

Public Document Pack



Business Efficiency Board

Wednesday, 18 November 2015 at
6.30 p.m.
Civic Suite, Town Hall, Runcorn

A handwritten signature in black ink that reads 'David W R'.

Chief Executive

BOARD MEMBERSHIP

Councillor Joe Roberts (Chairman)	Labour
Councillor Martha Lloyd Jones (Vice-Chairman)	Labour
Councillor John Bradshaw	Conservative
Councillor Arthur Cole	Labour
Councillor Mike Fry	Labour
Councillor Darren Lea	Labour
Councillor Alan Lowe	Labour
Councillor Andrew MacManus	Labour
Councillor Tony McDermott	Labour
Councillor Norman Plumpton Walsh	Labour
Councillor John Stockton	Labour

Please contact Christine Lawley on 0151 511 8328 or e-mail christine.lawley@halton.gov.uk for further information.

The next meeting of the Board is on Wednesday, 24 February 2016

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. MINUTES	
2. DECLARATION OF INTEREST	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. PROCUREMENT STRATEGY 2013-2016 - UPDATE	1 - 13
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5. INFORMATION GOVERNANCE ANNUAL REPORT 2014/15	40 - 49
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7. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	

PART II

In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is **RECOMMENDED** that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.

8. INTERNAL AUDIT PROGRESS REPORT	54 - 117
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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation

procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Business Efficiency Board

DATE: 18 November 2015

REPORTING OFFICER: Strategic Director – Community and Resources

PORTFOLIO: Resources

SUBJECT: Procurement Strategy 2013-2016 - Update

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to provide an update on progress with implementation of the Council's Procurement Strategy 2013-2016, including targets and measurements, as at 31st October 2015.

2.0 RECOMMENDATION: That

- i) that the content and position statement regarding progress towards targets and measures are noted; and**
- ii) the Board approve the creation of a strategy for 2016-2019 to be drafted for approval by June 2016.**

3.0 SUPPORTING INFORMATION

Background

3.1 The Council's Procurement Strategy 2013-16 provides a structured approach to procurement, in order to ensure efficient processes are followed which will deliver reduced costs whilst maintaining or improving service delivery.

3.2 Halton continues to deliver savings from procurement as it moves into the final year of the three year strategy. The continued success have been delivered by full category management across all spend of the Council, where every opportunity has been sought to aggregate spend activity into contract arrangements. We have established robust controls driving full compliance and our ways of working already ensure full compliance with the new EU Public Contract Regulations 2015 (PCRs2015).

3.3 Risk Based Sourcing

The Council's approach of Risk Based Sourcing (RBS) continues to

bring process efficiency such as reducing officer time on procurement, speed of contract award and delivers full transparency. It also delivers benefits to the business community, in terms of quick and simplified ways to market which are open and transparent for all. This continues to deliver reductions in cost for client departments in their contract award values, as spending decisions are fully market tested.

- 3.4 This approach brings the best deal to the table, takes account of risk, and assesses and evaluates on both price and quality. This ensures the Council continues to receive high quality services and doesn't compromise on price. This has provided the 'vehicle for change' and allowed the Procurement Team to cover all procurement across the Council.

Key Highlights

- 3.5
- The Risk Based Sourcing approach has delivered 10% cost reductions on average.
 - Through the introduction of process efficiencies it has been possible to reduce the Procurement Division's numbers.
 - All external spending by the Council is captured within the procurement processes, totalling around £93m.
 - Category management is operated, which identifies similar categories of spend for which aggregate contracts are sought in order to obtain lower costs.
 - Transparency of opportunity is maximised by advertising all opportunities on the Chest for spend above £1,000.
 - Risk assessment is applied at the commencement of procurement activity. This allows an assessment to be undertaken based upon risk rather than value, and thereby approach the market to secure the best deal in terms of both price and quality.
 - The Social Value Framework is applied wherever possible. To date this has been applied to twenty procurement exercises and there is a rolling programme to maximise Social Value gain where we can and to capture and quantify this gain for Halton.
 - 87% of the Council's spend is in contracts with SMEs nationally.

External Partners

- 3.6 The Procurement Division continues to work with other public sector

partners, by leading, guiding, aligning processes, rules and practices. This has proved successful both in terms of income generation and assisting other organisations to benefit from our expertise of improved commercial procurement practice. It has also helped to build stronger relationships, particularly with Halton CCG and our neighbouring councils.

