjustments</p>	<p>We are pleased to report that our audit of your financial statements has not identified any material adjustments and all non material adjustments have been amended. Overall, the quality of the financial statements was good but there is an opportunity for you to develop the use of our prepared by client list to achieve further efficiencies in the production and audit of the financial statements, specifically in light with the requirement to bring forward the closure of the accounts from 2017/18 onwards. We would like to thank the Finance team for their hard work in producing the accounts and responding to queries.</p>	
<p>Key financial statements audit risks</p>	<p>We identified the following key financial statements audit risks in our <i>External Audit Plan 2015/16</i> issued in February 2016.</p> <p>Business Rates</p> <ul style="list-style-type: none"> ■ Unpredictability of business rates as a result of a recent Upper Tribunal decision in March 2015. An amount of £190,000 has been set aside for appeals. ■ During our testing we will look at the provision made and ensure the estimate is reasonable in the circumstances. <p>We have worked with officers throughout the year to discuss this key risk and our detail findings are reported in section three of this report. There are no matters of any significance arising as a result of our audit work in this key risk area.</p>	



<p>This table summarises the headline messages for the Authority. Sections three and four of this report provide further details on each area.</p>	<p>Accounts production and audit process</p>	<p>We received complete draft accounts by 30 June 2016 in accordance with the DCLG deadline. The accounting policies, accounting estimates and financial statement disclosures are in line with the requirements of the Code.</p> <p>A few key working papers for the audit were not provided until towards the end of the audit visit which caused a delay in completing our work. Going forward we would ask that the prepared by client list, shared prior to the interim audit is followed more closely when pulling together work papers to allow for more efficient preparation and audit of the financial statements.</p> <p>The Authority has implemented the recommendation in our <i>ISA 260 Report 2014/15</i> relating to the financial statements. The Authority has good processes in place for the production of the accounts.</p> <p>We will look to debrief with the Finance team to share views on the final accounts audit. Hopefully this will lead to further efficiencies in the 2016/17 audit process.</p>
	<p>VFM conclusion and risk areas</p>	<p>We identified the following VFM risk in our <i>External audit plan 2015/16</i> issued in February 2016.</p> <ul style="list-style-type: none"> — Medium Term Financial Strategy – the Council needs to save £750,000 over the life of the MTFS and need to identify savings to address this need. <p>We have worked with officers throughout the year to discuss this VFM risk and our detailed findings are reported in section four of this report. There are no matters of any significance arising as result of our audit work in this VFM risk area.</p> <p>We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>We therefore anticipate issuing an unqualified VFM conclusion by 30 September 2016.</p>



This table summarises the headline messages for the Authority. Sections three and four of this report provide further details on each area.

Completion

At the date of this report our audit of the financial statements is substantially complete subject to completion of the following areas:

- Receipt of valuation certificate;
- Property, Plant and Equipment additions working paper; and
- Business rate appeals calculation methodology.

You are required to provide us with representations on specific matters such as your going concern assertion and whether the transactions in the accounts are legal and unaffected by fraud. We provided a draft of this representation letter to the Section 151 Officer on 5 September 2016. We draw your attention to the requirement in our representation letter for you to confirm to us that you have disclosed all relevant related parties to us. We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's financial statements.



Section three: Financial Statements

Proposed opinion and audit differences



We have not identified any issues in the course of the audit that are considered to be material.

The wording of your Annual Governance Statement complies with guidance issued by CIPFA/SOLACE in June 2007.

Proposed audit opinion

Subject to all outstanding queries being resolved to our satisfaction, we anticipate issuing an unqualified audit opinion on the Authority's financial statements following approval of the Statement of Accounts by the Governance and Resources Committee on 22nd September.

Audit differences

In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

The final 2015/16 audit materiality (see Appendix two for more information on materiality) level for this year's audit was set at £650,000. Audit differences below £32,500 are not considered significant.

In addition, we identified a small number of presentational adjustments required to ensure that the accounts are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 ('the Code'). We understand that the Authority will be addressing these where significant.

Annual governance statement

We have reviewed the Annual Governance Statement and confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading or inconsistent with other information we are aware of from our audit of the financial statements.

Significant audit risks



We have worked with the Authority throughout the year to discuss significant risks and key areas of audit focus.

This section sets out our detailed findings on those risks.

In our External Audit Plan 2015/16, presented to you in February 2016, we identified the significant risks affecting the Authority's 2015/16 financial statements. We have now completed our testing of these areas and set out our evaluation following our substantive work.

The table below sets out our detailed findings for each of the risks that are specific to the Authority.

Business Rates

- Unpredictability of business rates as a result of a recent Upper Tribunal decision in March 2015. An amount of £190,000 has been set aside for appeals.
- During our testing we will look at the provision made and ensure the estimate is reasonable in the circumstances.

Findings

We have reviewed the processes adopted by the Council to establish the business rates appeals provision from data maintained on cases and appeals. At the time of writing the report we are awaiting confirmation of the values used to calculate the appeals but these will not result in material changes in the provision identified.

Significant audit risks



We have worked with the Authority throughout the year to discuss significant risks and key areas of audit focus.

This section sets out our detailed findings on those risks.

In our *External Audit Plan 2015/16* we reported that we would consider two risk areas that are specifically required by professional standards and report our findings to you. These risk areas were Management override of controls and the Fraud risk of revenue recognition.

The table below sets out the outcome of our audit procedures and assessment on these risk areas.

Fraud risk of revenue recognition

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

In our *External Audit Plan 2015/16* we reported that we do not consider this to be a significant risk for Local Authorities as there is unlikely to be an incentive to fraudulently recognise revenue.

This is still the case. Since we have rebutted this presumed risk, there has been no impact on our audit work.

Management override of controls

Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to this audit.

In line with our methodology, we carried out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

There are no matters arising from this work that we need to bring to your attention.

Section three – Financial statements

Judgements



We always consider the level of prudence within key judgements in your financial statements. We have summarised our view below using the following range of judgement:



Assessment of subjective areas				
Asset/liability class	15/16	14/15	Balance (£m)	KPMG comment
Provisions	4	4	£1.3 million <i>(PY: £1.4million)</i>	There has been no material movement in year. If appeals come to light, the Council will need to ensure there are sufficient reserves to fund this. We consider the provision disclosures to be proportionate.
Property, Plant and Equipment (valuations / asset lives)	3	3	£155.8 million <i>(PY: £150.2million)</i>	Revaluation in year has increased the value of PPE in 15/16. This is in line with our expectations.
Pensions	4	3	£35.2 million <i>(PY: £42.8 million)</i>	This balance includes a movement in Discount rate, inflation, and life expectancy. There has been a large gain in year for the Council. Figures have been agreed to actuary reports.

Accounts production and audit process



We have noted an improvement in the quality of the accounts and the supporting working papers.

Officers dealt efficiently with audit queries and the audit process could be completed within the planned timescales.

The Authority has implemented the recommendation in our *ISA 260 Report 2014/15*.

Accounts production and audit process

ISA 260 requires us to communicate to you our views about the significant qualitative aspects of the Authority's accounting practices and financial reporting. We also assessed the Authority's process for preparing the accounts and its support for an efficient audit.

We considered the following criteria:

Element	Commentary
Accounting practices and financial reporting	The Authority will need to continue to improve its financial reporting process through increased efficiency in the closedown timetable. This will be beneficial for future years. We consider that accounting practices are appropriate.
Completeness of draft accounts	We received a complete set of draft accounts before the DCLG deadline.
Quality of supporting working papers	Our Accounts Audit Protocol, which we issued in March 2016 set out our working paper requirements for the audit. The quality of working papers provided was variable and we have raised a recommendation regarding following the protocol more closely in future years in Appendix One.
Response to audit queries	Officers resolved audit queries in a reasonable time

Prior year recommendations

As part of our audit we have specifically followed up the Authority's progress in addressing the recommendations in last years ISA 260 report. The Authority has implemented the recommendation in our *ISA 260 Report 2014/15*. Appendix one provides further details.



We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's financial statements.

Before we can issue our opinion we require a signed management representation letter.

Once we have finalised our opinions and conclusions we will prepare our Annual Audit Letter and close our audit.

Declaration of independence and objectivity

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of Derbyshire Dales District Council for the year ending 31 March 2016, we confirm that there were no relationships between KPMG LLP and Derbyshire Dales District Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Public Sector Audit Appointments Ltd requirements in relation to independence and objectivity.

We have provided a detailed declaration in Appendix three in accordance with ISA260.

Management representations

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We have provided a template to the S151 Officer for presentation to the Governance and Resources Committee. We require a signed copy of your management representations before we issue our audit opinion.

Other matters

ISA 260 requires us to communicate to you by exception 'audit matters of governance interest that arise from the audit of the financial statements' which include:

- Significant difficulties encountered during the audit;
- Significant matters arising from the audit that were discussed, or subject to correspondence with management;
- Other matters, if arising from the audit that, in the auditor's professional judgment, are significant to the oversight of the financial reporting process; and
- Matters specifically required by other auditing standards to be communicated to those charged with governance (e.g. significant deficiencies in internal control; issues relating to fraud, compliance with laws and regulations, subsequent events, non disclosure, related party, public interest reporting, questions/objections, opening balances etc.).

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report or our previous reports relating to the audit of the Authority's 2015/16 financial statements.

Data Analytics

We have undertaken an analysis of non pay expenditure as part of our data analytics work. Our testing did not identify any errors or weaknesses in control. We provided the Finance team with some reports that identify areas where they may wish to make further enquiries in relation to the effective processing of payments.



Section four: Value for Money

VFM Conclusion



Our VFM conclusion considers whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We follow a risk based approach to target audit effort on the areas of greatest audit risk.

We have concluded that the Authority has made proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Background

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

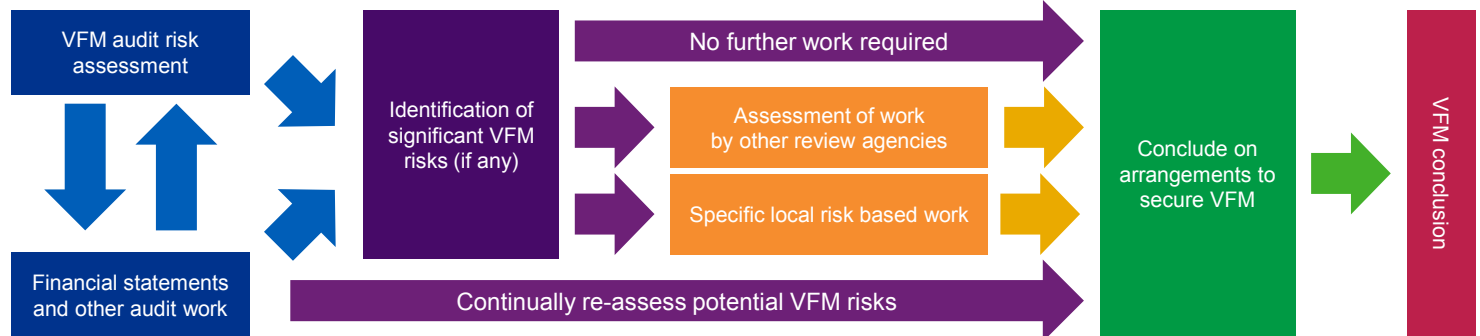
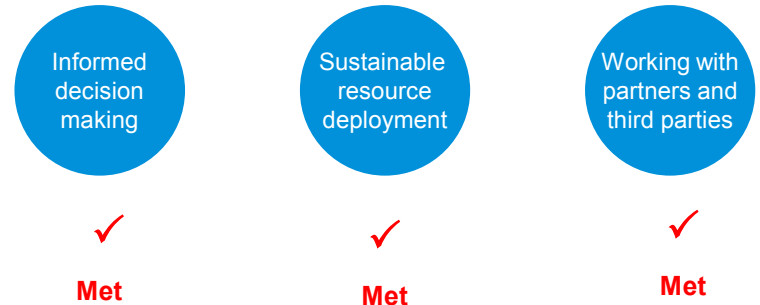
The VFM approach is fundamentally unchanged from that adopted in 2014/2015 and the process is shown in the diagram below. However, the previous two specified reporting criteria (financial resilience and economy, efficiency and effectiveness) have been replaced with a single criteria supported by three sub-criteria.

These sub-criteria provide a focus to our VFM work at the Authority.

Conclusion

We have concluded that the Authority has made proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Overall criterion
In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.



Specific VFM Risks



We have identified one specific VFM risk.

In all cases we are satisfied that external or internal scrutiny provides sufficient assurance that the Authority's current arrangements in relation to these risk areas are adequate.

Work completed

In line with the risk-based approach set out on the previous page, and in our *External Audit Plan* we have:

- Assessed the Authority's key business risks which are relevant to our VFM conclusion;
- Identified the residual audit risks for our VFM conclusion, taking account of work undertaken in previous years or as part of our financial statements audit;
- Considered the results of relevant work by the Authority, inspectorates and review agencies in relation to these risk areas; and
- Completed specific local risk based work.


Key findings

Over the page we set out the findings in respect of those areas where we have identified a residual audit risk for our VFM conclusion.

We concluded that we needed to carry out additional work for some of these risks. This work is now complete and we also report on this below.

Specific VFM Risks



<p>We have identified one specific VFM risk.</p> <p>In all cases we are satisfied that external or internal scrutiny provides sufficient assurance that the Authority's current arrangements in relation to these risk areas are adequate.</p>	Key VFM risk	Risk description and link to VFM conclusion	Assessment
		<p>Medium Term Financial Plans</p> <ul style="list-style-type: none"> Medium Term Financial Plans – the Council has established a balanced budget for the next two years but has recognised that further savings will be required during the life of the current MTFP. The Council has started to address savings needs through service reviews but will need to achieve savings of £750,000 over the life of the MTFP. We reviewed the robustness of the MTFP and delivery of the current budget to ensure arrangements are in place to effectively monitor the use of resources to support the council priorities. 	<p>The Council has made proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.</p> <p>Specific risk based work required: Yes</p> <p>We have reviewed arrangements put in place by the Council to deliver savings through the annual budget process, the development of specific projects such as service reviews and a major exercise to identify savings across all services. The latest MTFP, revised June 2016, indicates that savings of £1m are need by 2021/22.</p> <p>The Council achieved planned savings that had been incorporated within the 2015/16 annual budget. The Council reported an underspend of £30,000 compared to the revised budget, cost of services of £11.9m. The revised budget anticipated the use of general fund reserves of £31,000 but this was reduced to £1,000 following the 2015/16 outturn underspend. This resulted in a general fund balance of £1.908m after allowing for transfers to reserves which continues to exceed the £1m minimum established by the Council.</p> <p>We have concluded that the Council has made proper arrangements to address the VFM risk to the MTFP to support the overall VFM Conclusion.</p>



Appendices

Appendix 1: Key issues and recommendations

Appendix 2: Audit differences

Appendix 3: Independence and objectivity

Key issues and recommendations

We have given each recommendation a risk rating and agreed what action management will need to take.

The Authority should closely monitor progress in addressing specific risks and implementing our recommendations.

We will formally follow up these recommendations next year.

Priority rating for recommendations			
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
3			Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

No.	Risk	Issue and recommendation	Management response/responsible officer/due date
1	1	<p>Working Papers and use of Prepared by Client List</p> <p>Prior to our interim visit, KPMG issue a PBC to update the Finance team with what will be required at interim. Not all the documents were available for interim visit and again at final where many working papers, mainly regarding PPE, where not provided until the end of the site visit.</p> <p>Recommendation</p> <p>We recommend going forward that the Finance team follow the PBC more closely and provide all documents requested to ensure a more efficient year end audit.</p>	<p>Recommendation agreed. The finance team will follow the Prepared by Client List more closely when preparing the accounts for 2016/17 and will provide all documents and working papers by the agreed dates.</p> <p>Responsible Officer</p> <p>Accountancy & Exchequer Manager</p> <p>Due Date</p> <p>2016/17 final accounts production</p>
2	3	<p>Formalisation of Valuer Instructions</p> <p>We found no formal instructions were sent to the in-house valuer and therefore there was no audit trail for what had been asked for and the timescales expected.</p> <p>Recommendation</p> <p>We recommend a formal email is sent to the valuer to confirm what is expected from him and when it is expected.</p>	<p>Recommendation agreed. The finance team will issue formal instructions to the valuer to confirm the information that is expected and the key dates for the accounts for 2016/17.</p> <p>Responsible Officer</p> <p>Accountancy & Exchequer Manager</p> <p>Due Date</p> <p>2016/17 final accounts production</p>

Appendix one

Follow up of prior year recommendations

The Authority has implemented the recommendation in our ISA 260 Report 2014/15.

This appendix summarises the progress made to implement the recommendation identified in our ISA 260 Report 2014/15 and re-iterates any recommendation still outstanding.

Number of recommendations that were:

Included in original report	1
Implemented in year or superseded	1
Remain outstanding (re-iterated below)	0

No.	Risk	Issue and recommendation	Officer responsible and due date	Status as at September 2016
1	3	<p>Non Pay Expenditure</p> <p>We identified one instance when an invoice received was not matched to the purchase order raised, to ensure that it had been correctly approved. Mitigating controls were in place to ensure that was correctly authorised and paid.</p> <p>Recommendation</p> <p>Care should be taken to ensure that invoices are matched to purchase orders when they are received.</p>	<p>This issue did not cause an overpayment and mitigating controls were in place to ensure that the payment was authorised. However, the invoice was not processed in the most efficient manner. Therefore, this matter will be discussed with the contractor, Avarto, with a request that officers handling invoices be reminded that they should take care to ensure that invoices are matched to purchase orders when they are received.</p>	<p>Implemented - We have reviewed the controls in place for non pay expenditure. We have not identified any further instances of payments not being matched to purchase orders where it would have been appropriate to do so.</p>

Appendix two

Audit differences

This appendix sets out the audit differences.

The financial statements have been amended for all of the errors identified through the audit process.

We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in your case is the Governance and Resources Committee). We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

Uncorrected audit differences

We are pleased to report that there are no uncorrected audit differences.

Corrected audit differences

Material misstatements

There were no material misstatements

Non material audit differences

Our audit identified a small number of non material errors in the financial statements. These have been discussed with management and the financial statements have been amended for all of them.

The Finance team identified a revaluation error of £271k whilst we were on-site. This will impact several notes.

A number of minor amendments focused on presentational improvements have also been made to the draft financial statements. The Finance team are committed to continuous improvement in the quality of the financial statements submitted for audit in future years. The narrative statement has been rewritten since the draft accounts were published to reflect feedback on content and refer to Brexit.

Materiality and reporting of audit differences

For 2015/16 our materiality is £650,000 for the Authority's accounts.

We have reported all audit differences over £32,500 for the Authority's accounts.

Materiality

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.

- Material errors by value are those which are simply of significant numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.
- Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.
- Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.

We used the same planning materiality reported in our *External Audit Plan 2015/16*, presented to you in February 2016.

Materiality for the Authority's accounts was set at £650,000 which equates to around 1.5% percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.

Reporting to the Governance and Resources Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Governance and Resources Committee any misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260, we are obliged to report omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

ISA 450 requires us to request that uncorrected misstatements are corrected.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £32,500 for the Authority.

Where management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Governance and Resources Committee to assist it in fulfilling its governance responsibilities.

Declaration of independence and objectivity

Auditors appointed by Public Sector Audit Appointments Ltd must comply with the Code of Audit Practice.

Requirements

Auditors appointed by Public Sector Audit Appointments Ltd must comply with the Code of Audit Practice (the 'Code') which states that:

"The auditor should carry out their work with integrity, objectivity and independence, and in accordance with the ethical framework applicable to auditors, including the ethical standards for auditors set by the Financial Reporting Council, and any additional requirements set out by the auditor's recognised supervisory body, or any other body charged with oversight of the auditor's independence. The auditor should be, and should be seen to be, impartial and independent. Accordingly, the auditor should not carry out any other work for an audited body if that work would impair their independence in carrying out any of their statutory duties, or might reasonably be perceived as doing so."

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Public Sector Audit Appointments Ltd *Terms of Appointment* ('Public Sector Audit Appointments Ltd Guidance') and the requirements of APB Ethical Standard 1 *Integrity, Objectivity and Independence* ('Ethical Standards').

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Public Sector Audit Appointments Ltd guidance requires appointed auditors to follow the provisions of ISA (UK&I) 260 Communication of 'Audit Matters with Those Charged with Governance' that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing:

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor's objectivity and independence.
- The related safeguards that are in place.
- The total amount of fees that the auditor and the auditor's network firms have charged to the client and its affiliates for the provision of services during the reporting period, analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed. We do this in our *Annual Audit Letter*.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor's professional judgement, the auditor is independent and the auditor's objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor's objectivity and independence may be compromised and explaining the actions which necessarily follow from this. These matters should be discussed with the Governance and Resources Committee.

Ethical Standards require us to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Engagement Lead and the audit team.

Declaration of independence and objectivity (cont.)

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Authority's financial statements.

General procedures to safeguard independence and objectivity

KPMG's reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the *Ethics and Independence Manual* ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of these principles. To facilitate this, a hard copy of the Manual is provided to everyone annually. The Manual is divided into two parts. Part 1 sets out KPMG's ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff are required to follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual ethics and independence confirmation. Failure to follow these policies can result in disciplinary action.

Auditor declaration

In relation to the audit of the financial statements of Derbyshire Dales District Council for the financial year ending 31 March 2016, we confirm that there were no relationships between KPMG LLP and Derbyshire Dales District Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Public Sector Audit Appointments Ltd requirements in relation to independence and objectivity.

Appendix three

Audit Independence

Audit Fees

Our scale fee for the audit was £38,295 plus VAT. This fee was in line with that highlighted within our audit plan agreed by the Governance and Resources Committee in February 2016. Our scale fee for certification for the HBCOUNT was £5,393 plus VAT.