Regional Approach

- 3.7 The Local Government Association produced a National Procurement Strategy for Local Government in 2014 (www.local.gov.uk/web/lg-procurement). This outlines four key areas of which Partnership and Collaboration is at the forefront to deliver further cash savings. As part of the Council's current strategy item 5a is to "Review our relationship with the Merseyside Procurement Partnership". This review is a key driver for the Council in terms of identifying further opportunities for procurement savings.
- 3.8 It would be possible to gain economies of scale through working with neighbouring Councils to procure on a larger scale and thereby achieve improved contract prices. But also to undertaking contract reviews and enter into dialogue with existing suppliers operating across a number of councils, to secure improved prices.
- 3.9 A more formal working relationship within the Liverpool City Region, with one or more partners, will enable us in having greater influence within the market and thereby negotiating better contract prices.
- 3.10 Work is underway within the Liverpool City Region to explore the scope for collaboration through shared services. One of the key workstreams being considering is procurement and an Outline Business Case is currently being prepared to assess what potential opportunities may exist.

2015/16 Progress to Date

- 3.11 During the current final year of the Procurement Strategy the focus is upon maintaining the Council's practices, continuing to retain full compliance, and delivering further savings through Risk Based Sourcing. In future the Council will possibly need to seek greater collaboration, in order to achieve economies of scale and continue to deliver savings on a significant scale. This approach will be reflected in the updated Strategy for 2016-2019.
- 3.12 Appendix 1 presents an update of progress against the targets and measures contained within the Procurement Strategy 2013-16.

2016 – 2019 Procurement Strategy

- 3.13 The Council's Procurement Strategy 2016-2019 will need to reflect

the changing local government landscape and the financial challenges being faced. The Strategy will be underpinned by the current national direction of travel as highlighted within the Local Government Association's (LGA) National Procurement Strategy referred to in paragraph 3.7 above.

3.14 The LGA's Strategy focuses upon four key areas;

- Making Savings
- Supporting Local Economies
- Leadership
- Modernising Procurement

3.15 Halton's approach is well developed in most of these areas and it can be clearly evidenced that the Council's procurement 'journey' over the past few years has been at the forefront of procurement developments nationally. The Council's current position by comparison to the LGA Strategy is as follows;

Category Management	Fully embedded within the procurement division work practices.
Partnering and Collaboration	This has been done historically on a voluntary basis and without a strategic vision or plan. The relationship with partners in being reviewed in order to explore the 'art of the possible' as a collective group.
Contract Management	The Procurement Division does undertake commercial contract management which involves; monitoring savings and contracts which drive work planning.
Performance & Transparency	We have exceptional spend data that provides us with robust intelligence that drives procurement work plans, aggregates spend opportunities, categorises supplier data and ensures we are fully compliant with the Transparency Code.
Risk Management	Our whole concept of procurement commences with a risk assessment, we have clear segregation of duties and we have been audited recently on Bid Rigging. We are due a visit from National Audit Office

	(NAO) visiting in November 2015 who is interested in our SME and Voluntary Community Social Enterprise sector (VCSE) work.
Demand Management	Worked closely to develop and educate commissioners and buyers in reviewing alternative ways to meet user needs in order to reduce costs and make savings.
Economic, Environmental and Social Value in all contracts	Work in progress – a Social Value (SV) Procurement Framework is in place. We also have a SV Policy and Charter which has been developed in conjunction with Halton CCG.
Improving access for SME's and VCSE's	Our statistics prove our business engagement campaign was robust, effective and on-going. We still have the challenge of increasing our local spend in Halton but with a more regional approach to procurement can only benefit Halton and LCR businesses/VCSE sector. We have a Social Value Procurement Framework in place now and we are applying this where appropriate.
A Single Cohesive Voice	We sign up to central government policy and recommendations and are ahead of the new PCRs2015.
Commitment from the Top	Absolutely in place in Halton BC.
Commissioning	We work across the whole council all spend all categories. Our relationship with commissioners and buyers is clear and robust.
Commercialisation and Income Generation	Our procurement approach is based on a commercial model; we have delivered income from 'selling' our award winning concepts to other public sector partners. We are developing ways of building in rebates into contracts and to add social

	value gains. Work in progress.
Supplier Innovation	Needs further development and more pre-procurement activity, such as meet the buyer events
E-Procurement	Continuous improvement remains at the forefront in terms of using e solutions, driving e payments into contracts etc.
New EU Directives	We are 'Ahead of the curve'!

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 The Council's Procurement Strategy 2013-2016 supports the direction of travel for procurement improvement for Halton BC. Without this strategy the Council would not move forward and make savings through procurement which is fundamental as part of the overall Council's financial Plan.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The Procurement Strategy is designed to improve procurement practice across the Council, in order to reduce costs associated with procurement processes and to realise budget savings from more robust procurement activity. This supports the achievement of all of the Council's priorities.