Non-audit services

We have summarised below the non-audit services that we have been engaged to provide, the estimated fee, the potential threats to auditor independence and the associated safeguards we have put in place to manage these.

Description of non-audit service	Estimated fee	Potential threat to auditor independence and associated safeguards in place
Tax implications for Leisure Services	£3,500	<p>Self interest – This engagement is entirely separate from the audit through a separate contract, engagement team and lead partner. Therefore, the proposed engagement will have no perceived or actual impact on the audit team and the audit team resources that will be deployed to perform a robust and thorough audit.</p> <p>Self review – The nature of this work is to review tax implications of the operation of leisure services through different organisational structures. Therefore, it does not impact on our opinion and we do not consider that the outcome of this work will be a threat to our role as external auditors. The existence of a separate team for this work is a further safeguard. Consequently, we consider we have appropriately managed this threat.</p> <p>Management threat – This work was of an advisory nature to the Council and the team we are not engaged in decision making.</p> <p>Familiarity – This threat is limited given the scale, nature and timing of the work. The existence of the separate team for this work is the key safeguard.</p> <p>Advocacy – We will not act as advocates for the Council in any aspect of this work. We will draw on our experience through work undertaken in relation to the scope of the tax review work.</p> <p>Intimidation – We will undertake the work in accordance with specific engagement letter to complete the work separate from arrangements for the final accounts.</p>
Total estimated fees	£3,500	
Total estimated fees as a percentage of the external audit fees	9%	



BACK TO AGENDA

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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

LAND HOLDINGS REVIEW – PHASE 4

PURPOSE OF REPORT

Phase 4 of the Land Holdings Review covers 5 sites across the District in which expressions of interest have been received. Following detailed consideration of planning, legal and estate management factors, recommendations are made regarding whether the sites should be retained or sold and the terms which would apply.

RECOMMENDATION

- 1 That the Committee notes the results of Public Open Space (POS) advertising undertaken on four sites recommended for sale as part of previous phases of the Land Holdings Review as outlined in paragraph 1.2 of this report.
- 2 That the interested party in respect of site 4 be informed that it is to be retained in the Council's ownership until the acceptable planning use of the neighbouring site has been clarified.
- 3 That sites 1, 2, 3, and 5 be disposed of as indicated in Appendix 1 of this report.

WARDS AFFECTED

Ashbourne North, Darley Dale and Stanton

STRATEGIC LINK

The Land Holdings Review Process accords with the District Council's values and aims of obtaining "value for money" and to "protect and enhance the environment" as expressed in the Corporate Plan 2015/16.

1 REPORT

1.1 Background

Phase 4 of the Land Holdings Review covers 5 sites across the District in which expressions of interest have been received. Following detailed consideration of planning, legal and estate management factors, recommendations are made regarding whether the sites should be retained or sold and the terms which would apply.

1.2 Public Open Space Advertising

Under Section 123 of the Local Government Act, there is a requirement to undertake Public Open Space advertising in any disposal of such land. Should no objections be received, the sales can proceed. However, should any objections be received these must be referred to the relevant Committee for consideration.

Four sites in previous phases of this review fall into this category. Three of the sites (Church Walk Wirksworth, Fanny Shaw Public Conveniences and land adjacent to 6 The Avenue Darley Dale) received no comments from the public and these disposals are now progressing through the conveyancing process.

One proposed site disposal previously approved in Phase 1 of the Land Holdings Review ('Land adjacent Bakewell Recreation Ground') received two objections and this site is subject to further clarification of its legal status.

1.3 Review Procedure

An appraisal of each site has taken place comprising advice on any planning constraints, legal restrictions and maintenance liabilities plus an assessment of any health and safety risks.

The results and recommendations are summarised in Appendix 1 together with plans of each site.

1.4 Summary of Outcome

4 no. sites are recommended for disposal. (sites 1, 2, 3, and 5)
1 no. site is recommended for retention. (site 4)

1.5 Consultation

Where it is recommended that a site be sold, the relevant Local Council and Ward Members have been consulted and any responses received will be reported at the meeting.

1.6 Planning Consents

In each case of disposal the purchaser would be responsible for making any necessary planning application at their cost to enable their desired use of the site. The decision at this meeting is entirely without prejudice to any future decisions on such applications by this Council as Planning Authority.

2 RISK ASSESSMENT

2.1 Legal

The Council has a duty under S123 of the Local Government Act 1972 to dispose of assets for the best price reasonably obtainable and advertise public open space disposals to consider public opinion.

The purchasers would be responsible for the District Council's reasonable legal costs.

The duty to consult on the disposals accords with the Council's policy on the disposal of land and property. The legal risk in that respect is low.

2.2 Financial

The costs involved in dealing with expressions of interest (mainly officer time) can be met from existing budgets. The disposals that are recommended in this report are expected to generate receipts totalling approximately £21,750, which will be credited to the General Reserve. As well as bringing in some income, these disposals also remove a liability for maintenance of the sites. The financial risk is assessed as "low."

3 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4 CONTACT INFORMATION

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5 BACKGROUND PAPERS

Property Services File – Land Holdings Review

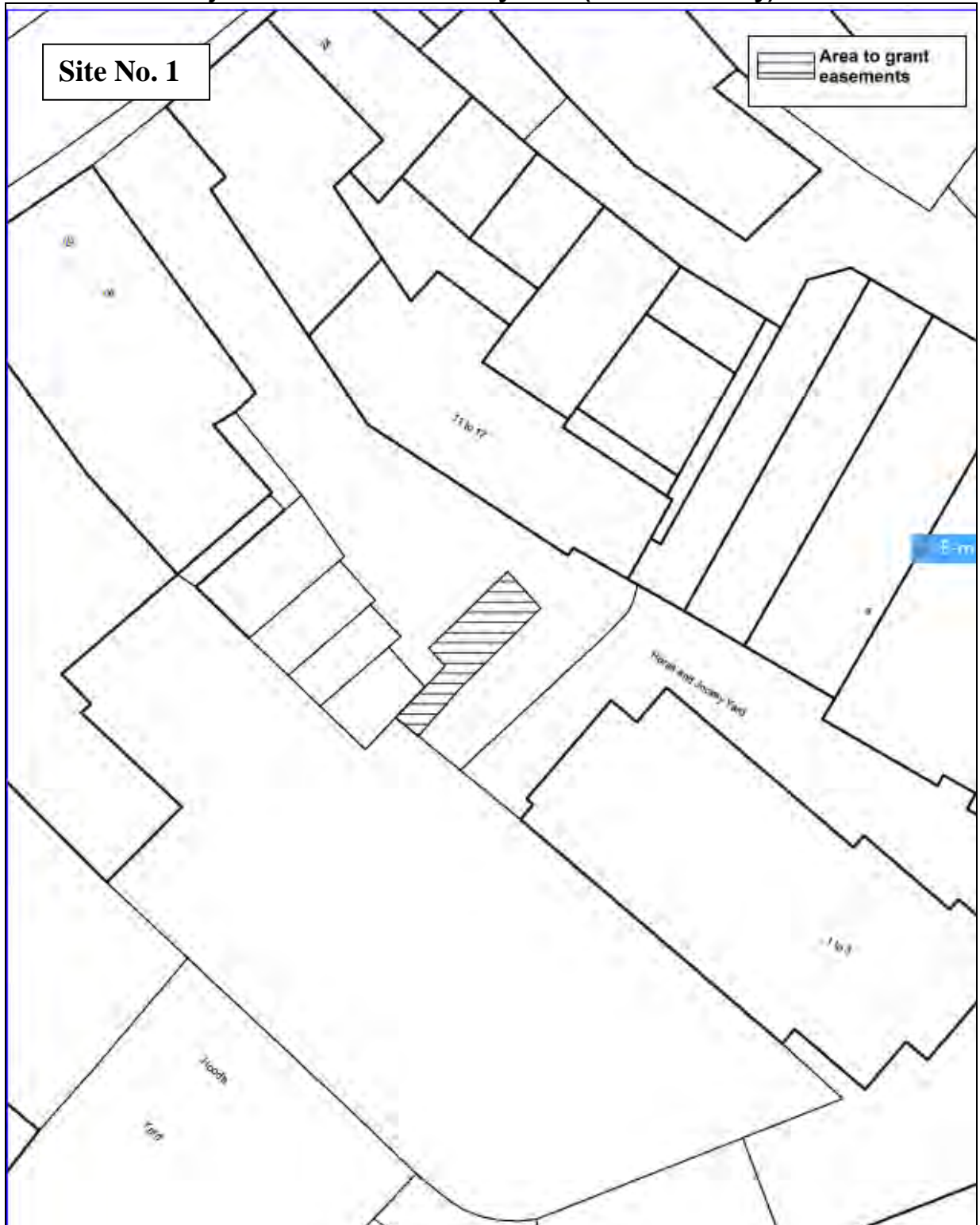
LAND HOLDINGS REVIEW

SITE INDEX

SITES IN WHICH INTEREST HAS BEEN EXPRESSED

- 1 Land at Horse & Jockey Yard, Ashbourne
(easement only)
- 2 Land at Horse & Jockey Yard, Ashbourne
(land and easement)
- 3 Land at Northwood Recreation Ground and Land
adjoining the Recreation Ground
- 4 Land at The Promenade, Old Road, Darley Dale
- 5 Land at 5 Cokayne Avenue, Ashbourne

Land adjacent to Horse & Jockey Yard (easement only)



LAND HOLDINGS REVIEW

SITE NO. 1

ADDRESS	Land at Horse & Jockey Yard, Ashbourne
REQUEST RECEIVED	A request has been received from the adjacent owner who is developing a retail outlet to acquire an easement for installing underground services.
DESCRIPTION/LOCATION	<p>The area of easement forms part of a larger area of land that forms part of the Horse & Jockey Yard. The top section of this yard is owned and maintained by the Council.</p> <p>The Horse & Jockey Yard provides a popular pedestrian access from Shawcroft Car Park.</p>
OWNERSHIP	Derbyshire Dales District Council
LEGAL COVENANTS RESTRICTIONS	<p>A utility provider has a statutory right to acquire easements for service connections but in practice prefer to acquire by negotiation.</p> <p>POS advertising will need to be undertaken and any comments considered prior to sale.</p>
PLANNING	There are no planning implications.
MAINTENANCE	The site is maintained by Estates. The site is in good condition having been resurfaced by the Council in 2014.
HEALTH & SAFETY/RISKS	None.
OFFICER COMMENT	<p>The development may require an easement for electricity and water across land that the Council owns. There are limited other options for accessing services.</p> <p>The easement, if granted, would be on a relatively small part of a larger area of land which is owned and maintained by DDDC.</p> <p>The proposed sale of the easement would have no detrimental effect on the continued use of this popular pedestrian thoroughfare as the services would be underground. The Council would retain the freehold interest of the land.</p>

RECOMMENDATION	Subject to the results of POS advertising, grant an easement for services over the land that is currently registered in the Council's name in exchange for a consideration of £12,000 and the beneficiary covering the Council's reasonable legal costs.

Land at Horse & Jockey Yard, Ashbourne (easement and land)



LAND HOLDINGS REVIEW

SITE NO. 2

ADDRESS	Land on the Horse & Jockey Yard, Ashbourne
REQUEST RECEIVED	A request has been received from the owner of 18-20 St John's Street to buy a 10m ² strip of land to build a slightly deeper shop than would otherwise be achieved. An easement for access to services is also required.
DESCRIPTION/LOCATION	<p>The site forms part of a larger area of land that forms part of the Horse & Jockey Yard. The top section of this yard is owned and maintained by the Council.</p> <p>The Horse & Jockey Yard provides a popular pedestrian access from Shawcroft Car Park.</p>
OWNERSHIP	Derbyshire Dales District Council
LEGAL COVENANTS RESTRICTIONS	<p>A utility provider has a statutory right to acquire easements for service connections but in practice prefer to acquire by negotiation.</p> <p>Public Open Space (POS) advertising will need to be undertaken for the land and easement and any comments considered prior to sale.</p>
PLANNING	A planning consent for the development of the shop was granted in May 2016 and this shows the subject land as being converted to a shop.
MAINTENANCE	The site is maintained by Estates. The site is in good condition having been resurfaced by the Council in 2014.
HEALTH & SAFETY/RISKS	None.
OFFICER COMMENT	<p>It is considered that the sale of the land will not be detrimental to the continued use of this popular pedestrianised thoroughfare. It will not affect the public use or access of this area.</p> <p>The easement, if granted, would be on a relatively small part of a larger area of land which is owned and maintained by DDDC. The Council would retain the freehold interest of the land.</p>

RECOMMENDATION	Subject to the results of POS advertising, agree the sale of land and an easement in exchange for consideration of £8,500 and the purchaser covering the Council's reasonable legal costs (capped at £800) and administrative costs of £500.

LAND HOLDINGS REVIEW

SITE NO. 3

ADDRESS	Northcliffe Recreation Ground & Land at to the east of Northcliffe Recreation Ground
REQUEST RECEIVED	<p>A request has been received from Northwood & Tinkersley Parish Council (NTPC) to acquire the recreation ground and field to the east as a community asset transfer.</p> <p>As part of Phase 3 Land Holding Review (approved in March 2016) it was agreed that a stewardship agreement be granted on the land at the east of Northcliffe Recreation Ground shown shaded grey. This would supersede that approval.</p>
DESCRIPTION/LOCATION	The site comprises the recreation ground and adjoining land. The Recreation ground is 2.3 acres (0.93 hect) and well maintained and contains play equipment and open grassed areas. The land adjacent is 1.8 acres (0.74 hect), remains unmown and is becoming untidy.
OWNERSHIP	Derbyshire Dales District Council
LEGAL COVENANTS RESTRICTIONS	<p>None affecting the proposed use.</p> <p>Public Open Space (POS) advertising would be required on the Recreation Ground and any comments considered prior to sale.</p>
PLANNING	The land to the east of the recreation ground was included in the sites assessed for potential residential land allocations for the Local Plan. Following consideration, the site was classed as being undevelopable, mainly due to highway constraint as it is accessed by a private road.
MAINTENANCE	The site is maintained by Environmental Services Department. The recreation area is regularly mown and the area to the east would require mowing and clearance from time to time.
HEALTH & SAFETY/RISKS	None.

OFFICER COMMENT	It is considered that the sale of the land will not affect the public use of this area as NTPC would maintain it as public open space.
RECOMMENDATION	Subject to the results of POS advertising, agree the transfer of the site at a peppercorn with a restrictive covenant that the land is to remain with public access and NTPC pay the Council's reasonable consultation & legal costs.

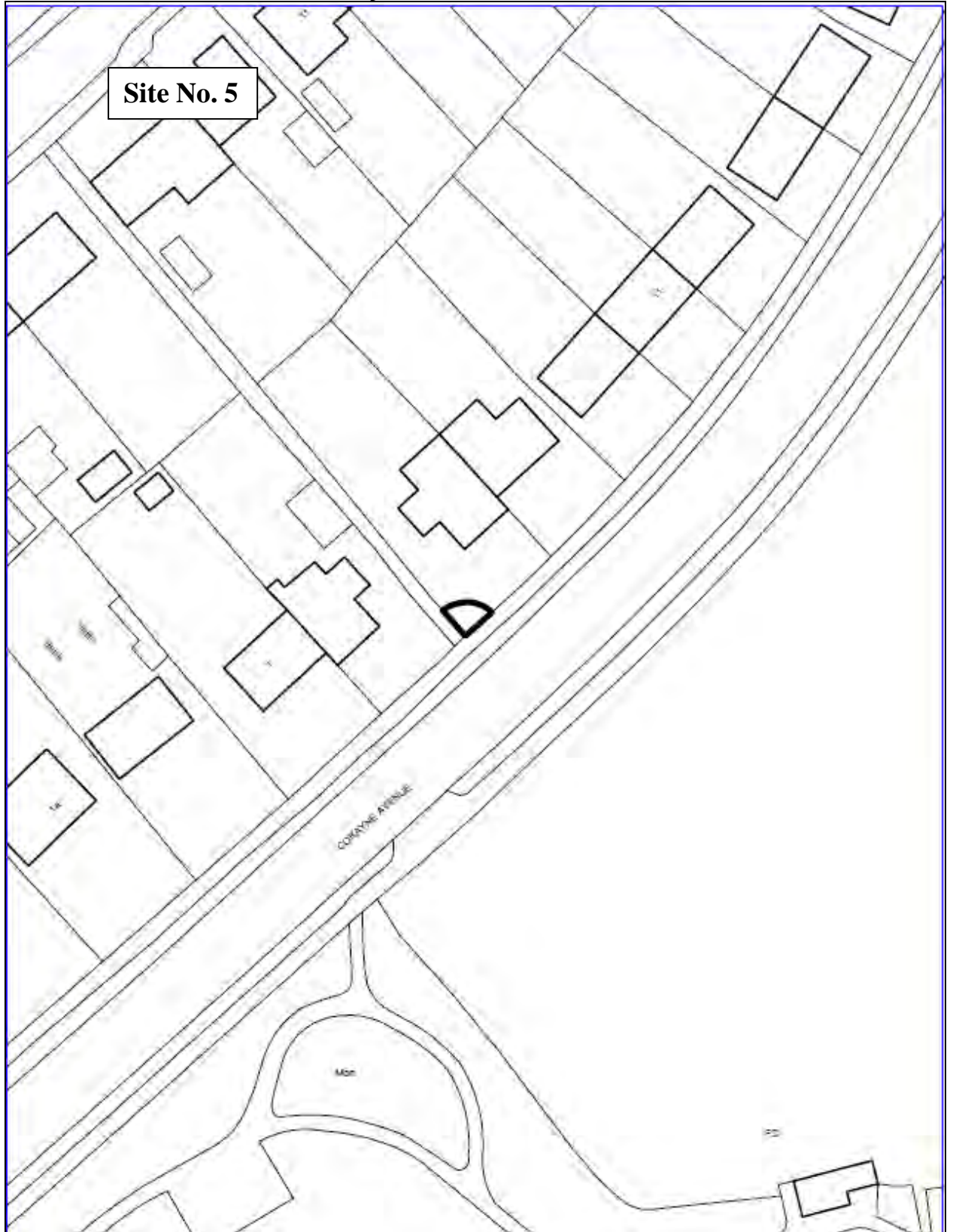
LAND HOLDINGS REVIEW

SITE NO. 4

ADDRESS	Land at The Promenade, Old Road, Darley Dale
REQUEST RECEIVED	A request has been received from a consultant representing a property developer about acquiring an access strip to allow land to the land to the rear to be developed for residential use.
DESCRIPTION/LOCATION	The site is approx.0.7 acres (0.31 hect) and comprises a long narrow strip running parallel to Old Road.
OWNERSHIP	Derbyshire Dales District Council
LEGAL COVENANTS RESTRICTIONS	<p>The land is subject to a restrictive covenant which limits the Council's use of the site to that of a public pleasure ground and ensures the protection of the trees. There is also a right of way by foot and vehicle over the land which, although not used, is enforceable. If the land was sold the new owner might not be bound by the restrictive covenant (further investigation into the enforceability of the covenant to a successor in title would be required) but the right of way would remain in force.</p> <p>Public Open Space (POS) advertising would be required and any comments considered prior to sale.</p>
PLANNING	Land in the District Council's ownership would be required to provide access to an area of land to the south of the Promenade which has been considered as part of the Derbyshire Dales Local Plan for housing development. The landscape sensitivity of the wider site is high due to its visual prominence within longer distance views from parts of the Peak District National Park. Development of the site would also result in the increased coalescence of Matlock and Darley Dale which Policy PD11 of the Pre-Submission Draft Derbyshire Dales Local Plan seeks to resist.
MAINTENANCE	The site is maintained by Environmental

	Services Department.
HEALTH & SAFETY/RISKS	None.
OFFICER COMMENT	Although providing access would yield a substantial capital receipt, it is considered that the sale of the land would be at odds with planning policy and detrimental to the landscape of The Promenade.
RECOMMENDATION	To retain the site in Council ownership and to advise the interested party accordingly.

Land at 5 Cokayne Avenue, Ashbourne



LAND HOLDINGS REVIEW

SITE NO. 5

ADDRESS	Land adjoining 5 Cokayne Avenue, Ashbourne
REQUEST RECEIVED	A request has been received from an adjoining owner to purchase this land which has been used as part of their property since 2005.
DESCRIPTION/LOCATION	The site is part of the front entrance to 5 Cokayne Ave and is approx. 10m ² .
OWNERSHIP	Derbyshire Dales District Council
LEGAL COVENANTS RESTRICTIONS	None affecting the proposed use.
PLANNING	There are no planning implications.
MAINTENANCE	The site is not maintained.
HEALTH & SAFETY/RISKS	None.
OFFICER COMMENT	<p>The land was originally subject to a Highways Order but this was stopped up in September 2005 and the land automatically reverted to the Council.</p> <p>This land could be subject to an adverse possession claim but to expedite the sale of 5 Cokayne Ave the owner offered to purchase the land.</p>
RECOMMENDATION	Transfer the strip of land to the owner of 5 Cokayne Avenue for a consideration of £1,250 and the Council's reasonable legal costs of £500.

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Resources

CAPITAL EXPENDITURE – HALL LEYS PARK CAFÉ, MATLOCK

PURPOSE OF REPORT

The purpose of this report is to outline additional capital funding required to undertake works arising from the District Council's Property Condition Survey of Hall Leys Park Café and recommend inclusion of these amounts in the revised Capital Programme proposals for 2016/17 to 2019/20 to be considered by Full Council.

RECOMMENDATION

- 1 That the Committee notes the results of the condition survey and the fee proposal presented by DCC.
- 2 That an additional £40,000 is requested in the 2016/17 Capital Programme to finance these works.
- 3 That the business case outlined in this report be referred to Council on 29 September 2016, to be considered for funding alongside other capital scheme business cases and, if approved, capital works identified in Paragraph 1.3 of this report be implemented.

WARDS AFFECTED

Matlock St. Giles

STRATEGIC LINK

The effective maintenance of the Council's property assets contributes to the values and aims of obtaining "value for money" and to "protect and enhance the environment" as expressed in the Corporate Plan 2015/16.

1 REPORT

1.1 Background

The café in Hall Leys Park is a building of timber construction built in the early 1900s. The area of Hall Leys Park within which the café building stands forms part of an area affected by flooding from River Derwent (Flood Zone 3) and was last flooded in 2000 and 2008. Due to the age and construction of the building and the impact the flooding there has been a deterioration of main timbers.

The building was included in the District Council's Condition Survey Programme undertaken in 2009 which suggested that repairs estimated at £30,000 would be

required to the property over the current financial year and this sum was included in the Capital Programme.

During the annual closedown of the Café premises in January this year, further hidden problems were identified affecting the floor structure of the building. Following this, an invasive building survey was undertaken by DCC to determine the amount of repair required.

The café is an important feature and is a facility expected in modern parks. The café is vibrant and appears well patronised and run by its current operator. Due to the area being in a flood control area (i.e. it is between the river and flood defence) the Environment Agency is opposed to other buildings being added and this, in itself, increases the amenity value of this property.

The Café is occupied by the current tenant on a six year lease which is due for renewal in October 2016. Lease renewal negotiations are currently underway for a new six year lease, which will reflect the current use of the premises that has changed since the original lease was drafted, and this will improve income.

1.2 Results of Building Survey

An invasive building survey has now been undertaken. It confirmed substantial damage to lower level structural timbers and floor boards by beetle infestation and rot. As the timbers for replacement are at floor level and below, the work is substantial and disruptive and will require closure of the café for the duration of works.

Preliminary works include removal and storage of fittings (including kitchen fittings) and possibly the removal of some internal walls. The works include propping the building, the replacement of floorboards and joists (estimate 50%) and sole plate on the front elevation. The decking will be removed, stored and replaced. A damp proof course will also be added where possible. On completion of the work the tenant's fittings are to be put back in place and any damage to external and interior decorations will be made good.

The works are estimated to take approximately six weeks. To minimise disruption to the park and tenant the works should be undertaken in January 2017. To this end tendering needs to be undertaken as soon as possible to obtain the most competitive tenders.

1.3 Budgeted Costs

The survey resulted in a budget cost of £70,000 inclusive of preliminary works, internal wall removal, a contingency if more than 50% of floor timbers require replacing and fees of 10% for design and specification, procurement and project management to be undertaken by Derbyshire County Council.

It is therefore recommended that an additional £40,000 is requested in the 2016/17 Capital Programme to finance these works.

1.4 Lease Obligations

The current lease of the premises is on “Internal Repairing” terms. Under this lease the Council is responsible for external repairs and repairs to the structure and fabric of the premises. Now that the further defects outlined in this report have come to light, it is the Council’s legal obligation under the terms of the lease to rectify them, hence this report.

Lease renewal negotiations are currently underway for a new 6 year lease which will reflect the current use of the premises which has changed since the original lease was drafted and this will improve income.

Consideration was given to whether a new lease should be granted given the repairs required but it was considered that, although the cost of the work is significant, it would not warrant objecting to a new lease so the relevant Section 25 notice has been served which will allow the new rent to start on 09 October this year. As a result, the payback time for the additional capital investment proposed in this report will be within the period of the new lease.

Consideration has also been given to making the tenant responsible for all repairs but this was rejected because it would have a depressing effect on rental income.

More radical options such as selling the freehold of the premises could be considered by the Council in the future (subject to appropriate consultation including Public Open Space advertising) but the Council’s current repairing obligations forming the subject of this report would need to be complied with first in any case.

2 RISK ASSESSMENT

2.1 Legal

Under the existing lease the Council is responsible for structural repairs. As the Council is carrying out its obligations under the lease, the legal risks are therefore low.

2.2 Financial

The report indicates that an additional £40,000 is required to finance these works. If Members of the Governance & Resources committee agree to approve these works in principle, the item will be referred to the Council meeting on 29th September 2016 for a decision regarding the revision of the capital programme and financing.

The implementation of this proposal has the potential to ensure that the Council continues to receive rental income from this building. The cost of the additional capital investment proposed in this report will be within the period of the new lease.

The financial risk is high, reflecting the risks concerning the financing of the capital programme.

3 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4 CONTACT INFORMATION

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BACK TO AGENDA

GOVERNANCE & RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Corporate Services

COMMUNICATIONS AND MARKETING STRATEGY

SUMMARY

The Communication and Marketing Strategy sets out how residents, employees and service users are kept informed about what the District Council is doing, how it is spending public money, and the District Council services they can access.

RECOMMENDATIONS

1. That the strategic framework of the current Communications and Marketing Strategy is noted.
2. That the action plan for 2016/2017 is approved.

WARDS AFFECTED

All

STRATEGIC LINK

Good communications with residents, employees and service users is key to all the District Council's corporate priorities and pivotal to providing excellent services.

1 BACKGROUND

- 1.1 The District Council adopted its current Communications and Marketing Strategy in September 2014, reflecting the development of technology and the needs both of the public and the District Council, which had evolved dramatically since the previous strategy's adoption in 2011. This second annual update sets ambitious yet realistic targets to support the Council's Corporate Objectives and core values.
- 1.2 The aim of the Strategy is to ensure our communications help to promote a positive image of the Council, and, in marketing terms, help us to meet the needs and wants of our customers in a fast moving digital world.
- 1.3 The adopted Strategy sets out a multi-channel approach to reach a wide variety of customers and stakeholders, underlining traditional forms of communication while embracing more modern approaches.

- 1.4 Communicating well is the responsibility of everyone and the Strategy is designed to be a useful tool for the corporate leadership team, heads of services and all employees and elected members. It sets a framework for communications and gives direction to all media, online, internal, marketing, publications and public relations communications actively undertake on behalf of the district council.
- 1.5 The Communications and Marketing Strategy sets out ways to:
- Make the Council easy to understand and talk to
 - Co-ordinate and direct communications
 - Ensure that everyone understands our targets and what the outcomes will be
 - Ensure that staff and partners understand their contribution
 - Make sure people know the outcome of the changes the District Council makes
 - Ensure openness and transparency
 - Make people feel better informed, proud to live in Derbyshire Dales, proud to work for the Council and proud to work with it.
- 1.6 The Strategy (attached as Appendix 1) is without a timeframe. This is deliberate and seeks to set a strategic framework with a more dynamic approach to actions which can be measured by way of an Annual Action Plan, monitored by a Communications & Marketing Hub comprising officers from all Council service areas.

2 REVIEW OF 2015/16 ACTION PLAN

Internet

- 2.1 *Enhance the District Council's reputation and the user experience by upgrading and redesigning the official website to include a mobile version.* Target achieved with the relaunch of a new-look mobile-friendly website at the end of March 2016 using an Open Source (free) content management system.

Website visitors

- 2.2 *Enhance the District Council's reputation and the user experience by upgrading and redesigning the twice-yearly dalesMATTERS publication: New template launched autumn 2015 with a new optimum size (240 x 175mm), enabling us to print more cheaply.*

Website visitors

- 2.3 *Drive website monthly visitor numbers from 56,000 to 60,000: Actual monthly average website visitor numbers in the year to date is 63,130 – an increase of almost 10% on the previous year.*

Twitter feed

- 2.4 *Increase followers on our corporate Twitter feed from 4,590 to 5,000: Twitter followers have actually increased to 5,790 – an increase of more than 25%*

Facebook

- 2.5 *Increase the number of 'Likes' across our Facebook pages from 9,845 to 10,830 - actual figure across our 12 Facebook pages is 17,852*

e-Newsletter

- 2.6 *Increase e-newsletter database from 2,185 names and addresses to 2,400 - the actual figure today is 3,210 names*

Intranet

- 2.7 *Review the new intranet (SIDD) introduced at the start of 2015 - project completed in August 2016 with staff feedback via an anonymous survey and presentations at core briefings. Changes to be implemented this autumn*

Media training

- 2.8 *Continue to support members and managers with media training - all new members were invited to attend media training after the May 2015 elections and this training has been extended to departments, the most recent being Community Development*

Media releases

- 2.9 *Issue a minimum of two media releases every week - Not as significant a tool in the communications kit as it formerly was, but we have issued 67 releases in the year to date, so are on target*

Licences

- 2.10 *Ensure all leases and licences include District Council branding to enhance the authority's reputation - some organisations are better than others at observing this requirement. In 2016/17 we propose to make the branding requirement by condition*

3 NEW ACTION PLAN, 2016/17

The big issue for the next Action Plan however is allocating the £10,000 communications budget set aside annually to improve the reputation of the District Council. Last year we updated the website and the design of Dales Matters. The Communications & Marketing Hub, which now includes Councillor Pawley as Member Representative, agreed that in the coming year we need to address the issue of signage. While it will not be possible to achieve all our ambitions within the £10k budget, our wish-list would include:

- Replacing (around 30) "Welcome to the Derbyshire Dales" signs on A-road on the district boundary, including a website address to assist visitors



- Installing “statement” signs in our larger parks to attribute ownership and maintenance and also to point to useful online information via a short URL (eg www.derbyshiredales.gov.uk/parks and a QR code for smartphone users
- Improving signage at Matlock Town Hall, again with a definite web reference to encourage channel shift, especially outside office hours
- Improving signage for Bakewell Pool on Granby Road (virtually non-existent at the moment)
- Playing a part in the design of replacement car park signage for the new pay and display machines (this signage includes A3 poster frames)
- Looking at ways to improve awareness of our markets

So the full Action Plan would look like this:

- 3.1 *Enhance the District Council's reputation by upgrading and improving signage across the district*
- 3.2 *Drive website monthly visitor numbers from 63,130 to 70,620*
- 3.3 *Increase followers on our corporate Twitter feed from 5,620 to 6,463*
- 3.4 *Increase the number of 'Likes' across all District Council Facebook pages from 17,850 to 20,527*
- 3.5 *Increase e-newsletter database names and addresses from 2,850 to 3,277*
- 3.6 *Continue to support members and managers with media training*
- 3.7 *Issue a minimum of two media releases every week*
- 3.8 *Ensure all leases and licences include District Council branding by condition to enhance the authority's reputation*
- 3.9 *Utilise SMS effectively for corporate, promotional and internal use*
- 3.10 *Investigate and introduce new social media channels such as Instagram to further extend the reach of our communications*

- 3.11 *Review the corporate identity guide to ensure it is fit for purpose in the 21st century*
- 3.12 *Enable a survey that investigates the overall level of satisfaction in the District Council*
- 3.13 *Increase use of video to improve democracy/accountability of council meetings and to increase engagement across our digital media platforms*
- 3.14 *Community Development marketing target - to increase 'Likes' across our leisure centres' social media channels (Facebook and Instagram) by 15%*
- 3.15

Communications and Marketing Hub Member Representative **Councillor Joyce Pawley** reports:

Firstly I would like to thank Councillors Lewis Rose and Albert Catt for giving me the opportunity to serve as Members' Representative for Communications and Marketing during the coming year. I am very proud to have been given this opportunity.

There has only been one meeting of the Hub since I have been serving in this capacity and I was given a warm welcome by the other participants. My thanks for that, and I look forward to working closely with them in the coming months.

*During the one and a half hours we were together the dedication of our Officers in ensuring the smooth running of this Council became even more transparent. We discussed two main issues. Firstly, a review of the internal internet system, known charmingly as SIDD (**S**taff **I**ntranet **D**erbyshire **D**ales), which is used by all staff on a more or less regular basis. The information contained within its databases is extremely useful and part of the review looked at whether it was being used to full capacity and how it might be improved.*

The second main item on the agenda was the Communication and Marketing Action plan strategy for the coming year. As with all assessments of this kind there is a way to go yet and suggestions and comments received in response to the SIDD survey and decisions taken on the strategy plan have still to be considered in more depth at future meetings.

Some of these include the possible use of the SIDD system at home both for staff and indeed Members if the IT team think it might be feasible. I feel this would be very informative for Members as it would help them to keep in touch with the internal working of the District Council and illuminate what might at the moment seem to be a bit of an arcane area.

SIDD is a very useful tool but, as a result of the survey, it is apparent that it is not presently being used to its full capacity. Changes in its structure are being considered to encourage staff to use it more.

The Communications and Marketing Action plan is well on course. As its main aim is to enhance the District Council's reputation and user experience this is really good news indeed. Our Facebook and Twitter accounts are expected to increase hits by 15% this year which is well above target. All future leases and licenses will include District Council branding which will also enhance the Authority's reputation. At the meeting it was agreed that all the Derbyshire Dales signs welcoming visitors to the Dales were looking a little tired. They will be replaced with clearer signage which will include the web site address.

Going into the meeting I was prepared to be confused but, due to the warmth of the welcome and the clarity of the information available found that was not to be the case. The conclusion I reached is that our Communications and Marketing strategies are in very good hands. I look forward to the next meeting.

4 RISK ASSESSMENT

4.1 Legal

An effective communications strategy helps to reinforce the District Council's ambition and raises proper accountability. The Strategy has been framed within the legislative framework regarding publicity. The legal risk is therefore low.

4.2 Financial

The Communications Strategy can be delivered within existing budgets and, therefore, the financial risk arising from this report is low.

5 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

6. CONTACT INFORMATION

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Sandra Lamb, Head of Corporate Services Tel. 016289 761282 or email sandra.lamb@derbyshiredales.gov.uk

7. BACKGROUND PAPERS

None

8. ATTACHMENTS

Communications and Marketing Strategy (updated September 2015)



Communications & Marketing Strategy



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Derbyshire Dales District Council

Communications & Marketing Strategy

(Adopted, Corporate Committee, 18 September 2014)

(New action plan to Governance & Resources Committee, 17 September 2015)

Introduction

Communication plays an important role in everything we do at Derbyshire Dales District Council.

Communicating **well** is the responsibility of everyone at the District Council, not just the communications team. This strategy is designed to be a useful tool for the corporate management team, heads of services, all employees and council members.

It sets a framework for district council communications and gives direction to all media, online, internal, marketing, publications and public relations communications activity undertaken on behalf of the district council.

Our commitment is to use a **multi-channel approach** to reach the wide variety of customers and stakeholders we serve, including residents, employees, businesses, community partners, visitors to the district and all levels of government.

Externally, a key focus is to promote the district council's services to give us a competitive edge, supporting and enhancing regular activities.

Internal communications will involve all staff in shaping services as the district council continues to go through major changes.



We will seek to provide communications services on the most cost-effective basis, for example by accelerating our shift towards digital communications and taking a “digital first” position on crisis management

We will commit to continuing improvement of the usefulness of our website and keep content fresh and updated as we move a greater share of our communications activity online, utilising free social media channels.

Communication works best when it is a two-way process (we need to listen as well as talk) and when messages are clear and easy to understand. Our social media channels (particularly Facebook and Twitter) provide a voice for local people to air their views and discuss issues with the council.

The challenge for an organisation with more than 100,000 customers and a large range of services is how it communicates clearly and simply in a complex and constantly changing environment, with ever increasing financial pressures. This strategy seeks to address that challenge.

Research shows that communication with residents is a key driver to overall satisfaction with council performance. It is also at the heart of good customer service and effective, meaningful consultation – and critical to delivery of the council's role in the community.

This strategy sets out the framework within which we can respond to this challenge.

Back page: Your Christmas & New Year bin collections

DERBYSHIRE DALES DISTRICT COUNCIL

dalesMATTERS

AUTUMN 2014



This twice-yearly publication keeps you informed about your services and priorities

Home win!

Helping local people to STAY local continues to be the top priority identified by you, the people of the Derbyshire Dales.

That's why we've funded affordable housing schemes to the tune of £216,000 in the past year and attracted additional funding to make new developments happen.

Two projects due for completion this autumn are in **Darley Dale**, with 15 affordable homes on the former primary school site in Greenaway Lane, and 34 more at Poppyfields Close off Bakewell Road - named to mark the centenary of the outbreak of World War One.

Affordable

There's much to look forward to elsewhere in the Dales. At **Longford**, we've worked with the Homes and Communities Agency (HCA) and the Coke Almshouse Charity to unveil early in the new year three new homes.

Around the same time, **Youlgrave** will get eight new affordable homes thanks to your District Council and the HCA.

As with other developments - particularly in rural areas - the project in Youlgrave is a direct response to a District Council survey

Continued on page 2



Find out why **Matlock's** new outdoor market is a big winner > page 2

Grant-tastic result for sport

Your District Council is set to help more local people get active thanks to almost £125,000 of National Lottery funding from Sport England.

Our programme to target Dales urban areas is among 88 projects to win Sport England Community Sport Activation Fund cash to support grass-roots sport activity across the country.

like the **Youlgrave** keep fit group pictured left. It means our sports development team - which already runs successful projects including the award-winning Village Games, Street Games, Walking for Health and Club Development - can respond to a demand for new health activities in the towns of **Ashbourne, Matlock and Wirksworth**.

More grants success, see page 6 >

Sign up for our FREE e-newsletter www.derbyshiredales.gov.uk/enewsreg

Aims, Vision and Objectives

Aims

The ultimate aim of our communications is that all staff, residents, partners and everyone who deals with the council will have a clear understanding and a positive perception of our vision, aims, values, services and achievements, leading to higher levels of satisfaction and engagement.

Vision

What are we trying to do?

To make its vision come alive, the district council must be able to communicate with (and influence) a wide range of organisations, individuals and partners.

We therefore need to ...

- make the council easy to understand and talk to
- coordinate and direct communications so that all parts of the district council are working towards shared objectives, in support of council strategy
- ensure that everyone understands our targets, and what the outcomes will be – showing people what success looks like
- ensure staff and partners understand their contribution through clear objectives, milestones and deadlines
- make sure people know the outcome of the changes the district council makes
- ensure openness and transparency
- make people feel better informed, proud to live in Derbyshire Dales, proud to work for the council, and proud to work with it.

In other words, we need to continue to build the district council as a *brand*.



The visual element of this brand – our corporate identity – is generally understood by staff and customers. Our brand is an important communications tool, *made up of these components...*

- Our overall purpose – what are we here for?
- Our values – what drives us to do the things we do?
- Our key messages – what are we saying about what we offer?
- Our service delivery – what do we provide, compared with what we promise?
- Our behaviour – how do we treat our customers and our staff?

It is important we bring these elements together in a unified approach across all communications channels, so that we are consistent in tone, look and feel. People need to understand who we are and what we stand for.

In this, our Communications Strategy will dovetail with the council's Customer Access Strategy.

Objectives

- To secure and strengthen the reputation of the council in the community and an effective and efficient provider of high quality outcomes - focused on our values and priorities
- To build and maintain a professional corporate identity for consistent and co-ordinated use throughout the organisation
- To promote the image of the council as an effective, efficient and listening organisation focused on the public and their needs
- To ensure that communications are consistent and co-ordinated across all channels to give maximum support to the council's strategic priorities
- To ensure all staff understand the priorities of the council and feel valued and able to contribute to major changes affecting services they provide
- To ensure that our communications activities reflect the full diversity of the community and help ensure equality of access to all our services.

It is important also that the district council increases its efforts to understand what local communities are saying.

This strategy will dovetail with our Consultation Strategy in sharing information gained through consultation programmes such as citizens' panel consultation, channel shift initiatives and increasing use of new technology devices to generate instant feedback on topical issues.

Delivering our objectives

The district council's reputation is based on perceptions – how people see us. Managing our reputation means first of all understanding what those perceptions are, deciding how we want to be seen, and planning how to get there.

We will tackle this by focusing internal capacity on the district council's key messages and ensuring that the most appropriate level of resource is available for our key priorities and activities.

Our communications platforms can be broken down into three:

- Traditional Media, Publications, Campaigns and PR
- Digital Media
- Internal Communications

Traditional Media, Publications, Campaigns and PR

We will seek to maintain and further improve positive media coverage and develop our media relations service to promote and defend the council, recognising the proven link between the public's sense of feeling informed and feeling satisfied. Our target is to issue two positive **media releases** every week of the year, alongside, where possible, engaging photography (chiefly taken in-house).



Town Hall, MATLOCK, Derbyshire DE4 3WJ
Tel: 01629 761100

PRESS RELEASE (with photo)
13 October 2014 - for immediate release

2014/081

Getting a kick out of latest sporting craze

Derbyshire Dales District Council is making sure local over 50s get a kick out of the latest sporting craze - walking football!

Weekly sessions of a game that has all the same rules as football - but with no running - are being organised in Baslow and Matlock, costing just £3 a time.

The first - at Baslow's newly refurbished multi-games area, is on this Thursday (16 October) from 10-11am. Wednesday morning sessions will take place at the District Council's Arc Leisure Matlock from 22 October, again from 10-11am.

The District Council is working in partnership with Derbyshire FA and Village Games, and Chairman of the District Council's Community Committee, Councillor Jennifer Bower said: "Walking football has suddenly grown from nothing to become the latest craze and we're delighted to offer sessions not only for over 50s, but for local people recovering from injuries."

There is no need to book in advance, but for more information contact the District Council's Village Games co-ordinator Becky Bryan on 01629 761385 or email rebecca.bryan@derbyshiredales.gov.uk

ENDS

For more information please contact: Jim Fearn on 01629 761195, e-mail: jim.fearn@derbyshiredales.gov.uk

We will maintain and develop our programme of media and integrated **campaigns** that underpin the district council's values and priorities.

We will use no/low-cost external sites such as poster frames in our pay & display car parks and public toilets to promote our services, including:

- Leisure centres
- Markets
- Parks and open spaces
- Special events such as our Matlock Bath Illuminations
- Do it online campaigns (channel shift)



The communications team, in consultation with the head of corporate services, will regularly change the organisation's **corporate email sign-off** as another channel to promote ongoing campaigns.