6.1 **Children & Young People in Halton**

6.2 **Employment, Learning & Skills in Halton**

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

7.0 RISK ANALYSIS

7.1 Given the financial constraints facing the Council, failure to identify and realise savings from more robust procurement practice may result in the Council not achieving budget savings targets. The Procurement Strategy and procedures surrounding it are designed to ensure that efficient procurement practices are operated across the Council.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Procurement Strategy 2013-2016	Procurement Division, Kingsway House, Widnes	Lorraine Cox, Divisional Manager Procurement

Procurement Strategy 2013-2016
Targets and Measurements
Bi-Annual Report – Position as at October 2015

Building Block	The What	Report Oct 2015 End of year 2 (2013-16)																
<p>1. Organisation: The Council continues to recognise that procurement is a strategic function and is committed to placing it at the centre of its activities</p>	<p>a. Support from Elected Members, Business Efficiency Board and Management Team</p> <p>b. Implementation of Public Service (Social Value) Act 2012.</p>	<p>The Council continues to support the Procurement Strategy and recognises commercial procurement as a strategic function.</p> <p>As reported in June 2015, we continue to apply where appropriate, Halton’s Social Value (SV) Procurement Framework.</p> <p>Since June 2015 Social Value has been applied further to the following procurement activities:</p> <ul style="list-style-type: none"> • Support for Halton Lodge YMCA • Supported Accommodation for Vulnerable Adults • Housing Related Support for Grangeway Court • Level 3 Healthy Weight Management • Early Help, Employment, Debt and Benefits Advice • Specialist Community Substance Misuse Service for Adults • Widnes Market Winter Events <p>Some SV gains:</p> <table border="1" data-bbox="1055 1038 1872 1313"> <thead> <tr> <th>Output</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Work Placements provided including Social Work</td> <td>6</td> </tr> <tr> <td>Employment opportunities created</td> <td>13</td> </tr> <tr> <td>Work Placement days</td> <td>232</td> </tr> <tr> <td>Welfare Right Surgeries provided</td> <td>30</td> </tr> <tr> <td>Young People provided with First Aid training</td> <td>37</td> </tr> <tr> <td>Young People recruited into service providers</td> <td>8</td> </tr> <tr> <td>Schools supported with career advice and mock interviews</td> <td>4</td> </tr> </tbody> </table> <p>Halton BC’s Social Value Charter was approved by Executive Board 3rd September 2015; Halton</p>	Output	Number	Work Placements provided including Social Work	6	Employment opportunities created	13	Work Placement days	232	Welfare Right Surgeries provided	30	Young People provided with First Aid training	37	Young People recruited into service providers	8	Schools supported with career advice and mock interviews	4
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		Strategic Partnership Board, 9 th September 2015 and has been adopted by Halton Clinical Commissioning Group Governing Body 1 st October 2015.
2. Governance and Process The Council will improve further its governance and processes to deliver greater efficiencies and streamlined procurement practices	a. Annual review of Procurement Standing Orders	Since we last reported to BEB in June 2015 there has been no change to Procurement Standing Orders. These were last updated and approved as part of the annual Constitution review which came into effect 25 th April 2015.
	b. Continue to ensure procurement practices are efficient and remove any unnecessary activity for spend below EU value Thresholds	<p>3rd party Spend for April 2014 - March 2015 equates to £93,164,346/Suppliers – 2198. See breakdown below: (as at 28.9.15)</p> <ul style="list-style-type: none"> • Above EU (£172,514) £71,768,265 • Between £1K and EU £21,098,800 • Below £1K £ 297,281 <p>We have since ‘cleansed’ the £21M of spend between 1K and EU£. This has now reduced the non-contracted element from £12M to £9.3M. Our focus is now to ‘cleanse’ the final £9.3M further in order to ‘reach’ every £ in Halton so we either have a contract in place, or a PO for one-off procurement or use where appropriate other frameworks. All spend above £1K is procured via the Chest.</p>
	c. Maintain risk based sourcing (RBS) approach for all spend from £1,000 up to EU value thresholds.	<p>2014/15 financial year we processed £2.1M using RBS – resulting in cost avoidance of £227K. This delivers on average a 10% saving.</p> <p>The efficiency gain from using RBS has provided cost reduction as outlined above but its power comes from acting as a ‘change agent’ which has enabled us process all below £EU Threshold procurement activity quickly and proportionate to risk which ultimately has allowed the division to work across the whole council spend, capital and revenue. The process efficiency gain from using RBS is considerable and Council officers have benefited from the speed to market and this has also driven full compliance and reduced the number of waivers.</p>
	d. Ensure we strive to push all spend above £1,000 via The Chest (25% represents £5M of spend via the Chest (low value spend) – this delivers approximately £500K of cost reduction)	<p>All spend above £1K is procured via the Chest, we monitor this and the Agresso system ‘captures’ all non- contracted purchase order requisitions and drops them into a ‘funnel’ workflow which is then scrutinised by the procurement division.</p> <p>April 14 – March 15 – captured 488 , value £7.1M</p> <p>The scrutiny confirms: Is there a contract in place? If so the contract register is updated; or we direct the officer to procure via the Chest;</p>