We will continue to evaluate and cost the potential of paid-for media (including local commercial radio stations and newspapers/magazines) to further promote our campaigns.

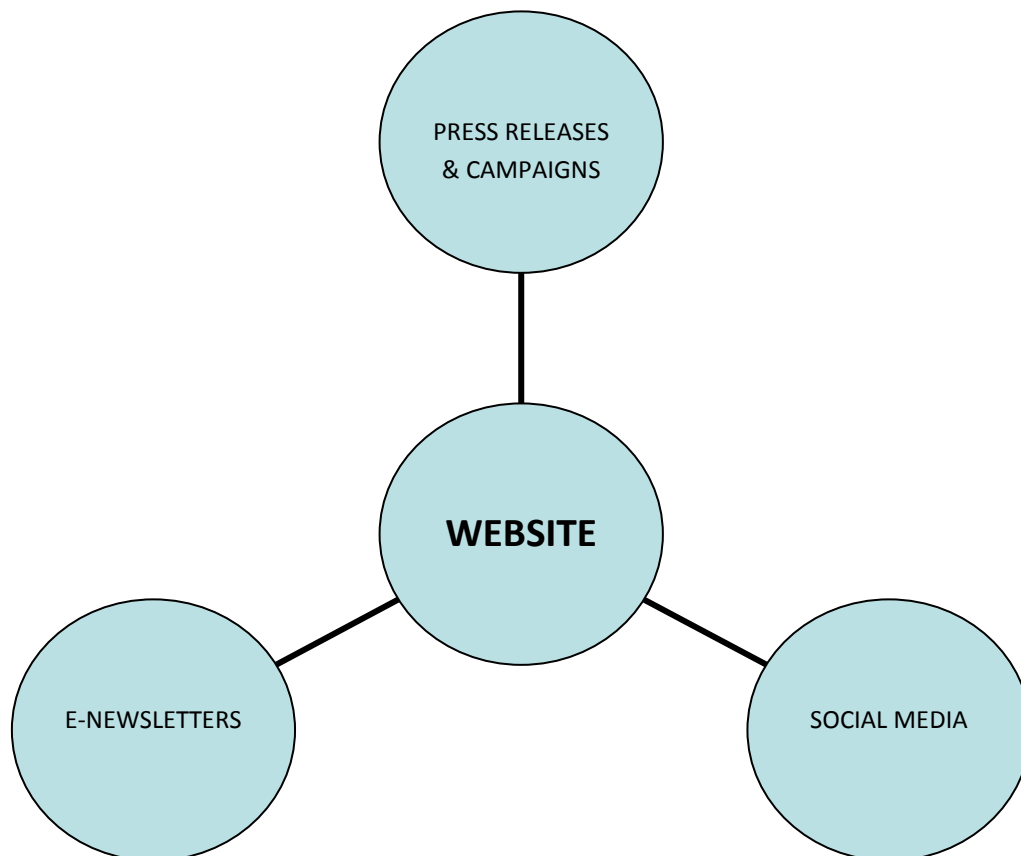
Digital Media

We recognise the value of our website as a source of information, as a point for customer transactions and as a low-cost alternative to face-to-face and telephone contact.

Our communications going forward will have a digital focus, building on the platform created by our website, relaunched in 2012 using an open source (Joomla) content management system to serve the public and businesses of Derbyshire Dales.

We will further develop the website to make it even easier to find the information you need, to report faults and incidents, to ask questions and to conduct many different types of transactions, all in a 24/7 environment.

Not only is this usually faster than alternative methods of contact, it means you can conduct your business with the district council when and where you like, while doing so at a lower cost to the taxpayer. We will aim to further increase use of the website, which currently attracts more than 40,000 visits every month and is the "hub" of our communications.



We are committed to continuing to improve visitor numbers and the accessibility of the website, creating new web forms and payment portals.

We are applying the same principles to the development of a new intranet site for staff (launching autumn 2014).

Social media platforms have become an integral part of our communications strategy. We recognise the opportunities that social media can deliver in terms of reputation enhancement, engaging with the public using their medium of choice, greater two-way dialogue and the insights that social media can provide, and as an opportunity to reduce cost versus other communications channels.

We will exploit the penetration of social media in dealing with crisis communications, providing regular news updates on our digital channels to create a channel shift away from phone calls to service centres during busy periods.

While operating and monitoring established Facebook, Twitter and YouTube channels, we will examine the potential of other social media platforms. District council service areas will be assisted in setting up their own social media channels on request.



We will continue to use social media management tools such as Hootsuite to monitor our own social media activity and also gain a better understanding of the conversations about us in which we are not currently participating.

In parallel with the development of this Communications Strategy, we will continue to promote and, where necessary, update, our social media policy and staff guidelines.

We will seek to build our **e-newsletter** (MailChimp) database, enabling us to target key messages on a regular basis to engaged people in our communities. We recognise the huge potential of e-newsletters as an effective communications channel

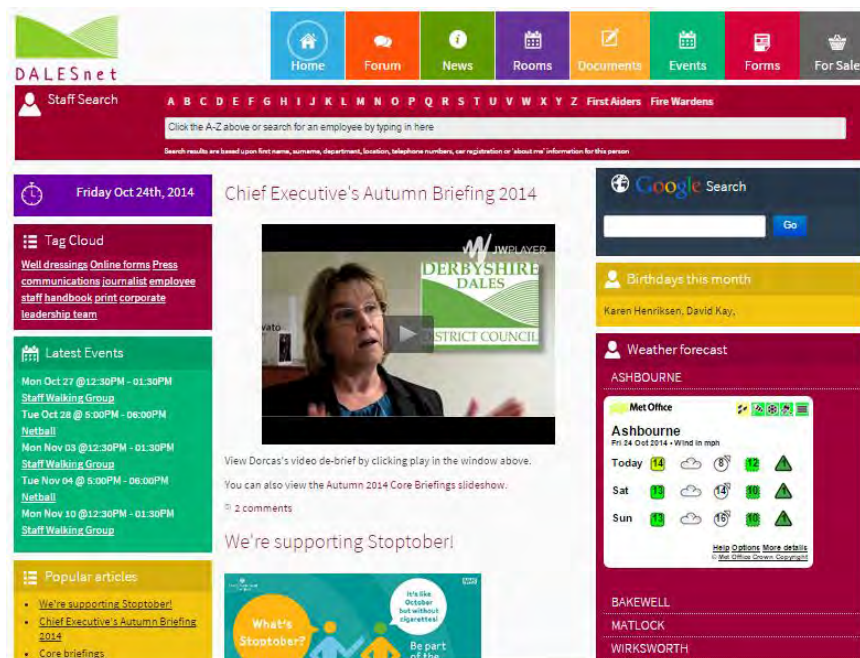
Internal communications

Internal communications play a key role in ensuring staff keep in touch with the district council's plans and priorities, and the challenges ahead.

Employees need to understand how their actions contribute to the overall achievement of priorities and how their behaviour affects the way the organisation is perceived internally and externally.

Our internal communications will include:

- Publication of the staffMATTERS internal newsletter, published six times a year
- A new (autumn 2014) more accessible intranet site
- An online forum where staff can advertise activities and events (internal and external) and suggest good ideas
- Regular all-staff emails
- In-house posters
- Screensaver messages on staff PCs
- Core briefings **videos** to get our messages across



Through all the channels listed above, we will support our consultation teams in their work to help the district council understand what the public truly want, to deliver on our values and priorities and to provide the best possible value for money.

Looking ahead

A Peer Review carried out in 2013 helped the district council re-set its vision – which is to use the reduced resources available to us more efficiently to maintain and - where possible - improve the quality of life for Derbyshire Dales people. A key aim of our communications is to help local people understand the financial challenges faced by the district council and the hard choices it is having to make in terms of service delivery.

Our plans are built on clear **values** that will help to steer us through the years ahead. Applying these values will mean that the district council is not only smaller, but also more flexible and more responsive to local people's needs and expectations.

We value:

- the uniqueness of our communities, businesses and residents
- working in partnership to deliver affordable, quality services
- our employees
- teamwork, working together across the organisation
- creative thinking and ambition

Supporting our values:

- the Council will be open and transparent when making decisions and will use public resources ethically and responsibly.
- we will behave with integrity, courtesy and respect, listening and responding to the very best of our abilities and treating everybody fairly, and by encouraging Members and staff to deliver improvements through their own personal development.

Providing the basics

In the coming years, we will have less money and will have to make sure we spend it where the need is greatest. Our role is to make sure local people get good outcomes from their services and we understand that it is the quality of the service that matters to local people, not who provides it.

Our focus should be on:

Promoting and regularly reinforcing the distinctive qualities both of the Derbyshire Dales and the district council. It is appropriate therefore to build communications skills across the organisation, supported by an in-house communications resource that is empowered to identify and solve communications problems, and resourced to implement solutions.

Helping communities help themselves

The district council is at its most effective when it is helping people to live successful lives as independently as possible and helping communities to help themselves. We believe that if power is in the hands of local people, you get better results and achieve better value.

Our approach will be to:

- Give individuals more say about the services they receive and the support they receive
- Empower communities to do more themselves and give them the tools they need for community action
- Recognise that some areas need more help than others and that, with a little support, they can get their ideas off the ground
- Support the transfer of buildings and other assets to community ownership so that they can become a hub for local activity – flexible and responsive to local needs.

Evidence and analysis

What do our customers and stakeholders say?

We continue to invite customers and stakeholders to help us set some key priorities that support our values. Research (notably through our most recent citizens' panel survey – November 2013) has revealed the following as our customer and stakeholder priorities:

1. Housing which meets local needs

Increase the availability of affordable housing for vulnerable people

2. A clean, green and prosperous Dales

Minimise waste and increase recycling. Enable development sites and business growth.

3. Safe and healthy communities

Keep alcohol-related crime low. Encourage active and healthy lifestyles.

Action Plan 2015/16

- Enhance the District Council's reputation and the user experience by upgrading and redesigning the official website to include a mobile version
- Enhance the District Council's reputation and the user experience by upgrading and redesigning the twice-yearly dalesMATTERS publication
- Drive website monthly visitor numbers from 56,000 to 60,000
- Increase followers on our corporate Twitter feed from 4,590 to 5,000.
- Increase the number of 'Likes' across our Facebook pages from 9,845 to 10,830.
- Increase e-newsletter database from 2,185 names and addresses to 2,400.
- Review the new intranet (SIDDD) introduced at the start of 2015.
- Continue to support members and managers with media training
- Issue a minimum of two media releases every week
- Ensure all leases and licences include District Council branding to enhance the authority's reputation

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Regeneration and Policy

TRANSFORMATION HUB

PURPOSE OF REPORT

The report notes the activities and actions of the Transformation Hub to date, and seeks approval for the Transformation Programme 2016-18 along with updated terms of reference for the Transformation Hub.

RECOMMENDATION

1. Activities of the Transformation Hub to date are noted.
2. The Terms of Reference for the Transformation Hub are agreed.
3. The Transformation programme 2016-2018 is approved.

WARDS AFFECTED

All

STRATEGIC LINK

Transforming services to generate substantial savings, whilst improving efficiency, supports the District Council's priority to seek efficiencies and innovative working practices, as set out in the Corporate Plan 2015-2019.

1 BACKGROUND

- 1.1 The Transformation Hub was established in October 2013 following the District Council's Peer Challenge of that year, which had identified a need to make better use of Information and Communications Technology (ICT) to support efficiency savings. It is one of a number of corporate hubs designed to work across departments introduced in 2013/14.
- 1.2 An initial Transformation programme was approved by the Corporate Committee on 12 December 2013, and a programme for 2014/15 was set by the Corporate Committee on 20 March 2014. An update was reported to Council on 23 April 2015, where the 2015/16 programme was agreed.
- 1.3 The Transformation Hub meets quarterly to progress projects; this quarterly meeting is followed by a report to the Corporate Leadership Team with recommendations for action or resourcing where required for corporate transformation projects. Since June 2016, Councillor Richard Bright has been the Member Representative on the Transformation Hub.

- 1.4 The aims of the Transformation Hub are to:
- Generate significant **savings** for the District Council (recognising there may be a case for 'invest to save', i.e. short term software or project management costs to bring medium term gains, if justified by a sound business case);
 - Improve **efficiency** (of both front line and support services) through the appropriate application of available technology;
 - Address any **process and structure** considerations associated with such efficiency improvements.
- 1.5 The initial scope of the Hub (approved by members in December 2013) consisted of the following projects:
- 1) Leisure Management Software replacement (including online booking and payments)
 - 2) Channel Shift (customer self-service via the website)
 - 3) Electronic Document Management (paper reduction and workflow improvement)
 - 4) Agile/Mobile Working (mobile and home working using smarter technology).
- 1.6 Current (2016) Transformation projects include HR Self Service and Clean and Green Mobile Working.
- 1.7 The purpose of this report is to update Members on transformation activities to date, and to seek approval of the ongoing transformation programme along with updated terms of reference for the Transformation Hub.

2 LEISURE ONLINE BOOKING & PAYMENTS

- 2.1 The project was to replace the previous leisure IT system as it was no longer supported, and replace it with a system that provided online bookings and payments. The procurement of a new system was approved by Council on 20 November 2014. Implementation of the software took place during 2015, following extensive market research into providers and a rigorous procurement exercise. The total project cost was £74,566 (which was £3,615 within budget), supported by the Invest to Save Reserve.
- 2.2 Taking what was previously a staff-intensive process; the new online leisure system enables customers to make their own bookings and pay in advance. This has freed a significant amount of staff time and has provided a route to generating additional income.
- 2.3 The project has achieved:
- significant reduction in duplication of effort by ceasing 'double keying' of financial and other information
 - development of more efficient ways of working and increasing staff capacity
 - upgraded leisure management software package with expanded functionality
 - direct integration with financial systems

- 24/7 access to web-based self-service booking and payment facilities is on target to increase revenue income and customer satisfaction.
- 2.4 The project itself has closed, and the benefits are now becoming clear. In the first year since the new leisure system went 'live', there were more than 4,300 sales online, and an increase of over 300 new membership sales compared to the year before. This has had a contributory effect in increasing Leisure Services income by over £210,000 for the same period.

3 CHANNEL SHIFT (CUSTOMER SELF-SERVICE VIA THE WEBSITE)

- 3.1 Channel shift looks at how we interact with customers and other service users. It aims to do this more efficiently and effectively using web forms and email; as opposed to printed forms, telephone calls, letters or face-to-face visits. This can offer savings, as well as a better service, to the customer. Benefits to the customer include being able to access services 24/7 without having to leave their house or place of work. To assist online access, internet terminals are provided in council offices (self-service PCs were installed at Ashbourne Leisure Centre and Matlock Town Hall in 2013).
- 3.2 Channel Shift incorporates all departments and areas of the District Council's activities. To that end, all departments have their own 'Channel Shift Champions' who sit on the Transformation Hub. They are tasked with proactively seeking and progressing opportunities to shift more transactions online across their department through their own Channel Shift Plans.
- 3.3 Although there are many Channel Shift projects being undertaken at any one time, a good example is the waste and recycling request facility now available directly to residents on the website. Residents can report missed bin collections, request or report missing or damaged containers, and check collection timetables and calendars – at the click of a mouse on the District Council's website, 24 hours a day and seven days a week. Moreover, each of these requests for service are integrated directly with the Waste Management software system and require little or no officer input. Once a request is made by the resident, it is sent to the contractor for action automatically.
- 3.4 The online waste and recycling request service went 'live' in December 2015. Since then 2,533 requests for missed bins or replacement containers have been shifted online (as of 25 July 2016). Based on an average telephone call duration of four minutes, this means that approximately 169 hours of employee time have been saved.
- 3.5 It is planned to extend this online service provision to other services such as reports of litter, fly tipping and dog fouling; as well as to requests for bulky waste collections.
- 3.6 Other successful channel shift initiatives to date include:
- online purchase of tickets for Matlock Bath Illuminations
 - online housing applications via Home-Options
 - online bookings for business events and regulatory applications.

4 AGILE WORKING (MOBILE/HOME WORKING USING TECHNOLOGY)

- 4.1 Agile working has great potential to change how District Council services function now and in the future. The term 'agile' working encompasses homeworking, remote working, hot-desking and smarter working combinations.
- 4.2 The aim is to introduce innovative and enhanced ways of working, whilst delivering savings in the longer term. The agile working project has considered how to use technology to work more effectively by enabling officers to work more effectively 'in the field' and reducing the need to visit the office before starting work, or to write up inspections and site visits.
- 4.3 Environmental Health's Commercial Team has been mobile working with hot-desking facilities since February 2014. This has generated savings with regard to travel time and business mileage, and reduced need for office accommodation.
- 4.4 In September 2015, a comprehensive survey was undertaken to ask all staff what technology they felt would assist them to work in more mobile ways. The results were examined by the Corporate Leadership Team. This resulted in the purchase of 39 new/replacement laptops to enable officers to work in new ways and make the most of technology and software.
- 4.5 A similar exercise has been undertaken with regard to mobile devices . This resulting in the purchase of 110 smartphones (with security management to protect the Councils' investment and data). The new mobile agreement also:
- Generates a saving of at least £16,000 over the 24 month contract period
 - Increases the number of email-enabled smartphones by more than 100%, significantly increasing productivity and potential
 - Future-proofs mobile devices to ensure they remains fit for purpose.

5 CLEAN & GREEN MOBILE WORKING

- 5.1 In Environmental Services, an initial trial of PSSLive's asset management and inspection software was implemented in December 2015 and ran until the end of the financial year. On the successful conclusion of this trial, the Corporate Leadership Team decided to extend the trial for a full year in order to better quantify the benefits.
- 5.2 Mobile devices (smartphones/tablets) are used in the field to undertake playground inspections. Since the commencement of the trial, no paper-based inspections of playgrounds have taken place. The entire paper/printing costs associated with these inspections have been eliminated. As part of the original business case these were conservatively estimated to be in the region of around £364 per annum.

- 5.3 Inspection findings and details are uploaded securely with accompanying information such as photographs, and can then be accessed by authorised users on any enabled device. This has made for a significant reduction in the amount of time it takes to complete an inspection. It has been anecdotally reported that inspection times had been almost halved as a result of the trial. This reduction in the time required to conduct a playground inspection must be beneficial, and will be quantified as part of the extended trial.
- 5.4 As an estimate, to date (26 July 2016) there have been 606 inspections generating 323 findings. If each of these inspections were on average 10 minutes shorter than previously, then around 100 hours of employee time have been saved so far.
- 5.5 Every successful insurance claim has a £2,500 excess. Robust inspection and reporting is an essential part of preventing accidents and defending claims. Reducing claims will provide a saving to the District Council in terms of excess payments and insurance premiums.
- 5.6 The system provides clear and timely information to managers and inspectors. Management and performance data can be accessed and manipulated within PSSLive without need for additional software. In the field, inspectors can view unresolved findings in relation to equipment as they inspect, which means there is less duplicate of effort and they can effectively monitor problems in the longer term.
- 5.7 The app can additionally be deployed to manage assets in other service areas such as monument inspections, street cleansing, inventories, and tree works. A priority area for development during 2016 is to enable reporting of faults and inspections of public conveniences.

6 ELECTRONIC DOCUMENT MANAGEMENT

- 6.1 An electronic document management system (EDMS) is software used to scan incoming mail, circulate and file documents, manage and chase work flow, and in time reduce paper and the need for space.
- 6.2 The deployment of an EDMS was approved by Corporate Committee on 20 March 2014, subject to a viable business case being presented to the Corporate Leadership Team. The business case was approved on 22 March 2016. A report detailing recommending procurement and deployment of EDMS was approved by the Governance and Resources Committee on 9 June 2016, being referred for inclusion in the capital program which was subsequently agreed at Council on the 30 June 2016.
- 6.3 A five-year agreement with Northgate has now been signed, and a temporary post of EDMS Project Manager (as outlined in the Business Case/Project Plan) has been resourced. EDMS deployment will begin in Development Management.

7 SELF-SERVICE HR

- 7.1 The District Council currently relies on paper-based systems to transact most basic human resources (HR) functions, including leave booking/recording, sickness reporting and recording, changes to personal information (e.g. address, contact details, next of kin, bank details), claiming expenses/mileage, and recording learning and development.
- 7.2 The purpose of this project is to implement a self-service HR system that will allow for more efficient ways of working and generate savings for the Council.
- 7.3 The main objectives are to:
- implement and deploy 'self-service' HR across the District Council
 - improve workplace efficiency and streamline business processes
 - enable managers and employees to both access and update data themselves
 - improve the provision of management information to heads of department and managers
 - provide integration with corporate business systems to improve efficiency and remove duplication of activity
 - establish data to enable workforce planning to be undertaken
 - improve information security and data protection.
- 7.4 Visits to other authorities and organisations using the self service module of our current HR/Payroll system (Chris21 from Frontier) have been made. The resulting recommendation was to purchase the additional modules for the current system rather than purchasing a secondary or replacement system.
- 7.5 The Human Resources and Payroll Manager and the Business Transformation Assistant have drawn up a comprehensive project plan detailing the full costs of the project and milestone dates.

8 TERMS OF REFERENCE & TRANSFORMATION PROGRAMME 2016-18

- 8.1 The Hub Terms of Reference have been recently revised in consultation with the Member Representative (Appendix 1). They better reflect the current status and priority of the projects being undertaken, and they are recommended for approval.
- 8.2 The updated Terms of Reference draw a distinction between *corporate projects* (high-priority projects that require significant resources to procure, implement and facilitate, and that impact on a council-wide scale and are longer-term in nature); and *other projects* (usually smaller in scale, focusing on specific areas in order to achieve shorter-term goals and lesser impact). Whilst of value, these other projects should not divert officer or financial resources from the corporate projects.
- 8.3 The corporate projects are:
- **Electronic Document Management (EDMS)**
 - **Self Service HR system**

8.4 Other projects include:

- Self-service bulky waste, litter, dog fouling and fly tip clean up requests
- Clean and Green Mobile Working
- Agile/Mobile Working
- Channel Shift
- Online Bookings and Payments

8.5 It is recommended that the transformation programme for 2016-18, as set out in paragraphs 8.3 and 8.4, is approved.

9 RISK ASSESSMENT

9.1 Legal

The legal risks at this stage are considered to be low.

9.2 Financial

The transformation programme can be funded from within existing budgets. It is expected to deliver efficiency savings over time. The financial risk is therefore low.

9.3 Corporate

The key risk in transformation results from changing current practices and procedures. These will be mitigated by project management, communication and training. If current practices and procedures do not change, there is a risk that the savings and efficiencies required could not be realised. This latter risk is considered to be Medium.

10 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

CONTACT INFORMATION

Steve Capes, Head of Regeneration and Policy
01629 761371, email steve.capes@derbyshiredales.gov.uk

Ian Brailsford, Business Transformation Assistant
01629 761201, email ian.brailsford@derbyshiredales.gov.uk

BACKGROUND PAPERS

None

ATTACHMENTS

Appendix 1 Transformation Hub terms of reference

TRANSFORMATION HUB

Lead Officer:	Steve Capes
Membership:	<p>Member Representative</p> <p>Ian Brailsford <i>Business Transformation Assistant</i></p> <p>Karen Henriksen <i>Resources</i></p> <p>Nick Blaney <i>Joint ICT Service</i></p> <p>Phil Campbell <i>Housing</i></p> <p>Amanda Goodwill <i>Regulatory Services</i></p> <p>Paul Stefan <i>Community Development</i></p> <p>Neil Mather <i>Environmental Services – Clean & Green</i></p> <p>Claire Orford <i>Environmental Services – Waste Mngmnt</i></p> <p>Helen Spencer <i>Environmental Services – Parks & Street Scene</i></p> <p>Mark Sanderson <i>Corporate Services</i></p> <p>Jon Grocutt <i>Corporate Services – Business Support</i></p> <p>Cara Marchant <i>Corporate Services - Communications</i></p> <p>Mike Hase (as required) <i>Regeneration and Policy</i></p>
Type :	Continual Working
Reporting to :	Corporate Leadership Team Governance and Resources Committee

Purpose and Objective

Seeking efficiencies and innovative working practices has been identified as a priority in the 2015-19 Corporate Plan. Efficiencies and savings underpin all other corporate priorities.

The purpose and objective of the Transformation Hub is to:

1. Improve efficiency (of both front line and support services) through the appropriate application of available technology
2. Address any process and structure considerations associated with such efficiency improvements
3. Generate significant savings for the District Council (recognising there may be a case for 'invest to save', i.e. short term software or project management costs to bring medium term gains, but this would need to be justified by a watertight business case)

Terms of Reference

a) CORPORATE PROJECTS

High priority projects that require significant resources to procure, implement and facilitate. Impact on a council-wide scale, and longer-term in nature.

- **Electronic Document Management**
- **Self Service HR**

b) Other Projects

Departmental projects that are usually smaller in scale, and often focus on specific areas in order to achieve shorter-term goals. Limited impact. Whilst of value, these projects must not divert officer or financial resources from the corporate projects.

- Self-service bulky collections, litter, dog fouling and fly tip clean up requests
- Clean and Green Mobile Working
- Agile/Mobile Working
- Channel Shift
- Online Bookings and Payments

c) To annually review the role and function of the Transformation Hub.

Service Areas Involved

- Corporate Leadership Team
- Joint ICT Service
- Human Resources
- Resources (finance)
- Corporate Services (legal & procurement)
- Development Management
- All Services (Channel Shift)

Task Allocation and Delivery Plan [What will be delivered by the hub and in what timeframe?]

Action	By When
[SMART objectives - Specific, Measurable, Achievable, Realistic, Time (completed by). How will achievements be measured].	
Implement HR Self Service IT solution	March 2017
Procure and implement EDMS	as per agreed Project Plan
Transformation report to Governance and Resources Committee	Sept 2016

Resources Required

- HR self-service: system purchase and installation (£12,000 Capital Programme); data entry and training (£8,000 Invest to Save Reserve)
- EDMS purchase, installation and project management (£50,000 Capital Programme and £95,000 Information Technology Reserve)

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Corporate Services

FUTURE TELECOMMUNICATIONS SERVICE

PURPOSE OF THE REPORT

This report invites the Committee to agree on the basic principles and features required of a new telecommunications service, and that authority is given to engage a consultant to design the best solution for the District Council.

RECOMMENDATION

1. That the features of a new telecommunication platform be agreed as those set out in paragraph 2.2
2. That quotations be invited for the services of a consultant to advise the Council on the most cost effective and efficient replacement to the current PABX telephone system and that any cost implications are reported to the Committee for approval.

WARDS AFFECTED

Not applicable

STRATEGIC LINK

An effective communication platform is an essential tool in enabling two way communications between the District Council and its customers. It is therefore vital that considerations for any new system embrace the opportunity to transform and adapt to a fast moving environment whilst delivering high customer satisfaction. Communications is therefore seen to be at the heart of the District Council's objectives and Corporate Plan.

1. BACKGROUND

- 1.1 The District Council's current telephone system at the Town Hall has been in use since July 2001. The manufacturer and long-time maintainer, Unify (once Siemens), initially claimed that it would not be able to support the system beyond 2017. In real terms this means that there will be no new hardware manufactured and no further software development. Stocks of parts are likely to be depleted in our case around 2020.
- 1.2 Unify and other maintainers are able to continue to support the system with a fully reactive maintenance service. In July 2016, following a competitive exercise, maintenance of the system has been transferred to an alternative provider. The risk to the Council in terms of overall viability remains low for the next 12 months, however that risk is judged to accelerate incrementally for each year we continue to use the outdated technology.

1.3 The weaknesses of the current system are seen to be –

- Technology has moved on significantly and may no longer match the authority's expectations in terms of call handling, statistical reporting, agile working and unified communications;
- The technology applies only to the Town Hall. Other assets deal with their own needs and the systems are completely detached;
- There is little resilience in the event of a significant system failure;
- Operation of the system is overly dependent on human resources.

1.4 In contrast, the District Council operates a good level of service

- In mystery shopping exercises Derbyshire Dales came top of all Councils without a call centre;
- All calls are handled by a 'real person' and promotion of District Council services relates back to a quasi-call centre approach. For example numbers are promoted to link to actual services which have a high level of customer recognition like waste, environmental health, council tax and so on.
- The Business Support Team answers 63% of all incoming calls at first point of contact. In doing so 82% are answered within 10 seconds and 96% of all calls presented are answered. The 4% lost calls can be attributable to a number of factors. Apart from those which are genuinely not answered, our reporting system also attributes lost calls to those met with a busy tone, voice mail and caller hang ups.

2. FUTURE APPROACH

2.1 Given the current financial constraints, there is a real opportunity to redefine our telecommunications strategy for the future to embed channel shift; recognise the potential for shared technology and/or service approach, and increase prospects for transformation. Preliminary discussions have already taken place with Derbyshire County Council and similar opportunities may also present themselves with the Joint ICT service and others. It is clear that there are many solutions 'out there' and it would be naive to think that buying a new switchboard/PBX is our only alternative. Shared technology for example can reap huge benefits by taking advantage of combined spends to reduce call charges. Shared service opportunities would also allow the potential for much needed resilience in the event of system failure or the need to react in an emergency. 'Unified Communications' could also bring together all services into a 'one Council' approach and realise savings on outdated technology. (Unified Communications is the means by which an individual can communicate on one medium which links voice, data, voice mail, mobile telephony and text messaging).

2.2 The Corporate Leadership Team (CLT) has recently addressed its collective mind to the issue and recommends that the following features form the basis of a new solution.

- A single telephone number to access all services of the Council using for example the current pilot number 01629 761100, or a new memorable number of our choosing from those available on the network. Individual services would continue to be promoted to avoid confusion with the County Council or others, for example waste helpline, planning, environmental health, elections.
- Retention of a geographical number beginning with the usual area code of 01629 in preference over a non-geographical (0845) or Freephone (0800) number.
- The retention of direct dialling inward numbers for specific officers which would not be promoted. For example a planning case officer may want to release her/his telephone number to a planning agent so that calls can be handled direct without having to connect with the main number. We would not however promote a separate number for the planning (or any other) service.
- An interactive voice menu as the first point of contact where callers are offered the option to dial in the extension number of their choosing or to select from a menu. The size of the menu would offer no more than 4 options and would offer a direct link to the most popular services for example a caller may be asked to 'Press 1 for Waste, Press 2 for Planning' and so on. Callers who did not choose from the menu would be directed to the Business Support Team for assistance as they are now.
- Retention of a voice mail facility for service information at times of peak demand to supplement other the web site offering. For example a recorded announcement to explain holiday waste collections or to promote specific dates for the Illuminations Fireworks evening.
- Exploration of a unified communication platform that would link voice and data calls and offer the ability for enhanced services such as SMS messaging with the potential to link all District Council venues into the one system approach.

2.3 In terms of service delivery, CLT also recommends that all options be explored in terms of a shared service. This has the potential to take many forms including sharing technology, transferring our service to a third party or joining with a third party.

The technical 'know how' in terms of delivering the best option was also seen by CLT to come from the external environment to work alongside an internal team including representatives from our ICT service and service delivery teams. The services of a consultant are therefore recommended to advise the District Council on the most cost effective and efficient system. The estimated cost of a consultancy is unknown. Some operate on a no fee basis with a share of any savings achieved. The important element is to ensure independence and thoroughness of approach. It is therefore recommended that a specification be designed and tenders sought for later approval by the Committee.

3. RISK ASSESSMENT

3.1 Legal

There are no legal considerations at this stage in the process.

3.2 Financial

There are no financial risks arising from this report. Any cost implications will be reported to a future committee meeting. The financial risk is, therefore, assessed as low.

4. OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental, health, legal and human rights, financial, personnel and property considerations.

5. CONTACT INFORMATION

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Ian Brailsford, Transformational Assistant	email
ian.brailsford@derbysiredales.gov.uk	

6. BACKGROUND INFORMATION

None

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Corporate Services

COMPLAINTS MONITORING

PURPOSE OF THE REPORT

This report provides information on formal complaints made about the District Council's services under its internal Complaints Procedure; those referred to the Local Government Ombudsman, and against individual elected member behaviour at town, parish and District Council level.

RECOMMENDATION

That the report be noted.

WARDS AFFECTED

Various

STRATEGIC LINK

Complaints monitoring has direct links to the Council's core values of fairness and equality, listening to people and quality of service. Additionally it links to the Council's aim of providing excellent services.

1. FORMAL COMPLAINTS ABOUT THE DISTRICT COUNCIL'S SERVICES

1.1 Internal Complaints Procedure

This section of the report provides details of complaints against the Council that were dealt with through the Council's Complaints Procedure as formal complaints.

During 2015/16 the District Council received 35 official complaints, compared to 65 in the previous year.

The following table shows the number of complaints by service areas compared to the previous year

Service Area	2014/15	2015/16
Refuse collection and recycling	13	6 (1 of these was withdrawn)
Planning	8	13 (1 of these was withdrawn)
Planning policy & consultation	1	0
Car Parking	5	3

Service Area	2014/15	2015/16
Leisure	9	1
Website for Ashbourne Pool	1	
Litter/street cleansing	1	
Environmental Services	2	
Grass cutting and fly tipping	1	
Mayfield Cemetery, Ashbourne	1	
Benefits	4	1
Council Tax	3	1
Environmental Health/pest control	4	
Licensing	0	
Housing	0	1
Jubilee Bridge	1	
Markets	1	2
Traveller sites	0	2
Play Areas	0	
Bakewell Splash Pool	3	
Committee procedure	0	
Electoral Registration	1	1
Community asset	1	
Customer Services	0	
Public Conveniences	4	1
Allotments	0	
Neighbourhood dispute / Anti-Social Behaviour	1	
Legal	0	1
Dog Order	0	1
Rock Fall – maintenance	0	1
Total	65	35

The number of complaints appears to equate to the relative profile of our services and no area stands out as having received a disproportionate number. It is also fair to say that the level of complexity of matters raised is increasing particularly in planning, where complainants are expressing their dissatisfaction with the planning process in their particular area, triggered by the decision itself.

Anyone who is unhappy with the initial response to their complaint can ask for it to be reviewed by the Chief Executive. 8 complaints were referred during the year and 1 further complainant was advised to contact the Local Government Ombudsman as the Chief Executive has been involved in the preparation of the initial response.

1.2 Local Government Ombudsman

Complainants who remain dissatisfied with the handling of their complaint following the final stage of the internal complaints procedure, may take their issue up with the Local Government Ombudsman (LGO)

The LGO's annual review letter is attached at Appendix 1 and shows that 9 complaints relating to the District Council were received during this period and 9 decisions were issued. The number of complaints referred is consistent with the previous 12 month period.

One matter was upheld. This related to the Council's failure to have regard to the views of the Conservation Officer when determining a particular planning application. Whilst the views of the Conservation Officer were sought in relation to the particular planning application, the views were not documented in the Planning Officer's report for the Planning Committee to evaluate.

The procedures have been reviewed to avoid such a mistake again which includes revising the report template for planning development matters. The LGO was satisfied however that the Council's actions did not cause the complainant a significant injustice.

2. COMPLAINTS ABOUT INDIVIDUAL MEMBER BEHAVIOUR

2.1 The Monitoring Officer received five complaints about individual Member behaviour during the period. All five relate to Members of the District Council.

2.2 Under the provisions of the Localism Act, the Monitoring Officer is required to assess such complaints against agreed criteria and the relevant authority's Code of Conduct, in consultation with the Independent Person.

2.3 The Assessment involves an examination of the evidence provided with a view to concluding whether on the face it,

(a) the matter falls within the remit of the Code of Conduct. If the answer to this question is 'no', the complaint is immediately dismissed. If the answer is 'yes' the matter proceeds to the next stage;

(b) the potential exists, if proven, for the alleged behaviour to amount to a breach of the District Council's Code of Conduct. If the answer to that is 'No' the complaint is dismissed. If the answer is 'yes', the Monitoring Officer must balance the severity of the potential breach in terms of the public interest in requiring the matter to proceed to a full investigation or to consider whether an alternative remedy is more relevant in the circumstances.

2.2 The complaints received in 2015/16 are summarised below.

No.	Nature of complaint	Outcome
1	Allegation of unprofessional conduct, double standards and bullying and harassment of fellow members of the Planning Committee	Insufficient evidence presented to suggest breach of the Code of Conduct if proven. Complaint dismissed.
2	Complaint that subject member sought to ensure a particular motion was defeated in relation to a particular planning application by intervening in a debate.	Insufficient evidence presented to suggest breach of the Code of Conduct if proven. Complaint dismissed.
3	Failure to declare pecuniary interest and allegation of a contractual relationship between the subject member and a particular planning agent which would compromise the impartiality of the	Insufficient evidence presented to suggest breach of the Code of Conduct if proven. Complaint dismissed.

	subject member, which was not best served by the Member's continuing membership on the Planning Committee.	
No.	Nature of complaint	Outcome
4	This was a third party complaint which alleged that the subject member had demonstrated disrespectful and unprofessional behaviour in conducting a meeting of the Local Plan Advisory Committee.	<p>Insufficient evidence presented to suggest a breach of the Code of Conduct relating to disrespect and unprofessional conduct. This element of the complaint was dismissed.</p> <p>Potential if proven for the limb of the complaint regarding lack of respect to a young member of the audience was acknowledged. However it was not viewed to be in the public interest or purse to commission a full investigation of the matter. This element of the complaint was dealt with by a recommendation for the subject member and Monitoring Officer to agree an appropriate training plan. The discussion has taken place and learning points have been embedded in the mandatory training for 2016/17</p>
5	Comments made at meeting of the Planning Committee which were disrespectful, bullying and which lacked objectivity.	Scope acknowledged for lack of objectivity if proven, to be a breach of the Code of Conduct. However it was not viewed to be in the public interest or purse to commission a full investigation of the matter. The Monitoring Officer recommended an alternative remedy whereby the subject member made a personal apology to the complainant for any offence caused. The remedy was accepted and implemented by the subject member.

2.6 The Committee will note that planning matters appear to be the common denominator in all of the complaints received in the past year. This may be incidental to the surge in the number of major planning applications for determination by the Planning Committee and the continued and contentious business of the Local Plan Advisory Committee. This year's mandatory training in

Planning and Ethics includes elements to help mitigate similar complaints in the future.

- 2.7 No complaints were processed during the period under review regarding the alleged behaviour of town and parish council members.

3. RISK ASSESSMENT

3.1 Legal

There was no breach of a rule of law in any of the complaints submitted. Mandatory training is aimed specifically at mitigating the chances of a serious complaint being submitted. If proven such matters could affect the reputation of the subject member and the District Council. The legal risk continues to be low to medium.

3.2 Financial

There are no financial considerations arising from this report.

3. OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental, health, legal and human rights, financial, personnel and property considerations.

4. CONTACT INFORMATION

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5. BACKGROUND INFORMATION

None

6. APPENDICES

Appendix 1 – LGO Annual report summary for period ending 31 March 2016

21 July 2016

By email

Dorcas Bunton
Chief Executive
Derbyshire Dales District Council

Dear Dorcas Bunton,

Annual Review Letter 2016

I write to you with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2016.

The enclosed tables present the number of complaints and enquiries received and the decisions we made about your authority during the period. I hope that this information will prove helpful in assessing your authority's performance in handling complaints.

Last year we provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year we are providing additional information to focus the statistics more on the outcome from complaints rather than just the amounts received.

We provide a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us. In addition, we provide a compliance rate for implementing our recommendations to remedy a fault.

I want to emphasise that these statistics comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

Effective accountability for devolved authorities

Local government is going through perhaps some of the biggest changes since the LGO was set up more than 40 years ago. The creation of combined authorities and an increase in the number of elected mayors will hugely affect the way local services are held to account. We have already started working with the early combined authorities to help develop principles for effective and accessible complaints systems.

We have also reviewed how we structure our casework teams to provide insight across the emerging combined authority structures. Responding to council feedback, this included reconfirming the Assistant Ombudsman responsible for relationship management with each authority, which we recently communicated to Link Officers through distribution of our manual for working with the LGO.

Supporting local scrutiny

Our corporate strategy is based upon the twin pillars of remedying injustice and improving local public services. The numbers in our annual report demonstrate that we continue to improve the quality of our service in achieving swift redress.

To measure our progress against the objective to improve local services, in March we issued a survey to all councils. I was encouraged to find that 98% of respondents believed that our investigations have had an impact on improving local public services. I am confident that the continued publication of our decisions (alongside an improved facility to browse for them on our website), focus reports on key themes and the data in these annual review letters is helping the sector to learn from its mistakes and support better services for citizens.

The survey also demonstrated a significant proportion of councils are sharing the information we provide with elected members and scrutiny committees. I welcome this approach, and want to take this opportunity to encourage others to do so.

Complaint handling training

We recently refreshed our Effective Complaint Handling courses for local authorities and introduced a new course for independent care providers. We trained over 700 people last year and feedback shows a 96% increase in the number of participants who felt confident in dealing with complaints following the course. To find out more, visit www.lgo.org.uk/training.

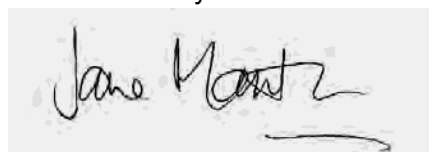
Ombudsman reform

You will no doubt be aware that the government has announced the intention to produce draft legislation for the creation of a single ombudsman for public services in England. This is something we support, as it will provide the public with a clearer route to redress in an increasingly complex environment of public service delivery.

We will continue to support government in the realisation of the public service ombudsman, and are advising on the importance of maintaining our 40 years plus experience of working with local government and our understanding its unique accountability structures.

This will also be the last time I write with your annual review. My seven-year term of office as Local Government Ombudsman comes to an end in January 2017. The LGO has gone through extensive change since I took up post in 2010, becoming a much leaner and more focused organisation, and I am confident that it is well prepared for the challenges ahead.

Yours sincerely

A handwritten signature in black ink on a light grey background. The signature reads "Jane Martin" in a cursive style, with a horizontal line underneath the name.

Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

Local Authority Report: Derbyshire Dales District Council
For the Period Ending: 31/03/2016

For further information on how to interpret our statistics, please visit our website:
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	0	1	0	0	0	0	7	1	9

Decisions made

Decisions made				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
1	0	5	2	0	1	100%	9

Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

The compliance rate is the proportion of remedied complaints where our recommendations are believed to have been implemented.

Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement	Compliance Rate
0	0	100%

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Corporate Services

MEMBER DEVELOPMENT WORKING GROUP

PURPOSE OF THE REPORT

This report sets out the Member Development Working Group's recommendations to trial a Community Leadership development day; a deadline for the completion of mandatory training, and a proposal to replace Members ICT.

RECOMMENDATION

1. That the review of mandatory training is noted and that 29 September 2016 is agreed as the deadline for Members to attend the mandatory training in Planning and Ethics and for Members of the Planning Committee to continue to sit as a Member of that Committee.
2. That the Skills and Audit Questionnaire set out in Appendix 1 be agreed for circulation to all Members
3. That the concept of Wi-Fi only iPads is agreed as the ICT device for Councillors and that a two year programme of replacement commences in 2016/17 to be funded from the existing budget for network connections.
4. That the Community Leadership programme as set out in the report and at Appendix 2, be approved with the expenditure of £2700 being met from the Member Training Budget
5. That the Member Development Working Group's future business is noted.