		<p>Or advise that the officer considers applying for a waiver.</p> <p>Waivers in 13/14 (below £20k) 46 approved (Head of Procurement approval) Waivers in 14/15 (below £50K) 60 approved (Head of Procurement approval) Waivers in 15/16 (below £50k) 90 approved (Head of Procurement approval)</p> <p>All of the above confirms full compliance.</p>
	e. Deploy a Best and Final Offer (BAFO) approach where possible, to ensure we take every opportunity to drive the price down whilst maintaining quality in a controlled and fully auditable environment	BAFO isn't 'all that'! So we use it where we can to do a final stage negotiation. It at least keeps the team sharp in their commercial practice.
	f. Continue with the scrutiny role by Business Efficiency Board (BEB) and report biannually against this strategy	This report evidences the bi-annual report to BEB for scrutiny.
<p>3. Demand Management The Council will continue to secure improvement in procurement in engagement by securing full compliance with Standing Orders</p>	a. Continuous review of spend analysis which will aid procurement planning across the organisation and with public sector partners to identify opportunities, prioritisation and to secure savings	<p>We have full visibility of spend which is proving exemplar as we work more closely with regional partners.</p> <p>Agresso system now truly reflects the supplier, contract information, SME categorisation coding for use when strategically bench marking and planning procurement activity and opportunity. The SME data even captures Micro organisations and local post code.</p> <p>Our contract register is fully visible to suppliers via the Chest and contains over 241 contracts to date.</p> <p>We have adopted a full category management approach now across the team so the team become 'spend experts' and fully aggregate the opportunities across the Council.</p>
	b. Continued development of the capacity and capability of the	Current Staff FTE is 12.5 FTE. Officers either CIPS qualified or working towards CIPS Levels 4, 5 and 6 is seven. As well as three officers working towards Supply Chain Management NVQ Level 4 and 5.

	Procurement Division through training and study Chartered Institute of Purchase and Supply (CIPS) subject to available resources. This will ensure the division is educated and skilled to manage procurement demand	Other relevant qualifications gained: 2 officers Qualified - Practitioner Prince2 3 officers Qualified in Collaborative Transformation Architects (CT Prac)
	c. Continuation of a communication and education strategy internally to up-skill and educate the wider workforce	Since June 2015 we have delivered: <ul style="list-style-type: none"> Bespoke Procurement Workshop for Community Development Team Procurement session is now included on the Councils ILM Level 5 Programme We plan to deliver internal workshops early in 2016 on the new Public Contract Regulations which came into effect February 2015. All of the Procurement Division is fully aware and a versed with these changes and Halton is fully complaint with the changes and the Lord Young's Reform.
4. Market Engagement/Supplier Relationship Review (SRR) Halton will commence a review through a structured approach to developing supplier relationships in order to review overall business relationships, contractual arrangements, specifications, rates and expected outputs in order to mutually agree benefits which will result in savings for the Council as the customer. This will deliver greater value, meet strategic objectives and add Social Value. This will have greater leverage if we work with public sector partners.	a. Development of a work stream to undertake a structured review of SRM across the organisation and where possible with public sector partners	This structured review has commenced with a few pilot projects. We will be reviewing our contract register and then undertaking a supplier-match for the larger expenditures with other willing LCR partners. This will potentially give is greater 'negotiation' power.
	b. Continuing with SME and Community and Voluntary Sector (CVS) engagement both locally and regionally in order to train, support and	We continue to offer procurement support to the VCSE sector through Halton and St Helens VCA. To date 5 local organisations have achieved the full Star Standard, 6 are being revalidated and a further 10 working towards the Foundation Stage Award. 2 Organisations who have achieved the Star Standard have been awarded contracts using our

	develop a 2-way approach where we learn together and to underpin SRM	procurement process which allows a degree of flexibility for the VCSE Sector
	c. Support the Liverpool City Region (LCR) Charter for Employment and Skills through Procurement	Employment and Skills now features as one of the elements of Devolution. We will continue to support our Halton and LCR colleagues through Social Value gains particularly focussing on employment and skills. We are aiming to also consider a more robust way via procurement to develop stronger local supply chains as a contract clause.
<p>5. Category Management</p> <p>The Council will continue with a Category Management approach to procurement by aligning business requirements across the organisation. It will continue to work with wider public sector partners in order to gain greater leverage, add value and maximise savings as we are too small to do this alone.</p>	<p>a. Review our relationship with the Merseyside Procurement Partnership (MPP) – Members: Halton; Sefton; Liverpool; St Helens; Knowsley; Wirral; CW&C; Mersey Travel and Mersey Fire & Rescue. Re-establish with partners the commitment, purpose, accountability of this regional work stream in order to progress a category management approach based around geography rather than organisation.</p>	<p>We have fully embedded a category management approach across our Halton Procurement Division. The next step would be to develop regional relationships with partners in LCR to consider a regional approach to category management to directly deliver wider opportunity; drive economies of scale and be a ‘bigger buyer’. This has been done historically on a voluntary and informal basis. There is an ambition to create an Outline Business Case for regional procurement which is being led by Eric Robinson (CEO Wirral). Halton’s Head of Procurement represents Halton on this working group.</p> <p>We have been working closely aligning our Procurement Standing Orders, processes and practices as part of a commissioned role with Sefton MBC and this relationship is continuing. We have also undertaken a similar commission to support Cheshire East Council.</p>
	b. Further strengthen our relationship with Clinical Commissioning Groups to secure future trading relationships	We continue to provide ad hoc Procurement Support to Halton CCG and in October 2015 generated a further £10,000 income.
<p>6. Purchase to Pay/ e Procurement</p> <p>Halton will continue with the development of P2P</p>	a. Review P2P processes to secure full compliance	We continue to work closely with the P2P Division driving e-payments though procurement.