WARDS AFFECTED

Not applicable

STRATEGIC LINK

Training and Development for elected Members helps to support their role as Community Leaders and has a direct impact on the District Council's reputation and perception of its Corporate Vision and Plan.

1 BACKGROUND

1.1 The Member Development Working Group's Terms of Reference are as follows.

- To consult elected members on their training needs and prepare for recommendation to the Governance and Resources Committee, an annual Training and Development Plan.
- To review the effectiveness of training provided
- To review the Member Development Scheme

1.2 The Group comprises the following elected Member representatives:

Councillors Alyson Hill (Member Representative), Deborah Botham, Martin Burfoot, Sue Bull, Susan Hobson, and John Tibenham.

1.3 The Group met on 11 July 2016 to review the attendance and evaluation of the recent Planning and Ethic Training; ways and means of identifying future development needs; Members ICT and, a potential leadership programme.

1.4 The remainder of this report sets out the Group's findings and recommendations for consideration by the Committee.

2 REVIEW OF MANDATORY TRAINING TO DATE

2.1 The 2016/17 Training and Development Plan for Members is currently based solely on the requirement to deliver the mandatory training elements. The need to undertake mandatory training in Planning and Ethics is an annual requirement for all Councillors. Members of the Planning Committee must attend training on an annual basis in order to sit as a member of that Committee. For convenience the two topics were combined and delivered in two sessions earlier in the year.

2.2 Members' feedback on the sessions is as follows:

Learning value	81%
Quality of trainers and training materials	94% (average)
Quality and relevance of sessions	Planning 90%, Ethics 95% (average)
Duration of Session	Majority felt duration was about right
Relevance to role	86% (average)
Would recommend to others	96%
Overall satisfaction	82%

2.3 Eleven Members have yet to attend the training. A third session is planned to take place prior to the September Council meeting. Councillor Hill has contacted the relevant members to remind them of the need to attend all mandatory training and Group Leaders have been made aware of the position in their group.

2.4 The Group considered the matter and have recommended that 29 September is set as the deadline to attend training, and particularly for Planning Committee members, in order to preserve their status as member of that Committee. Any member of the Planning Committee who has not attended the training, by that date, will not be allowed to sit until such training has been undertaken. This may involve relevant members being trained on a one to one basis.

3 TRAINING NEEDS QUESTIONNAIRE

3.1 The Group considered various means by which Members may highlight their particular training needs. A questionnaire is attached at Appendix 1, which the

Group is recommending should be used to gauge opinion on the type of learning required, which may then form part of the Training and Development plan for the remainder of 2016/17 and 2017/18.

4 MEMBERS ICT

4.1 The Group considered potential options to the cost and delivery of Members' ICT. A pilot group of 12 members were the first to receive an iPad in 2012. The remainder were purchased over a period of time until all 39 members were equipped with an iPad as standard ICT equipment. All current models are 3g enabled which means that the user can connect over a mobile phone network to access emails and the Internet whilst 'out and about'. All users have access to a free connection to Wi-Fi whilst on District Council premises and many connect to their personal Wi-Fi at home.

4.2 The original cost of the 3g connection per member was £23.00 per month and £21,528 for the life of the two year contract. That figure has been budgeted for. The contract has recently been re-negotiated (June 2016) with a new supplier to reduce the charge to £6 per month per device and the contract is for a two month rolling period i.e. the contract may be terminated with 2 months' notice. All devices belong to the District Council at the end of the contract. However thought needs to be given to replacing the older models and all devices over time.

4.3 One option, favoured by the Group, was to replace the older models for new and for the models to be on a Wi-Fi only basis. This would rely on the Councillor connecting to their home Wi-Fi, and using free Wi-Fi connections outside the District Council. The Councillor would also need to prepare for meetings outside the District Council's offices by pre-loading committee documents etc. to their iPad. The cost benefit was seen by the Group to outweigh any minor inconvenience in that respect

4.4 The Group therefore recommends that a replacement programme for all iPads takes place over the next two years to be funded from the current budget for 3g connection. Thereafter there will be no recurring costs for connection.

4.5 The Cost of the alternative option is as follows:

New iPad purchase	£349 one off cost
Total for 39 Members	£13611 with no recurring cost of connection.

4.6 Using the balance in the 3g budget of £8156, half the number of iPads could be purchased this year with the remainder the following financial year. The ultimate savings could then be realised in 2017/18, thus contributing to the District Council's savings target.

4.7 The Group recommends that all Councillors transfer to Wi-Fi models, but appreciate that this may be dependent upon home connection to Wi-Fi.

4.8 The older models may be transferred to service departments or sold 'as seen.

5 COMMUNITY LEADERSHIP PROGRAMME

5.1 The Group considered a proposal to deliver a one day leadership training programme aimed at exploring individual strengths and potential development needs relative to the Community Leadership role. The Group also considered that

the programme may enable individuals to prepare themselves for political ambition; to take on roles with more responsibility, and may aid in succession planning.

5.2 By way of background, the Local Government Association defines the role of Community Leadership as:

- helping communities to identify and deal with problems in the most effective way
- bringing in help from officers and partners
- acting as the voice for the community to the council, partners and others
- communicating the work of the council and partners to the community
- leading the community and others in developing a vision for the area and the steps to achieve it.

5.3 The purpose of the training day for up to 12 participants, would be to –

- Help Members begin to envision what Effective Community Leadership in the Derbyshire Dales should look like in the medium to long term;
- Explore the role of Members in driving and delivering the Community Leadership agenda, and to establish appropriate behavioural competencies to underpin the role;
- Give members a structured opportunity to explore their individual strengths and potential development needs relative to the Community Leadership role.

5.4 The plan for the day would involve the attendees in full group participation with activity based learning that will encourage exploration and discussion, enabling the group to share ideas and gain commitment to the future Community Leadership Role. The Outline structure for the day is attached at Appendix 2.

5.5 Participants will be encouraged to complete an on line questionnaire self-assessment (15FQ) in advance of the day to measure the individual's strengths and potential across a number of factors linked to the Community Leadership role. Results of the assessment would be confidential to the individual, unless the individual agrees that others can see them.

5.6 The cost of the programme is £2700 (£225 per member) including analysis of questionnaires, design and delivery of the workshop and materials. This can be accommodated within the current Member Training budget. The trainers are well regarded for their training delivered to CLT and to the in-house junior management programme.

5.7 The Group recommends the day to the Committee on the basis of 12 volunteer members to reflect the political balance of the Council i.e. 8 Conservative, 2 Labour, 1 Liberal Democrat, 1 Independent.

6 FUTURE BUSINESS

- 6.1 The Group planned to meet again to digest the information received from return of the Skills and Knowledge Questionnaire and to conduct a thorough review of the Induction training for new Members.
- 6.2 One issue has been raised by way of a complaint from a member of the public, since the Group met. The issue is about microphone technique so that a person with a hearing impairment can be fully involved in a meeting they may choose to attend. The Member Representative has agreed that a refresher would be very useful and that an internally facilitated refresher can be arranged, say, at a meeting of the Council.

7 COMMENT FROM MEMBER REPRESENTATIVE

- 7.1 Councillor Alyson Hill had this to say about the Group's first report to the Committee.

"The Group has made a really positive start with lots of enthusiastic input and ideas for the future. We are looking forward to working together to help design a programme that aims to equip all Members with the skills required for their role."

8 RISK ASSESSMENT

- 8.1 Legal

There are no legal risks arising directly from the report. An effective training and development plan helps to prepare Members to make an informed and balanced decision which helps to mitigate legal risk in the round.

- 8.2 Financial

The costs identified from this report can be met from existing budgets. The financial risk is therefore assessed as low.

8 OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental, health, legal and human rights, financial, personnel and property considerations.

9 CONTACT INFORMATION

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Councillor Allyson Hill, Member Representative
Email: Allyson.hill@derbyshiredales.gov.uk

10 BACKGROUND INFORMATION

None

11 ATTACHMENTS

Appendix 1 – Skills and Knowledge Audit

Appendix 2 – Community Leadership day – Outline Structure



SKILLS AND KNOWLEDGE AUDIT

Guidance Notes

The Audit form is an integral part of the Member Development Scheme. Its design aims to help you realise and value what you already know, the skills you have acquired and the experiences you may wish to build upon or share with others.

The information you provide helps the Council to build a picture of you as an individual. By reading through the audit, you may also gain ideas about your future direction and what training and development opportunities you may like to take advantage of in the future

You can complete the form on your own as a self-audit, or you may like to discuss its completion with a facilitator as part of a Member Development Discussion.

How to complete the form

A Working Group of Councillors and Officers has devised a list of what they consider to be the key skills and knowledge Councillors may rely on or need to know, whatever their role within the Council. If you think there are others, please share your ideas by completing the blank spaces at the end of each section.

You will see 4 boxes against each area:

- | | |
|-----------------------------|---|
| Part of Current Role | Place a ✓ here against areas which are currently part of your role as a Councillor or in your private capacity. |
| Prior Learning | Place a ✓ here against areas where you have previously benefitted from training provided by the Council. |
| Development request | Place a ✓ here against areas you feel are important to your development both now and in the future. This may be because you <ul style="list-style-type: none"> ➤ are new to the role ➤ want to develop your skills and knowledge to prepare for a new role or responsibility ➤ think that you may need to do this in the future ➤ feel that your experiences have lacked depth to enable you to feel confident in that area at the moment ➤ want to update your skills and knowledge |



MEMBER DEVELOPMENT SCHEME

SKILLS AND KNOWLEDGE AUDIT

Personal Communication skills (Please ✓ the relevant columns)			
Skills	Part of current role	Prior learning	Development request
Public speaking and presentation			
Influencing and negotiating			
Handling conflict			
Drafting letters, reports and e-mails			
Giving advice			
Problem analysis/solving			
Coaching and mentoring			
Handling the media			
Personal Organisation skills (Please ✓ the relevant columns)			
Skills	Part of current role	Prior Learning	Development request
Planning your time			
Managing information			
Speed reading			
In the Community (please ✓ the relevant columns)			
Skills	Part of current role	Prior Learning	Development Request
Dealing with case work			
Advice surgeries			
Keeping records			
Setting up meetings			
Facilitating groups			
Supporting others			
Community leadership role			
Community Asset Transfers			
Overview of the Council (Please ✓ the relevant columns)			
Skills/Knowledge	Part of current role	Prior learning	Development request
The Council's corporate plan and key objectives			
The range of services the Council provides			
The Council and its Committees			
How departments are structured			
How services are organised/delivered			
How decisions are made			
Complaints procedure			
The role of outside inspectors and agencies			

Targets and key performance indicators (Please ✓ the relevant columns)			
Skills/Knowledge	Part of current role	Prior learning	Development request
Policy development			
Scrutinising performance			
Local Government Finance (Please ✓ the relevant columns)			
Skills/Knowledge	Part of current role	Prior learning	Development request
Sources of finance			
Local taxation			
Setting the budget			
Managing and monitoring the budget			
Capital and revenue spending			
External funding			
Grants and subsidies			
Performing legally and safely (Please ✓ the relevant columns)			
Skills/Knowledge	Part of current role	Prior Learning	Development request
Equalities and diversity			
Members' allowances			
Health & Safety, including personal safety			
The Code of Conduct and interests			
Member/Officer relationships and protocol			
Good governance framework			
Information Technology (Please ✓ the relevant columns)			
Skills/Knowledge	Part of current role	Prior learning	Development request
Logging onto the Council's network			
Using the Internet			
Sending and retrieving e-mails			
Basic word processing to draft correspondence			
Managing files			
Using spreadsheets			
Making best use of iPad			
Members Portal			
The Council and its committees (Please ✓ the relevant columns)			
Skills/Knowledge	Part of current role	Prior learning	Development request
Charing meetings			
Planning Committees and making balanced decisions			
Appeals Committee and quasi judicial decision making			

Skills/Knowledge	Part of current role	Prior learning	Development request
Licensing Committee and the liquor licensing regime			
Implementing the Local Plan in practice			
Relevant columns Political management (Please			
Skills/Knowledge	Part of current role	Prior learning	Development request
Decision making			
Effective leadership			
Political awareness			
Effective opposition			
Mentoring to aid succession planning			

Completed by

Date

Outline Structure for the Day

Phase	Activity	Timing	Outputs
Pre-workshop	'Community Challenge' exercise; members spend time in own constituencies with disposable camera + notebook. Objective: To discover what's good, what's special about their patch. (Feeds into exercises described below)	Personal Choice	Examples to share
	Individuals complete online 15FQ+	at least 7 days before event	<ul style="list-style-type: none"> • Individual 15FQ extended reports, • Individual 15FQ competency development reports, • Group competency profile against Psytech International's Universal Competency Framework
Morning	Introductions / purpose / outline of day		
	Rich pictures exercise (Community Leadership now / future)	Whole group 1.5 hours	An emerging picture of what these 12 members believe to be the future role of community leadership in the Derbyshire Dales.
	AI exercise (What's already good that we can carry forward / What do we need to build on). (opportunity to bring in their pics, stories etc. from prework)	3 groups of 4 + feedback to group. (Group voting on key priorities if necessary) 2 hours inc. pulling it all together	
Afternoon	Brief, broad explanation of 15FQ reports and links to competency profile and behavioural competency domains.	15 mins	
	Explanation and discussion around group competency profile while members simultaneously work through their individual profiles.	2 hours. Maybe 3 groups of 4 each reporting back on 3 domains each. Presentations back to whole group, discussion on relevance of each domain and weightings they should have.	Members understand universal competency domains and can relate them to own and group performance / dev needs. Agreement on suitability of universal competency framework as a tool for driving behavioural development (including need to add or amend domains)
	Reflections / personal action planning / what next	Depends how much time left	

Further Development:

One of the outcomes of the workshop is to establish appropriate behavioural competencies to underpin the Community Leadership Role. These could form the basis for developing a further development day that could be offered to all members for enhancing their talent going forwards.

Also, for continuity and sharing of experience those members involved in the initial workshop could be invited to deliver or participate in any further workshops.

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Head of Corporate Services

PROCUREMENT HUB UPDATE AND ACTION PLAN FOR 2016/17

PURPOSE OF THE REPORT

This report updates the Committee on the work of the Procurement Hub and work plan for 2016/17.

RECOMMENDATION

1. That the report is noted
2. That the action plan is endorsed and progress reported on an annual basis.

WARDS AFFECTED

Not applicable

STRATEGIC LINK

The Procurement Strategy underpins the work of the Hub which aims to deliver best value in support of the District Councils Corporate Plan.

1. BACKGROUND

1.1 The Procurement Hub's terms of reference are as follows:

Purpose and Objective

To import and share knowledge and good practice to ensure that the District Council operates in a risk free environment

Terms of Reference

- a) To have an overview of the use of technology to streamline procurement processes
- b) To make it easier for suppliers to do business with the authority
- c) To review the relevance and effectiveness of the Procurement Strategy and Contract Standing Orders
- d) To identify areas for collaborative working to produce more cost effective and innovate procurement solutions.
- e) To create capacity through joint delivery of significant procurement projects.
- f) To annually review the role and function of the Procurement Hub.

1.2 The Hub comprises employee representatives from the high spending service areas and those with an interest in governance issues. Councillor John Tibenham has recently been appointed as Member Representative to work alongside the Hub.

2. REVIEW OF 2015/16 ACTION PLAN AND 2016/17 ACTION PLAN

- 2.1 The Hub met on 12 August to review its work plan for 2015/16 and to set realistic targets for 2016/17. Schedules detailing both are attached as an appendix.
- 2.2 In reviewing the work of the Hub, Councillor Tibenham commented "I am pleased to be nominated as a member of the Procurement Hub and look forward to working with the other members in future.

The major items of expenditure are on longer term contracts such as refuse collection and composting green waste and will be carefully appraised nearer the renewal dates.

There are many small purchase items, often from a few suppliers, and work to rationalise these is ongoing.

I note the major savings recently achieved in gas and cleaning material purchases and fully support the 2016/17 work plan particularly with regard to tendering for electricity, staff uniforms and motor parts."

3. RISK ASSESSMENT

3.1 Legal

All procurement activity is regulated by Contract Standing Orders and in accordance with the Procurement Strategy. The legal risk is therefore low.

3.2 Financial

The cost of the procurement hub (mainly officer time) programme can be funded from within existing budgets. The hub is expected to deliver savings by improving procurement practices. The financial risk is therefore low.

4. OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental, health, legal and human rights, financial, personnel and property considerations.

5. CONTACT INFORMATION

Sandra Lamb, Head of Corporate Services,
e-mail sandra.lamb@derbyshiredales.gov.uk
Councillor John Tibenham, Member Representative
email john.tibenham@derbyshiredales.gov.uk

6. BACKGROUND INFORMATION

None



Procurement Hub
12 August 2016
Review of 2015/16 and Action plan for 2016/17

Review of 2015/16

Action	Update	Action complete	Review date
Review spend analysis to identify significant spend which may be worthy of a corporate approach to procurement	Analysis of ledger undertaken to inform the work of the Hub to date.	√	Ongoing
Revise and Publish Procurement Strategy	New Strategy adopted by the Council.	√	2017/2018
Provide Training to employees with responsibility for procuring goods and services	2 sessions held to provide Initial training provided by NHS partners	√	As and when required. Identify need through PDR process.
Enter into strategic partnership with NHS to assist the District Council in ensuring compliance and access to framework contracts.	Contract with NHS now in place. Performance issue to be discussed at review meeting.	√	Performance review in 2016/17.
Complete inventory of office and depot equipment.	All items documented in comprehensive Inventory. Refresh required annually in accordance with Financial Regulations. complete	√	2016/17
Publish Contracts Register in accordance with relevant legislation	Complete and available on line. Some issues of accuracy need to be attended to, to remove out of date material.	√	Ongoing
Cleaning Material contract	New corporate cleaning material contract entered with single source supplier with effect from 1 August 2016. Estimated savings in the region of £26,000	√	2018/19
Negotiate with local suppliers to enable trade accounts to be established to minimise the number of small transactions requiring an invoice.	Task re-prioritised.	X	2016/17
Enter into framework contract with provider for supply of petrol and diesel.	Fully compliant contact now in place.	√	2017/18

Action	Update	Action complete	Review date
Energy – re tender for supply of gas and electricity.	New supply contract entered into for gas across the organisation. This is a public sector framework contract which offers the potential for savings in the region in £60,000 per year. Electricity contact expires in September 2016 and has been moved to next year's action plan.	√	2018/19
Review Quick Guide to Procurement	Task re-prioritised	X	2016/17

2016/17 Suggested Work Plan

Action	Lead	Target date
Negotiate with local suppliers to enable trade accounts to be established to minimise the number of small transactions requiring an invoice.	SL	31 December 2016
Refresh inventory of office and depot equipment	Procurement Team	Annual
Publish revised quick Guide to Procurement	RC	January 2017
Re tender for supply of electricity through framework contractors		October 2016
Tender for supply of corporate uniform and PPE	HC/CL	To go live 1 April 2017
Review Contract Standing Orders and re-write in user friendly style	SL/Legal	May 2017
Review spend analysis to identify significant spend which may be worthy of a corporate approach to procurement	All	Ongoing
Investigate potential to review corporate contracts for hand driers	MW	December 2016
Investigate potential to invite tenders for the supply of bedding plants. Framework to be investigated as a priority given timescales and then for potential bespoke contract.	All	December 2016
Investigate potential to invite tenders for the supply of tyres and vehicle parts	All	April 2017
Review procedure for PayPal and credit card payments	HD	December 2017

BACK TO AGENDA

GOVERNANCE AND RESOURCES COMMITTEE
22 SEPTEMBER 2016

Report of the Chief Executive

RISK MANAGEMENT – CHIEF EXECUTIVE’S ANNUAL REPORT & RISK MANAGEMENT POLICY AND STRATEGY

PURPOSE OF REPORT

The Council’s Risk Management Strategy requires the Chief Executive to report to Members, by way of an annual report on the Council’s Risk Management arrangements and how Key Strategic Risks are being managed.

This report describes the Council’s risk management processes and working practices, which ensure that risk management arrangements continue to be effective, timely and fit for purpose, providing the Council with the correct levels of insight and support in relation to its risk exposure.

This report also asks Members to approve an updated Risk Management Policy and Strategy.

RECOMMENDATIONS

1. The report be noted.
2. Members approve the Risk Management Policy and Strategy.

WARDS AFFECTED

Not applicable

STRATEGIC LINK

Effective Risk Management provisions enable significant risks to be identified, controlled and monitored so contributing to the provision of excellent services.

1 REPORT

- 1.1 The Annual Report is attached as Appendix 1.
- 1.2 The report illustrates the strategic risks and scores them as high (red), medium (yellow) or low (green). The report also shows the actions that are planned to mitigate or reduce the risks.
- 1.3 A revised Risk Management Policy and Strategy is attached at Appendix 2. Revisions to the document reflect the current organisation structure, processes and procedures.

2 RISK ASSESSMENT

2.1 Legal

The report documents an effective system of risk management, which aims to identify, control and mitigate risk. Whilst not all risk can be mitigated, the measures currently in place provide for low legal risk.

2.2 Financial

There are no financial risks arising from this report.

3. OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

4. CONTACT INFORMATION

Karen Henriksen, Head of Resources, Telephone 01629 761284

Or email: karen.henriksen@derbyshiredales.gov.uk

6. BACKGROUND PAPERS

None.

7. ATTACHMENTS

Appendix 1 Risk Management Annual Report

Appendix 2 Risk Management Policy and Strategy

Derbyshire Dales District Council

Risk Management

CHIEF EXECUTIVE'S ANNUAL RISK
MANAGEMENT REPORT JULY 2016



Contents and distribution

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Introduction and background	1
Risk Management Development	2
Current Strategic Risks	3
Additional Information	6

Name	Purpose
Chief Executive	For review and comment.
Corporate Leadership Team	
Risk Continuity Group	

Introduction and Background

Introduction

The Council's Risk Management Strategy, revised in March 2016, requires the Chief Executive to report to Members, by way of an annual report on the Council's Risk Management arrangements and how key strategic risks are being managed. This report describes the processes and working practices, which have been developed to ensure they continue to provide the Council with the correct levels of insight and support in relation to its risk exposure.

- ✓ Strategic Risks: These are the risks that will significantly impact the Council in the delivery of its Strategic Objectives and Corporate Plan; and
- ✓ Service Risks: These are the risks which will impact on the delivery of each service at an operational level. Managing these risks will assist each Head of Service in the delivery of their Service Plan objectives and key actions.

Requirements	Action
Recommendation	<ul style="list-style-type: none"> ▪ That the report be noted.
Wards Affected	<ul style="list-style-type: none"> ▪ Not applicable.
Strategic Link	<ul style="list-style-type: none"> ▪ Effective Risk Management provisions enable significant risks to be identified, controlled and monitored so contributing to the provision of excellent services.

Relevant individuals meet on a quarterly basis to discuss the risks facing the Council and the delivery of its objectives. Those risks highlighted during these sessions are analysed and prioritised and further actions identified. These are captured within the Service and Strategic Risk Registers.

An essential part of the process involves ensuring all risks have clear ownership. Service Managers are required to identify the key internal controls for each risk they are responsible for and to identify mitigating controls. The risk management methodology provides guidance for risks to be scored, enabling officers to report risks which may prevent them from achieving their required aims.

Background

The Council operates a risk management programme whereby risks associated with the Corporate Plan, its key strategic objectives and individual Service Plan Key Actions are formally assessed.

The Council identifies risks at two levels:

Risks are regularly reported to the Risk Continuity Group, which in turn reports to the Corporate Leadership Team, ensuing that risks, risk management etc. are challenged and reported effectively.

Further guidance on the Council's risk management processes and procedures can be found in the Risk Management Policy and Strategy; dated September 2016.

Risk Management Development

Recent Development and Achievements

Following the significant review in 2013-2014, the Council has remained committed to ongoing risk management activities. The Risk and Continuity Group continues to be well attended; key actions arising in the last twelve months include:

- Reviewed and updated risk management strategy
- Business continuity management planning and exercising
- Review of business interruption cover
- Internal Audit into risk management 'Good' (highest score)

Zurich Municipal has been re-commissioned until early 2017 to support risk management.

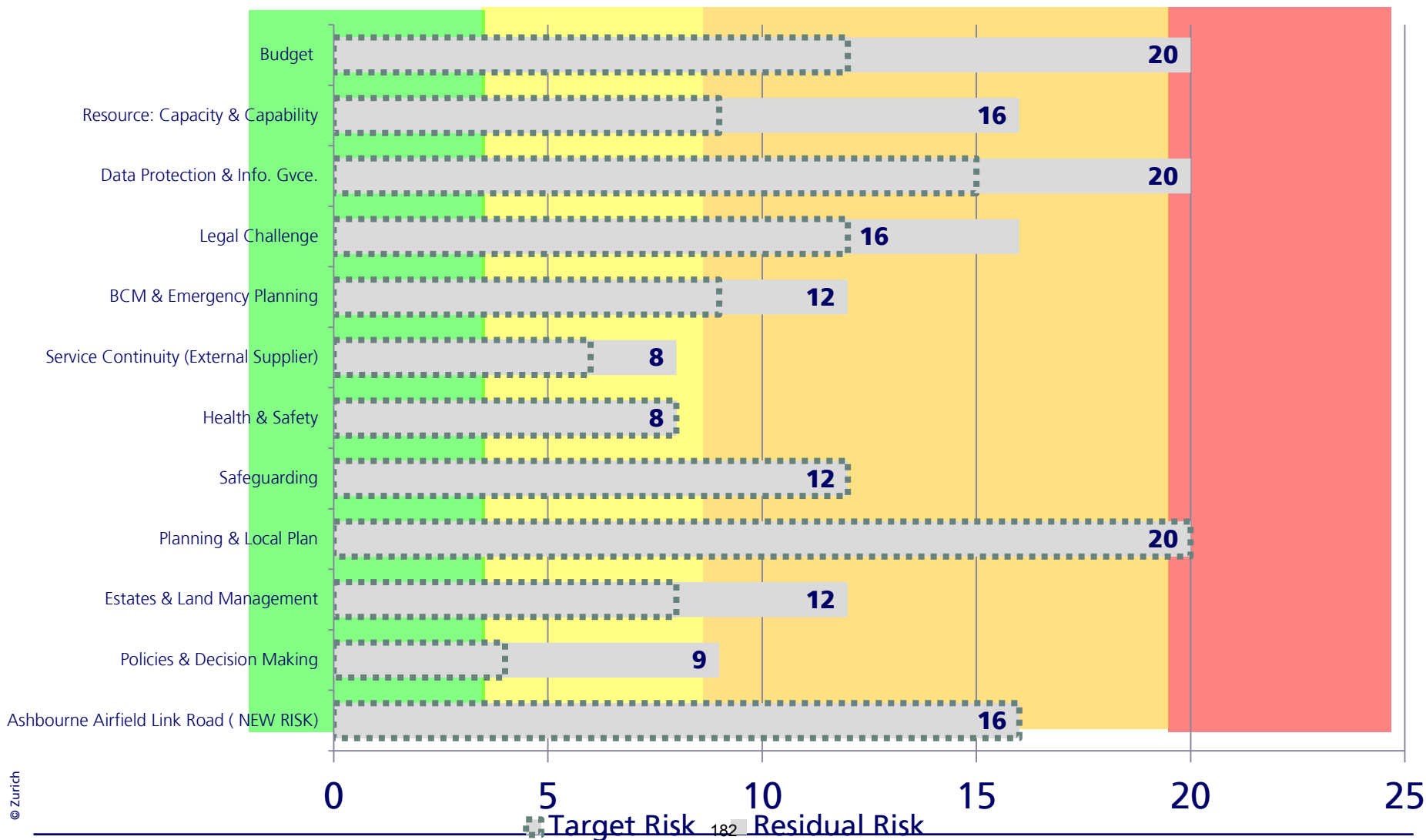
Continued Improvement

The Council is commissioning an external risk-based review of information governance, which has remained a consistently 'high' strategic risk.

Area	Action Undertaken
RM Policy and Strategy	<ul style="list-style-type: none"> ▪ Revised the Risk Management Policy and Strategy September 2016
Risk Registers	<ul style="list-style-type: none"> ▪ Service and Strategic risk registers are reviewed and updated quarterly
RCG	<ul style="list-style-type: none"> ▪ Quarterly meetings. Reviewed and revised Terms of Reference
Assurance	<ul style="list-style-type: none"> ▪ Positive Internal Audit report
Business Continuity Management	<ul style="list-style-type: none"> ▪ Ongoing review and update of corporate BCM arrangements ▪ Successful BC exercises (more planned) ▪ IT /DR arrangements robust ▪ Review of BI cover to ensure adequate arrangements
Risk Reporting	<ul style="list-style-type: none"> ▪ Updated Annual Report format

Current Strategic Risks

Strategic Risks are considered by relevant officers and documented within the Strategic Risk Register. Those risks identified and reported to the Corporate Leadership team in June 2016 are as follows:



Strategic Risk Action Plan

The following additional mitigating actions have been identified by services and the Risk Continuity Group in order to further manage the strategic risks and reduce the Council's risk profile.

Strategic Risk	Mitigating actions identified
Budget	<ul style="list-style-type: none"> ✓ £894,000 savings achieved March 2016 ✓ Budgets set and balanced for 16/17 and 17/18 ✓ Financial Strategy setting out approach to savings 18/19 ✓ Ongoing service reviews
Resource: Capacity and Capability	<ul style="list-style-type: none"> ✓ Succession planning for key roles ✓ Preventative stress management and other soft skill training available to staff ✓ Undertaking market assessment ✓ Review of PDR and recognition and reward process
Data Protection & Information Governance	<ul style="list-style-type: none"> ✓ Complete all actions from Audit ✓ Review PCI-DSS 3.0 ✓ E-learning and training ✓ More signage and prompts around the authority ✓ External healthcheck/gap analysis
Legal challenge contracts etc.	<ul style="list-style-type: none"> ✓ Consideration of contract management and procurement operations to ensure that risks are assessed and performed at the relevant levels/timelines etc. ✓ Training on equalities and consultation issues
Business Continuity & Emergency Planning	<ul style="list-style-type: none"> ✓ Update critical activity information from DDDC services ✓ Consider options for more agile working ✓ Identify key people and equipment ✓ Consider impacts on strategic partners e.g.. CAB ✓ Explore further mutual aid options

Strategic Risk Action Plan

Strategic Risk	Mitigating actions identified
Continuity of Service (External Supplier)	<ul style="list-style-type: none"> ✓ Review contracts to ensure exit strategies are included and documented. Where these are not in place discuss with suppliers how these could be implemented. ✓ Identify alternative/temporary solutions for key contracts and minimum delivery requirements
Health & Safety	<ul style="list-style-type: none"> ✓ Continue to grow and develop the Board. ✓ Ensure that the RCG is informed of risks on a regular basis to reflect risks in the department and strategic risk registers.
Safeguarding	<ul style="list-style-type: none"> ✓ Further reviews of policies and training ✓ Share learning from Derbyshire County Council's policy review
Planning & Local Plan	<ul style="list-style-type: none"> ✓ Consultation from 11 August 2016 ✓ Being continually monitored
Policies	<ul style="list-style-type: none"> ✓ Mandatory training ✓ Local Plan finalisation will help
Estates and Land Management	<ul style="list-style-type: none"> ✓ Tree risk assessment as rolling regime rather than reactively ✓ Refine inspection reporting regime to ensure they are undertaken and reported ✓ Prepare Asset Management Plane by 31st March 2017
Ashbourne Airfield Link Road	<ul style="list-style-type: none"> ✓ Await outcome of value for money assessment and investigate works on road ✓ Consider alternative funding routes

Additional Information

Other Considerations

In preparing this report the relevance of the following factors has also been considered: prevention of crime and disorder, equality of opportunity, environmental health, legal and human rights, financial, personnel and property considerations.

Contact Information

Karen Henriksen; Head of Resources:

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Background Papers

Risk Management Policy & Strategy; updated March 2016

Strategic Risk Register dated June 2016



Derbyshire Dales District Council

Risk Management Policy & Strategy

Contents

Version:	July 2016
Agreed By:	Risk Continuity Group
Name of Executive Lead	Dorcas Bunton – Chief Executive
To be approved by Corporate Leadership Team	26 th July 2016
To be approved by Governance & Resources Committee	22 nd September 2016
Date Issued	30 th June 2016
Review date:	June 2018

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Risk Management Strategy Statement

It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking.

Risk management is all about understanding, assessing and managing the Council's threats and opportunities. The Council accepts the need to take proportionate risk to achieve its strategic obligations, but expects these to be appropriately identified, assessed and managed. Through managing risks and opportunities in a structured manner, the Council will be in a stronger position to ensure that we are able to deliver our objectives.

As a result, through risk management, the Council aims to:

- a) Implement effective risk management as a key element of good governance and rigorous performance management. This will be obtained through all Members and Officers ensuring that they identify, manage and act on opportunities as well as risks to enable the Council to achieve its objectives and integrate risk management into the culture and day to day working of the Council.
- b) Utilise risk as an integral part of corporate and business planning, policymaking, performance management and ensuring effective service delivery.
- c) Embed a systematic and consistent approach to risk management throughout the Council.
- d) Ensure that strategic partnerships, outsourced or externally provided arrangements are adequately risk assessed and managed.
- e) Maintain risk management policies, procedures etc ensuring these comply with best practice and statutory requirements. On an annual basis, the Risk Continuity Group will review the risk management process and will recommend further enhancements to further embed risk management within the Council. The Risk Management Strategy will be endorsed by the Corporate Leadership Team and I will be the accountable Officer to ensure that this is performed.
- f) Clear roles and accountability for risk management will be outlined within the Risk Management Strategy. These will recognise process enhancements, day to day risk management requirements, oversight and scrutiny, along with the Council's need to support Officers in training and awareness programmes.

We recognise that it is not always possible, nor desirable, to eliminate risk entirely. However, visibility of these areas is essential, so that the Council can explore external options, such as insurance.



Dorcas Bunton
Chief Executive

Risk Management Strategy

1 Introduction

1.1 Purpose and objectives of the Strategy

The purpose of this Risk Management Strategy is to establish a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council and makes a real contribution to the achievement of the Council's vision and objectives. As a result, the objectives of this strategy are to:

- Define what risk management is about and what drives risk management within the Council;
- Set out the benefits of risk management and the strategic approach to risk management;
- Outline how the strategy will be implemented; and
- Identify the relevant roles and responsibilities for risk management within the Council.

Effective risk management will require an iterative process of identification, analysis, and prioritisation, action, monitoring and reporting of material risk. The processes required to deliver these objectives will need to ensure:

- Clear identification of corporate aims and priorities, service objectives and key actions.
- Specification of roles and responsibilities in respect of risk management activities.
- Consideration of risk as an integral part of corporate and business processes.
- Requirements to analyse, prioritise, respond to, monitor and report on material and significant risks.
- Specification of guidance and support arrangements to assist officers in their consideration of risk.
- Facilitation of shared organisational intelligence and learning.

Risks will be managed through a series of provisions applying at different levels. These include:

- Expression of the strategic risk tolerance in corporate aims and service plans through application of our risk scoring methodology.

- At operational level by budget allocation and monitoring through effective performance management arrangements.
- At project level through application of established risk assessment techniques in compliance with business continuity planning.
- Good corporate governance provisions as provided by the Governance & Resources Committee's Terms of Reference.
- Annual review of arrangements to assess against good practice (Chief Executive's Annual Report).
- Examination of corporate and insurable risks to identify risk reduction measures (Risk Continuity Group).
- Provide for risk assessment evidence in all decision making processes of the Council by inclusion in all Committee reports.
- Maintain documented procedures, toolkits and guidance for use across the Council by application of the risk register process and usage advice.
- Provide officers with suitable information and training to enable them to perform their duty (Risk Continuity Group).
- Make all partners, providers and delivery agents aware of the Council's expectations on risk, both generally as set out in the Risk Management Policy, and where necessary, in particular areas of service delivery

1.2 Risk Management Definitions

There are a number of ways in which organisations express risks and as a result, the risk management definitions can vary. Therefore, we have included a risk management glossary of the Council's risk management definitions.

A full glossary of definitions can be found in **Appendix B**.

1.3 What is risk management?

Risk can be defined as ***"a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders"***

Risk Management - Risk is unavoidable; organisations must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the organisation's objectives. It is measured in terms of consequence and likelihood.

The holistic approach is vital to ensure that all elements of the organisation are challenged including decision making processes, working with partners, consultation, existing policies and procedures and also the effective use of assets – both staff and physical assets.

The risks facing the Council will change over time, some changing continually, so this is not a one off process. Instead the approach to risk management should be continual and the risks and the approach to managing them should be reviewed regularly.

It is important to note that risks can also have an upside; their impact can in some cases be positive as well as negative. Risk is also often said to be the flipside of opportunity so the whole risk management process can also help the Council identify positive opportunities that will take it forward. Risk management needs to be seen as a strategic tool and will become an essential part of effective and efficient management and planning.

1.4 Why do we want (and need) to do risk management?

Risk management will, by adding to the business planning and performance management processes, strengthen the ability of the Council to achieve its objectives and enhance the value of the services provided.

We are required to do it - Risk management is something that the Council is required to do, for example:

- The CIPFA/SOLACE framework on Strategic Governance requires the Council to make a public assurance statement annually, on amongst other areas, the Council's Risk Management Strategy, process and framework. The framework requires the Council to establish and maintain a systematic strategy, framework and processes for managing risk.

Benefits of risk management - Successful implementation of risk management will produce many benefits for the Council if it becomes a living tool.

- Achievement of the Councils objectives and vision;
- A consistent approach to the way risks are managed throughout the Council;
- Improved informed decision making – risks reported and considered within Council decision making;
- Becoming less risk averse in innovation (because you understand) and hence are more innovative;
- Improved business planning through a risk based decision making process;
- A focus on outcomes not processes;

- Improved performance (accountability and prioritisation) - feeds into performance management framework;
- Better governance - and demonstration of it to stakeholders; and
- Helping to protect the organisation.

1.5 Where does risk management fit?

In short the answer is “*everywhere*”. Effective risk management should be applied within all decision making processes at an *appropriate scale*. So the risk management approach should encompass all types of risks and the table below may aid in the identification of risks to the Council.

Sources of risk	Risk examples
STRATEGIC	
Infrastructure	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
Legislative and Regulatory	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors).
Social Factors	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults ‘at risk’.
Technological	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration, cyber crime etc. Current or proposed technology partners.
Competition and Markets	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users (leisure, car parks etc.). Success or failure in securing funding.
Stakeholder related factors	Satisfaction of the Council’s taxpayers, Central Government and other stakeholders.
Environmental	Environmental impact from Council, stakeholder activities (e.g. pollution, energy efficiency, recycling, emissions, contaminated land etc.). Traffic problems and congestion.
OPERATIONAL (Internal influences)	
Finance	Associated with accounting and reporting, internal financial delegation and control, e.g. managing revenue and capital resources, taxation and pensions.
Human Resources	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
Contracts and Partnership	Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
Tangible Assets	Safety and maintenance of buildings and physical assets e.g. plant and equipment, ICT equipment and control

RISK MANAGEMENT POLICY & STRATEGY



Sources of risk	Risk examples
Environmental	Pollution, noise, licensing, energy efficiency of day-to-day activities.
Processes	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc.
Professional Judgement and Activities	Risks inherent in professional work, designing buildings, safeguarding vulnerable children and adults.
CORPORATE GOVERNANCE	
Integrity	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
Leadership	Reputation, authority, democratic changes, trust and branding.
Policy and Strategy	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
Data and information for decision making	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery.
Risk Management	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

There is therefore a consistent approach from the top to the bottom of the Council. So a mechanism will exist for risks to be escalated up (bottom up) within the Council whilst the top risks are also explicitly identified and managed (top down).

In practice this means that the Council will carry out risk assessments and develop the following risk registers:

- **Strategic Register** – the strategic, high level council risks related specifically to the Corporate Plan; and
- **Council Wide Risk Register (Operational)** – the risks facing the service and the achievement of its service objectives, as outlined in the Service Delivery Plan. Depending on the structure and complexity of the service there may also be a need/desire to have sub-unit risk registers which feed into the service risk register.

Given the changing landscape of local government the importance of projects and partnerships are ever increasing, so a more specific and tailored risk management approach is required.

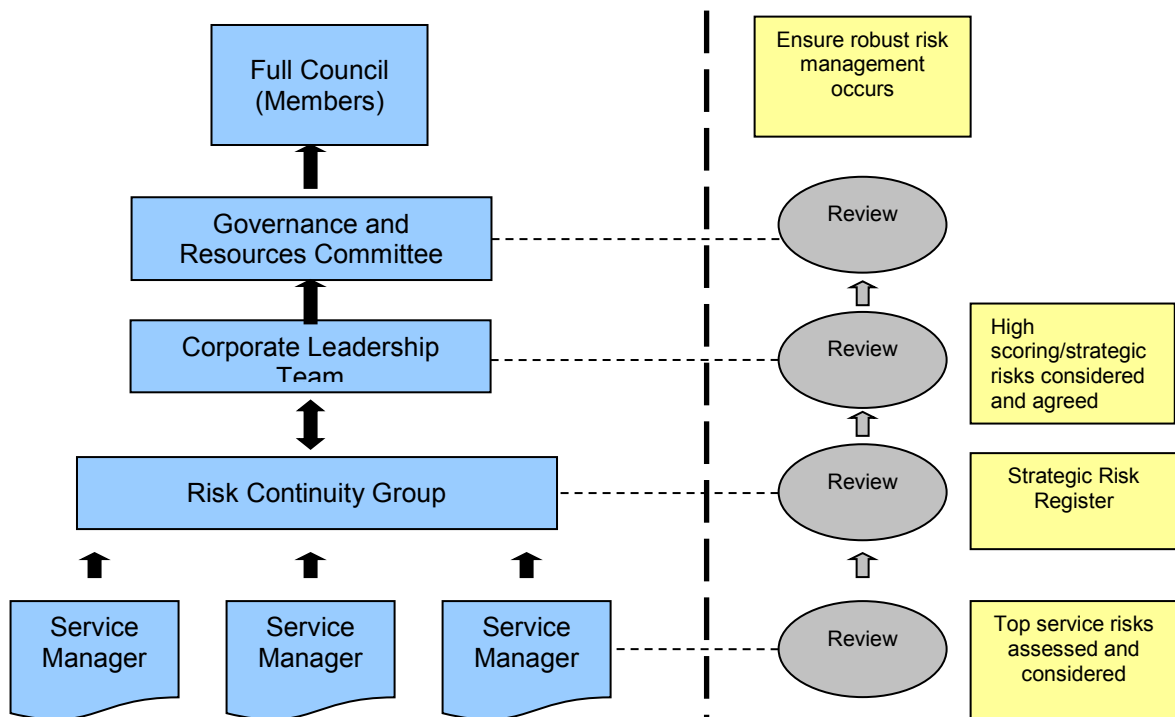
2 Risk Management Organisational Structure

2.1 Reporting structure

The risk management process is a continuous one and risks can therefore be reported at any time. However risks will be formally reported as follows:

- Service Managers are required to review and update the risks that sit within their service on a quarterly basis via the risk management database. These updates will be automatically fed into the Council wide risk register.
- On a quarterly basis the Risk Continuity Group (RCG) receives a copy of the Council's Strategic Risk Register as well as a summary report for challenge and consideration. The Corporate Leadership Team considers the Risk Continuity Group minutes following each quarterly meeting of the RCG.
- A risk management annual report is produced by the Risk Continuity Group to be reported to the Corporate Leadership Team and escalated to the Governance and Resources Committee. A copy of the Annual Report is given to all councilors via the Members' Portal.