and e procurement solutions to control compliance within the organisation, improve payment terms to secure a seamless end-to-end process.	across the organisation	
	b. Support business process improvement to enable early payments to SME's	<p>Public Contract Regulations 2015 require all suppliers to be paid within 30 days which we adhere to.</p> <p>Procurement include different options available to suppliers of quicker payment terms within tendering opportunities, from either:</p> <ul style="list-style-type: none"> • Early Payment Scheme – this has recently resulted in a projected £16k efficiency saving for the council and a 5 day payment to one of our Catering suppliers over the next 12 months. • Procurement Card – online ordering in return for 3 days payment terms to suppliers

REPORT TO: Business Efficiency Board

DATE: 18 November 2015

REPORTING OFFICER: Strategic Director – Community & Resources

PORTFOLIO: Resources

SUBJECT: Corporate Risk Register – Progress Commentary

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To report on the progress of actions in the Corporate Risk Register for 2015/16.

2.0 RECOMMENDED: That

- 1) the progress on actions are noted;**
- 2) the Board reviews the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements; and**
- 3) the Board make such recommendations to the Executive Board as is necessary and appropriate.**

3.0 SUPPORTING INFORMATION

3.1 The report contains a progress commentary on the actions taken in relation to the corporate risks for this year.

3.2 The Council recognises that it has a responsibility to manage both internal and external risks as a key component of good corporate governance.

3.3 Risk is defined as being the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk Management is defined as the process by which risks are identified, evaluated and controlled.

3.4 At Directorate level, arrangements are in place for the high-risk mitigation measures on the Directorate Risk Registers to be reviewed and updated at mid-year in line with Directorate Business Plans. Progress on these is reported to Management Team and Policy and the Performance Boards.

3.5 Directorate Risk Registers inform the Corporate Risk Register, which ensures that the council maximises its opportunities whilst minimising and controlling the associated risks in delivering the council's vision and services for Halton.

3.6 The Corporate Risk Register and subsequent progress updates have been completed in consultation with internal stakeholders.

3.7 The risks have been grouped in order of priority; in the first instance relating to 'Unmitigated Risk Scores' and then 'Mitigated Risk Scores'. As prioritised the headings together 'Mitigated Risk Scores' are as follows:

- i. **Budget Reductions** (16:12);
- ii. **Capacity and Resilience** (16:12);
- iii. **Safeguarding Children and Adults** (16:12);
- iv. **Community Expectations** (12:9);
- v. **Mersey Gateway** (12:4);
- vi. **Partnerships** (12:4);
- vii. **Architectural Landscapes** (12:3);
- viii. **Fraud** (9:9); and
- ix. **Funding and Income Generation** (9:4).

4.0 POLICY IMPLICATIONS

4.1 Risk Management provides a framework through which the Council effectively manages the actual and potential opportunities and threats that may affect the achievement of its strategic priorities and operational objectives.

5.0 OTHER IMPLICATIONS

5.1. Failure to manage corporate risks could lead to a loss of reputation for the Authority, financial loss or service failure.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 The management of business risks is important in order to support "corporate effectiveness and business efficiency" (the sixth priority in the Corporate Plan).

7.0 RISK ANALYSIS

7.1 Failure to review and monitor the performance of the Corporate Risk Management could result in service development opportunities being lost and existing service delivery being compromised.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Within the risk register there are a number of implications for Equality and Diversity issues, e.g. Budget Reductions and Capacity and Resilience. It is important that equality impact assessments continue to be undertaken in such circumstances.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 There are no relevant background documents.

Corporate Risk Register

Lead Strategic Director: **Ian Leivesley**

Risk Management Coordinator: **Tony Dean**

Initial Register Completion Date: **November 2011**

Register Review Date: **March 2016**

Progress update: **November 2015**

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BUDGET REDUCTIONS

Item	Identified risk	Impact ¹ (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
1	Failure to effectively align resources to corporate objectives and strategic requirements leads to a lack of focus on priorities resulting in failure to deliver objectives and the possibility of varying degrees of challenge	4	4	16	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Financial Planning is undertaken to compare available financial resources with spending requirements over the medium term (3 years), resulting in preparation of the Medium Term Financial Strategy which allows overall budget gaps to be identified at an early stage and appropriate plans put in place to tackle them Effective Business Planning to ensure that appropriate resources are directed towards the Councils key strategic priorities Budget setting is aligned to the annual Business Planning Cycle in order to ensure that the value of financial resources are maximised Budget Risk Register works in conjunction with the Budget Setting Cycle to ensure that emerging budget risks are identified together 	4	4	12	6 monthly	Strategic Director Policy & Resources (Ian Leivesley)

¹ For scoring mechanism see Appendix 'A'

<p>with relevant mitigating measures</p> <ul style="list-style-type: none"> • Explore the potential for collaboration with neighbouring Local Authorities • Develop iterative processes to ensure that opportunities for partnership working are explored and, where appropriate, embraced 					
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Progress Commentary as at 15th September 2015
1. Budget Reductions

- The Directorate Business Plans are aligned with the annual budget process
- Key service objectives and performance targets follow the determination of annual Directorate Budgets and take account of available resources
- The development of the plans take account of existing statutory responsibilities and the Corporate Priorities of the Council
- Budget Working Group have considered and approved the 1st tranche of budget savings proposals for each Directorate and the 2nd tranche was taken to the group in September
- A Members seminar took place at which consideration was given to the assumptions included in the financial forecast and to determine a measured risk approach in reducing the scale of budget gaps for the next two years
- Examples of shared services include Strategic Director and Procurement team supporting neighbouring Authorities

CAPACITY AND RESILIENCE

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
2	Inability of the Council to sustain the delivery of services and respond to emergency situations in line with Council Priorities as a result of the impact of budget cuts	4	4	16	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Maintain a supportive working environment through shared service organisational ethos, pride and value across Members, staff, management, Unions and partners • Focus delivery of performance on the council's corporate vision and key strategic priorities leading to a clearly understood and shared set of priorities • Emphasis on management and leadership standards with recognition of the challenges faced by the Authority leading to managers who are able to direct, inform, develop and support staff • Maintain a workforce that are skilled, informed, flexible and competent in order to ensure that they deliver efficient and effective services 	4	4	12	6 monthly	All Strategic Directors

Progress Commentary as at 15th September 2015

2. Capacity & Resilience

- The priorities of the Council are cascaded down into the action plans of Directorates, Departments, Teams and individual members of staff thereby realising the alignment of day to day activities and strategic priorities of the Council
- Quarterly Performance report identifies key developments on emerging issues and also progress on performance of the Councils Strategic Plan
- Efficiency reviews take account of critical front-line services. As a result some reviews have recommended the redeployment of resources to front-line services and have made greater savings from non front-line services
- New Policy, People, Performance and Efficiency Division established that is intended to provide an integrated and multidisciplinary approach to meet both corporate and Directorate needs
- Corporate Stress Survey conducted this year and results included 'over 87% of respondents felt that they were able to approach their manager for support during times of stress' and '72% feeling that their workload is achievable during a working day'. The latter mirrors the staff survey conducted last year where 70% of staff agreed that they could meet job requirements without working excessive hours

SAFEGUARDING CHILDREN AND ADULTS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
3	Inability to support and protect children and adults to ensure that they are healthy, safe and have the opportunity to reach their potential	4	4	16	A Healthy Halton / Employment, Learning and Skills / Children and Young People / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Halton’s Children’s and Adult’s Safeguarding Boards fully operational with appropriate resources and are operating within statutory guidance and towards identified priorities • Representatives from the Children’s and Adult’s Safeguarding Boards to work in partnership through attending corresponding boards • Children’s and Adult’s Safeguarding Board’s to work with strategic groups within the Borough to ensure accountability and effectiveness of safeguarding • In order to provide a multi-agency response to the needs of children at risk of or being sexually exploited, multi agency team initiated overseen by project board • Improve the health and wellbeing of children and adults through early intervention and treatment services delivered in house and externally via a range of providers and partners 	4	3	12	6 monthly	Strategic Directors – Communities (Dwayne Johnson) & Children and Enterprise (Gerald Meehan)