The reporting structure is represented below:



3. Roles and Responsibilities

In cases of operational risk, risk management will follow existing service management arrangements. Strategic risk will be managed at Head of Service Level. The Risk Continuity Group will be accountable to the Corporate Leadership Team and will be the “driving force” behind developing and implementing the Council’s Risk Management Strategy. The constitution of the Group is shown at **Appendix C**. Heads of Service will nominate an officer to serve on the Risk Continuity Group to enhance the linkage between Service Line Managers and the Corporate Leadership Team.

Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions, they should be advised of the risks associated with recommendations being made as necessary. The Council needs to be able to demonstrate that it took reasonable steps to consider the risks involved in a decision. Risks must be addressed within Committee reports, as part of the corporate check.

There needs to be a balance between the efficiency of the decision making process and the need to address risk. All reports requiring “Key Decisions”, including new and amended policies and strategies, need to include a section to demonstrate that risks have been addressed.

The following describes the roles and responsibilities that Members and officers will play in introducing, embedding and owning the risk management process:

Group/ individual	Roles & Responsibilities
Members	<ul style="list-style-type: none"> ▪ Endorse the Risk Management Strategy; ▪ Agree the priorities determined by officers; ▪ Review the effectiveness of the risk management process; ▪ Governance & Resources Committee’s Terms of Reference include corporate governance provision; ▪ Receive reports from the Chief Executive (Officer with responsibility for risk management) stating whether effective risk management arrangements operate; ▪ Approve risk tolerance levels or the “risk appetite” of the Council i.e. the definition of high (red) risk, medium (amber) risk and low (green) risk as recommended by the Corporate Leadership Team; ▪ Consider the risks involved in making any decisions; ▪ Hold the Corporate Leadership Team accountable for the effective management of risk; and ▪ The Leader and Chief Executive approve the Annual Governance Statement, which is the public disclosure of the annual outcome of this assessment (the assurance statement), and publish in the annual Statement of Accounts.
Elected Members	<ul style="list-style-type: none"> ▪ Members are responsible for governing the delivery of services to the local community and have a responsibility to understand the risks that their Council faces and be aware of how these risks are being managed. One way of gaining assurance that identified risks are being effectively managed is by robust, constructive challenge and scrutiny.

RISK MANAGEMENT POLICY & STRATEGY



Group/ individual	Roles & Responsibilities
Corporate Leadership Team	<ul style="list-style-type: none"> ▪ Scrutinise significant risks in more detail as part of their annual work programme, as appropriate; ▪ Take corporate responsibility for risk; ▪ Address issues that cannot be addressed within service budgets or risk management fund of an extreme or high assessment; ▪ Receive report of all extreme or high assessments; ▪ Receive minutes of Risk Continuity Group meetings.
Risk Continuity Group	<ul style="list-style-type: none"> ▪ Oversee the Strategic Risk Register; ▪ Report to CLT at the defined frequency all highly scored risks; ▪ Prepare and recommend changes to the risk management strategy; ▪ Identify and assess risks; ▪ Prepare, monitor and review the strategic risk register; ▪ Recommend actions to address risks; and ▪ Arrange and provide risk management training as appropriate.
Chief Executive	<ul style="list-style-type: none"> ▪ Overall responsibility for ensuring that strategic risks are effectively managed within the Council; and ▪ Provide an annual statement of assurance on strategic risks.
Heads of Service	<ul style="list-style-type: none"> ▪ Review risk treatment schedules as identified by the line managers and team leaders; ▪ Champion and take overall responsibility for implementing the Risk Management Framework and embedding risk management throughout the Council. ▪ Review risk action plans and ensure they are implemented; ▪ Contribute towards the identification and management of operational risks for their service; ▪ Maintain awareness of and help promote the approved risk management strategy to all staff; ▪ Ensure that risks which have been identified are addressed and mitigated and that any high risks are addressed urgently; and ▪ Ensure that risk management is incorporated into service plans and project plans.
Line Managers & Team Leaders	<ul style="list-style-type: none"> ▪ Identify and analyse risks; ▪ Undertake assessments at service level; ▪ Evaluate risk/perform risk assessment ▪ Prepare risk register entries; ▪ Prepare the risk treatment schedule; and ▪ Prepare risk action plan.
All Employees	<p>All employees have a responsibility to:</p> <ul style="list-style-type: none"> ▪ Manage risk effectively in their job and report opportunities and risks to their service managers; ▪ Participate in risk assessment and action planning where appropriate; ▪ Adhere to Council policies and procedures; and ▪ Attend training and development sessions as appropriate
Project Leaders	<ul style="list-style-type: none"> ▪ Project leaders have a responsibility to ensure that the risks associated with their projects are identified, recorded and regularly reviewed as part of the project management process.

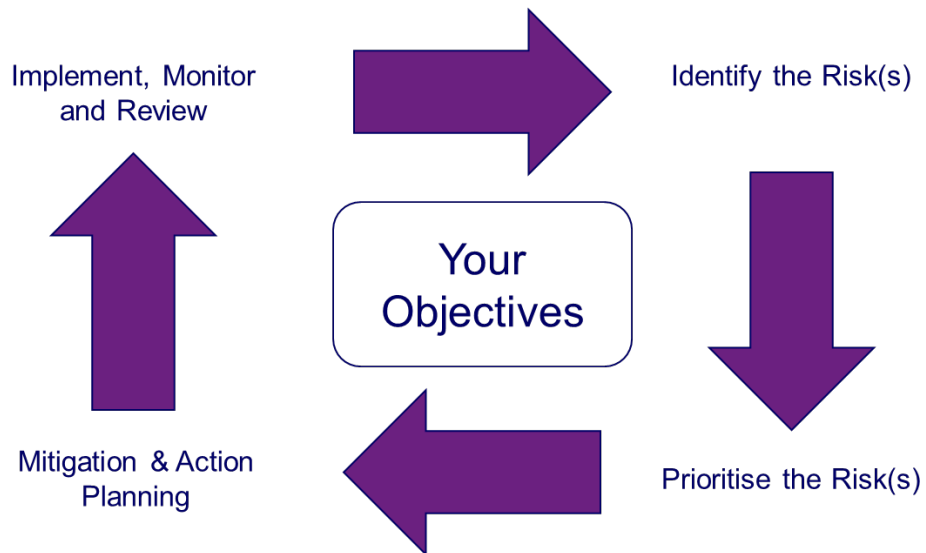
RISK MANAGEMENT POLICY & STRATEGY



Group/ individual	Roles & Responsibilities
Internal Audit	<p>Internal Audit's role is to maintain independence and objectivity. Internal Audit is not responsible or accountable for risk management or for managing risks on management's behalf. Internal Audit will:</p> <ul style="list-style-type: none">▪ Audit the risk management process;▪ Assess the adequacy of the mechanisms for identifying, analysing and mitigating key risks;▪ Provide assurance to officers and Members on the effectiveness of controls; and▪ The Risk Register will drive the Internal Audit Plan to ensure resources are used on the areas of highest risk and where the need for assurance is greatest.

4. Risk Management Process

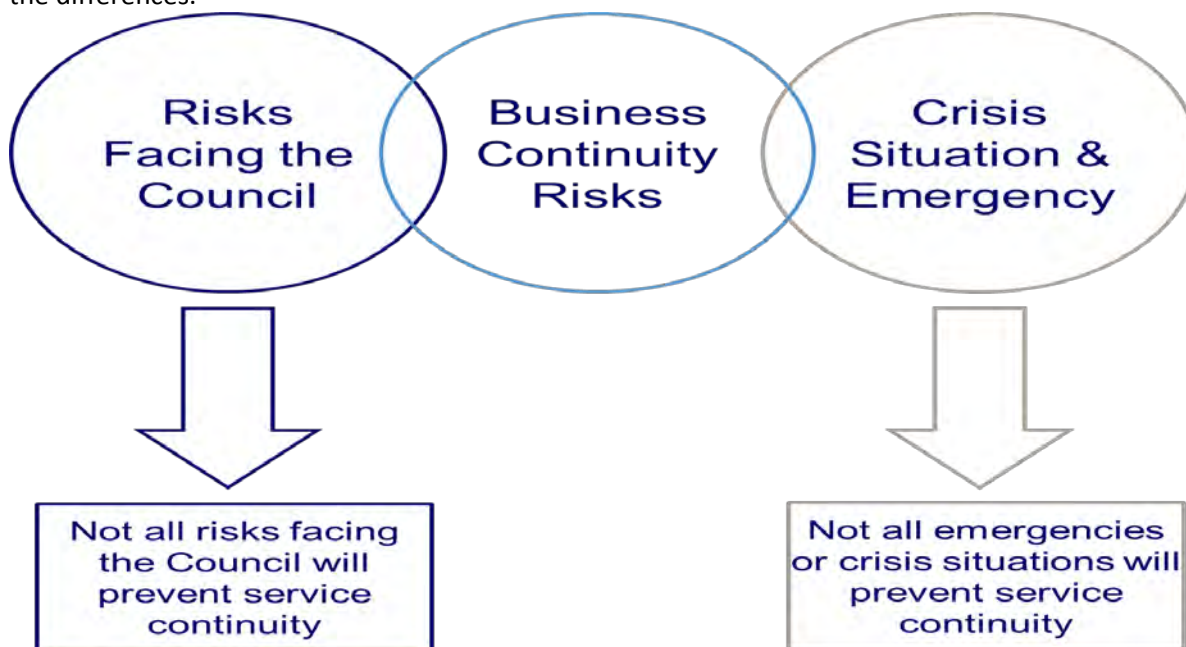
The risk management process follows a four step approach; these are indicated in the diagram below and should be driven by the Council's objectives.



5 Links to other Business Processes

Risk management, emergency planning and business continuity

There is a link between these areas however it is vital for the success of risk management that the roles of each, and the linkages, are clearly understood. The diagram below sets out to demonstrate the differences.



Risk management is about trying to identify and manage those risks which are more than likely to occur and where the impact on the Council's objectives can be critical or even catastrophic.

Business continuity management is about trying to identify and put in place measures to protect the priority functions against catastrophic risks that can stop the organisation in its tracks. There are some areas of overlap e.g. where the I.T infrastructure is not robust then this will feature as part of the organisation risk assessment and also be factored into the business continuity plans.

Emergency planning is about managing those incidents that can impact on the community (in some cases they could also be a business continuity issue) e.g. a plane crash is an emergency, it becomes a continuity event if it crashes on the office.

6. Communication

The Risk Management Strategy can be found on the Council's intranet site so that all members of staff can have access and easily refer to it. The strategy will be reviewed each year and following any key changes e.g. Central Government policy, inspection regimes and following any internal reorganisation. The Strategy will be re-issued annually via the intranet site.

7 Training

Training will be facilitated via workshops, learning pool etc., with a view to enabling all officers to confidently undertake the process of risk identification and mitigation within their service areas.

8 Monitoring of Risk

The Council will monitor risk in the following ways:

- Risk Assessments will be undertaken annually to reflect Service Plan Objectives and Key Actions.
- The Council risk register, both strategic and operational will be the prime record which contains risk assessments, mitigation controls and review frequency information in accordance with the Councils Risk Management Methodology.
- The Risk Continuity Group will comply with their Terms of Reference as defined in **Appendix C**.
- Internal Audit will review the Council's risk management arrangements as part of its strategic audit plan.

9 Conclusion

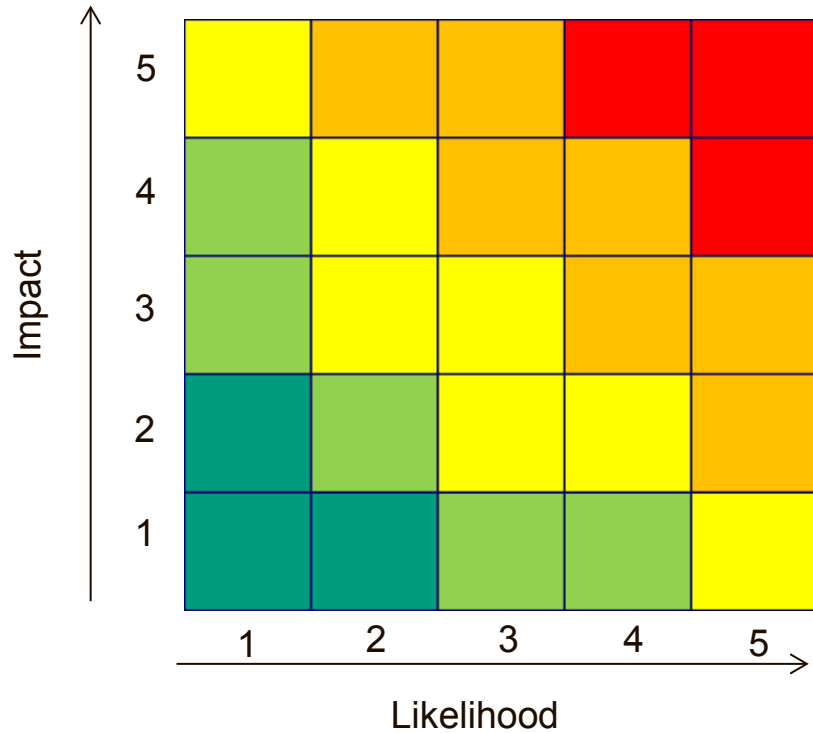
This strategy will set the foundation for integrating risk management into the Council's culture. It will also formalise a process to be applied across the Council to ensure consistency and clarity in understanding the role and benefits of strategic risk management.

The quarterly reporting and escalation of risks should interlock with the existing quarterly arrangements for performance reporting. The intention being that the management of risks incorporated into business plans so that by reporting on performance reports naturally progress on the mitigation of risks.

The adoption of the strategy will formalise the risk management work undertaken to date and will move the Council towards meeting the requirements of recognised best practice and inspection.

RISK MANAGEMENT STRATEGY

Appendix A – Risk Grading



1 Very Low	2 Low	3 Medium	4 Probable	5 High
Unable to recall previous event	Once in last 20 years	Occurred elsewhere in last 10 years	Happened in last 4 – 10 years	Happened once or more in past 4 years

Severity	Definition
5 Critical	<p>Personal safety – Death</p> <p>Financial loss – Over £250k for legal obligation claim/fine/custodial sentence, Business loss claim/fine/custodial sentence.</p> <p>Personal Privacy infringement – All personal details compromised</p> <p>Reputation – Officer/Members forced to resign</p>
4 Major	<p>Personal safety – Major injury</p> <p>Financial loss - Up to £100k - £250k for legal obligation claim/fine, Business loss claim/fine.</p> <p>Personal Privacy infringement – Severe personal details compromised</p> <p>Reputation – Local or public interest/National or press aware</p>
3 Possible	<p>Personal safety – Injury outpatients</p> <p>Financial loss - Up to £50k - £100k for legal obligation claim/fine, Business loss claim/fine.</p> <p>Personal Privacy infringement – Isolated, personal detail compromised</p> <p>Reputation – Subject to formal report to Council</p>
2 Unlikely	<p>Personal safety – Minor injury, not serious</p> <p>Financial loss - Up to £1k - £50k for legal obligation claim/fine, Business loss claim/fine.</p> <p>Personal Privacy infringement – Embarrassment, none lasting effect</p> <p>Reputation – Contained within section/Dept</p>
1 Rare	<p>Personal safety – Minor First aid</p> <p>Financial loss - Up to £1k for legal obligation claim, Business loss claim</p> <p>Personal Privacy infringement – Minor, none consequential</p> <p>Reputation – Minor, none lasting</p>

Appendix B – Risk Management Glossary

Risk	Risk can be defined as a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders.
Hazard	Anything that has the potential to cause harm.
Risk Management	Risk is unavoidable, organisations' must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the Organisation's objectives. It is measured in terms of consequence and likelihood.
Assessing risks	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of the Councils objectives.
Contingency	An action or arrangement that can be put in place to minimise the impact of a risk if it should occur.
Control (control measures)	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood.
Corporate Governance	Set of internal controls, processes, policies, affecting the way the Council is directed, administered or controlled.
Service risk	Significant operational risks which affect the day-to-day activities of the council.
Identifying risks	The process by which events that could affect the achievement of the Council's objectives, are drawn out and listed.
Risk Prioritisation	Risk prioritisation is the process used to evaluate the hazard/ risk and to determine whether precautions are adequate or more should be done. The risk is compared against predetermined acceptable levels of risk.
Impact	The effect that a risk would have if it occurs.
Issue	An event or concern that has occurred or is taking place and needs to be addressed (as opposed to a risk which has not yet, or might not, occur).
Consequence	A measure of the impact that the predicted harm, loss or damage would have on the people, property or objectives affected.
Likelihood	A measure of the probability that the predicted harm, loss or damage will occur
Risk Treatment	The action(s) taken to remove or reduce risks
Managing and controlling risks	Developing and putting in place actions and control measures to treat or manage a risk.
Control	The control of risk involves taking steps to reduce the risk from occurring such as application of policies or procedures.
Mitigation (Plan)	A strategy that reduces risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.
Objective	Something to work towards – goal.
Operational risk	Risks arising from the day to day issues that the Council might face as it delivers its services.
Overall risk score	The score used to prioritise risks – impact multiplied by likelihood.
Risk Assessment	Analysis undertaken by management when planning a new process or changing an existing procedure to identify risks that may occur, their potential impact and likelihood of occurrence. It will also identify the controls needed to control the risk and who is responsible for this.
Risk Register	A risk register is a log of risks of all kinds that threaten an organisations success in achieving its objectives. It is a dynamic living document which is populated through the organisations risk assessment and evaluation process. The risk register enables risks to be quantified and ranked. It provides a structure for collating information about risks.

Appendix C – Committee Terms of Reference

Risk Continuity Group Terms of Reference

1. GENERAL PURPOSE

1.1 The main purpose and objective of the Group is:

To proactively identify, understand and manage the strategic and operational risks inherent in the services delivered by the District Council and to adopt appropriate mitigation strategies.

1.2 The terms of reference of the Group are:

- a) To implement effective risk management as a key element of good governance and rigorous performance management;
- b) To discuss, agree and recommend as appropriate, all matters relating to risk policy and risk strategy in respect of the Council;
- c) To oversee all issues of risk, including implementation of the Council's Risk Management /strategy and to promote a holistic approach to the management of risk throughout the Council;
- d) To promote good risk management practices throughout the Council with the aim of reducing insurance claims and premiums while ensuring that there is adequate insurance cover;
- e) To reduce the risks within the /council's services to the benefit of staff and the public;
- f) To review the Corporate Risk Register and report issues arising to the Corporate Leadership Team;
- g) To provide a forum to discuss risk management issues and responsibilities throughout the Council;
- h) To annually review the role and function of the Corporate Hub.

2. ACCOUNTABILITY

2.1 The Group is accountable to and will report directly to the Corporate Leadership Team.

3. RESPONSIBILITIES

The Group is responsible for:

3.1 Monitoring the Risk Management Policy Statement and Strategy.

- 3.2 Reviewing the Council's strategic risk register and associated treatment schedules and action plans, acting as a forum for examining and rating risks and making recommendations to the Corporate Leadership Team.
- 3.3 Developing a comprehensive performance framework for risk management, and developing and using key indicators capable of showing improvements in risk management and providing early warning of risk.
- 3.4 Supporting the development of internal standards and procedures ensuring significant risk matters are addressed, developed and regularly reviewed.
- 3.5 Supporting the development and implementation of relevant training, awareness and education programmes.
- 3.6 Supporting the development and implementation of adequate, relevant and effective reporting, communication and information dissemination systems with managers and staff.
- 3.7 Ensuring that effective monitoring of near misses, untoward incidents, accidents, legal and insurance claims are undertaken and that the appropriate management action has been taken promptly.
- 3.8 Reviewing the results of investigations into untoward incidents, near misses and accidents and ensuring that the appropriate management action is/has been taken to minimise the risk of future recurrence.
- 3.9 At the direction of the Monitoring Officer assists in monitoring compliance with legal and statutory duties.
- 3.10 Providing quarterly reportage to the Corporate Management Team, of high scored risks as recorded in the Strategic Risk Register.

4. MEMBERSHIP

- Head of Regulatory Services
- Head of Housing
- Head of Regeneration & Policy
- Head of Corporate Services
- Head of Resources
- Head of Environmental Services
- Head of Community Development
- Accountancy and Exchequer Manager
- Head of Human Resources
- Corporate Director
- Business Continuity Management Representative
- Solicitor (as required)

Any of the above can nominate a representative to attend the Group and this individual's attendance should remain consistent.

The Group may also extend its memberships to leads or individuals where there are areas of high risks and or specialist knowledge.

5. QUORACY

5.1 The Chair plus three other members.

6. COMMUNICATIONS WITH OTHER GROUPS AND COMMITTEES

6.1 The Group will communicate with Council groups/teams, on any significant risk issues and any other internal or external agencies that may provide assistance.

6.2 The Group will send its minutes to the Corporate Leadership Team.

7. ATTENDANCE AND FREQUENCY OF MEETINGS

7.1 The Group will normally meet four times a year to enable reportage (minutes of the Group) to be provided to the Corporate Leadership Team, along with the refreshed Strategic Risk Register.

7.2 The Constitution and Terms of Reference of the Group will be reviewed annually by Corporate Leadership Team.

7.3 Members of the Group should attend at least 75% of meetings during the year.

BACK TO AGENDA