Progress Commentary as at 15th September 2015

3. Safeguarding Children and Adults

- Halton's Integrated Children's and Adult's Safeguarding Boards are fully operational. They are operating within statutory guidance and are providing resources as required
- Representatives from the Children's and Adult's Safeguarding Boards work in partnership and attend at corresponding boards. They have reciprocal arrangements including joint training events and assisting each other to carry out objective audits
- The Care Act 2014 introduced new legislation to protect vulnerable adults and policies are currently being developed in relation to specific aspects, e.g. Modern Slavery and People Trafficking
- Peer Review of Adult Services to be conducted in the new year
- Children's Board monitors work around the implementation of the Ofsted action plan and continues to work with strategic groups within the Borough to ensure accountability and effectiveness of safeguarding. This includes a programme of randomly selected audits of the management of cases
- Children's Board produces an annual report containing priorities and includes measurement on the effectiveness of arrangements. Progress is tracked via the HSCB Business Plan
- Child Sexual Exploitation in Rotherham report (Children Services Network - Alexis Jay) publicised. The Children's Safeguarding Unit has initiated a multi-agency group consisting of Health and Social Care and Police representatives to evaluate the implications for local practice. There are quarterly reports taken to the Children's Board to monitor the effectiveness of the Unit

COMMUNITY EXPECTATIONS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
4	Failure to effectively realise community expectations could lead to damage to the Authorities reputation and credibility resulting in negative views towards the transparency of the decision making process	4	3	12	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Consultation and community engagement embedded in the partnership constitution • Utilise recognised mediums to identify, communicate and coordinate community expectations and priorities. These include: <ul style="list-style-type: none"> Surveys; Customer analysis; On line services including consultation finder; Area Forums; Local and social media; Target consultation exercises for specific projects; Engagement through the activities of the specialist Strategic Partnerships; Service user groups; Elected member surgeries; and 	3	3	9	6 monthly	All Strategic Directors

<p>Other meetings</p> <ul style="list-style-type: none"> • Conducting Equality Impact Assessments with new and revised Policies • Honesty and integrity by the Authority in communicating with the public having regard to reducing budgets including promoting a self-help agenda • Any decisions to cease or amend service provision that has a significant impact on communities; early warning of intended actions through direct engagement with relevant communities to invite views 					
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Progress Commentary as at 15th September 2015

4. Community Expectations

- Customer Intelligence Unit (CIU) is directed by services to carry out consultations to assess customer feedback about a particular service or activity
- CIU has the ability to increase public consultation, thereby assisting to facilitate public involvement in decision making
- The CIU is utilising social media to collate information from over 22,603 followers and is producing annual reports. This also assists to expedite communications and also identify trends of community concerns, which are subsequently forwarded to relevant managers for their attention
- Website is regularly updated with the latest Equality Impact Assessments around any changes to policies and services
- Examples of use of recognised mediums:
 - Surveys
 - Library Survey
 - Pharmaceutical needs survey
 - Area Forums
 - Ongoing including budget consultation
 - Local & Social Media
 - Ongoing including publicising roadwork's on highways and the bridge
 - How much does your council tax pay for

- Monitoring of social media information around the incinerator
- Green Bin subscription

MERSEY GATEWAY

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
5	Lack of effective management of, and adherence to governance arrangements / contractual requirements, which could lead to either delays or increased project costs. In addition these could also lead to adverse publicity and reputational risks to the Council	4	3	12	Environment and Regeneration / Employment, Learning and Skills

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Dedicated company (Mersey Gateway Crossings Board Ltd) now established, with suitably experienced staff and directors, both Executive and Non-executive, and supported by class leading professional advisers. The relationship between Council and MGCB is detailed within a Governance Agreement CEO of the Council is also the acting interim CEO of Mersey Gateway Crossings Board Ltd for two years Routine project assurance monitored through external bodies including specialist non-executive directors and advisers on the Board of Directors of MGCB, external Gateway Reviews (4Ps) Department for Transport and HM Treasury scrutiny at specific project milestones Delivery within the Funding Framework agreed with Government that is reviewed at regular intervals and managed through the Mersey 	4	1	4	6 monthly	Chief Executive (David Parr)

<p>Gateway Crossings Board's Risk Register, which is reviewed regularly by both the Audit Committee and the Board of Directors</p> <ul style="list-style-type: none"> Maintenance of effective relationships with Government Departments (as co funders for MG) maintained by both Department for Transport and HM Treasury being represented on the Board of Directors of MGCB 					
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Progress Commentary as at 15th September 2015

5. Mersey Gateway

- The Mersey Gateway Crossings Board Ltd has been established as a special purpose vehicle and is fully staffed
- Procurement of Technical Advisor completed
- The Mersey Gateway Crossings Board has established its own Audit Committee which is responsible for reviewing the Board's internal financial controls and the Board's internal control and risk management systems
- The external auditors have completed the 1st audit of accounts and Board has been given a 'clean bill of health'
- Monthly meetings take place between Board and Project Company on progression of project
- Board of Directors includes non-Executive Directors, who are able to observe progression of project
- Mersey Gateway Risk Register identifies contractual risks within project agreement and underlines that the balance of risks will be passed back to project team if the project remains 'as is'

PARTNERSHIPS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
6	Ineffective and poorly controlled partnerships with statutory and non-statutory organisations will lead to a lack of accountability and ineffective use of resources resulting in a failure to meet the needs of and improve outcomes for local communities. In particular partnership work could be at risk where funding streams have discontinued	3	4	12	A Healthy Halton / Employment Learning and Skills / Children and Young People / A Safer Halton / Environment and Regeneration

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Halton Strategic Partnership Board (HSPB) that facilitates interagency collaboration and cooperation to maximise available resources in the pursuit of agreed strategic goals Service efficiency by strengthening partnership working arrangements with the voluntary community and faith sectors through a shared strategic vision and delivery plan thus enabling and influencing partners to deliver at local levels Maintain financial probity with the 'pool' budgets, as appropriate, with partners through effective governance arrangements Through engagement with communities and partners on service priorities; to identify and design alternative forms of delivery, as appropriate 	2	2	4	6 monthly	Chief Executive (David Parr)

6. Partnerships

- Performance reports provide information concerning activities being undertaken to progress individual performance measures are received and reviewed by both SSP's and the HSPB
- Partnerships predominantly operate through the Halton Strategic Partnership structure and continue to provide a coordinated approach to services
- The HSPB continues to monitor the external influences and appropriately responds with its partners
- The financial risk for the Authority as an accountable body for the HSPB has significantly reduced due to the fact that there is no longer a dedicated budget
- Reputation and Governance Risks are managed via HSPB constitution, which reflect the Authority guidelines
- An example of collaboration and coordination within partnerships includes closer working (multi-disciplinary teams) with the Clinical Commissioning Group and the Domestic Violence Unit
- Asset Management Working Group exploring the potential for efficiency savings and improved services through the coordination and sharing of assets with partner organisations
- Better Care Fund plan has been implemented and effective governance arrangements are in place to monitor its progress, via the Health and Wellbeing Board.

ARCHITECTURAL LANDSCAPES

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
7	Changes to the Architectural Landscape of other public sector organisations that could potentially lead to the deterioration of services, in particular for the most vulnerable groups	3	4	12	A Healthy Halton / Employment, learning and skills / Children and Young People / A Safer Halton / Corporate effectiveness and business efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Maintain an overview of external influences involving political, economic, social, technological, legislative and environmental factors Maintain an overview of and evaluate changes in legislation that affect Architectural Landscapes at a strategic level to ensure that they are communicated, implemented and ultimately there is coordination and collaboration of services Protect interests by being part of the processes leading to the delivery of new arrangements 	3	1	3	6 monthly	All Strategic Directors

Progress Commentary as at 15th September 2015

7. Architectural Landscapes

- Both the Corporate Plan and the Sustainable Community Strategy are subject to periodic review in order to ensure that the priorities of the Council remain aligned to community needs and take account of emerging local and national circumstances
- Part of the development of the Directorate Business Plans involves annual external scans of the operating environment in order to ensure that future activity takes account of what will or could have an impact in the delivery of services
- Changes around Architectural Landscapes within last couple of years have been identified, managed and, as a result, have become embedded. These include Health and Wellbeing Board and Police and Crime Commissioner
- Legislative changes will be incorporated into partnership arrangements and shared with partners as appropriate, e.g. the Deregulation Bill
- There are close working arrangements between Adult Social Care and health services

FRAUD

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
8	Inadequate control systems lead to an increase in fraud and financial loss	3	3	9	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • The Business Efficiency Board monitors and reviews the adequacy of the Council's anti-fraud and corruption policies and arrangements <p><u>External</u></p> <ul style="list-style-type: none"> • Dedicated Housing Benefit / Council Tax Reduction Scheme anti-fraud section to investigate and, where necessary, prosecute fraud and corruption • Joint working with other agencies including the Department for Work and Pensions to assist to investigate and detect Housing Benefit and Council Tax fraud • The Council shares a joint resource with the other Cheshire local authorities that is used to undertake proactive forensic analysis, investigation and awareness-raising in areas identified with a high risk of fraud <p><u>Internal</u></p> <ul style="list-style-type: none"> • The Council maintains an effective system of internal control, which includes: <ul style="list-style-type: none"> - Relevant policies and systems, e.g. Procurement Standing Orders, Finance Standing Orders, etc.; 	3	3	9	6 monthly	Strategic Director Policy & Resources (Ian Leivesley)

<ul style="list-style-type: none"> - Rigorous pre-employment checks of new employees; - Whistleblowing arrangements; - Anti-Fraud & Corruption Strategy; - Fraud Response Plan; - Fraud and bribery awareness training; and - A continuous internal audit of the Council's systems and services 					
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Progress Commentary as at 15th September 2015
8. Fraud

External

- Between the 1st April 2015 and 31st July 2015 the Fraud Team has undertaken 48 investigations, issued 8 Administrative Penalties and achieved 5 successful prosecutions
- The Fraud Team undertake joint investigations with the Department for Works and Pensions which can result in successful prosecutions
- The work with neighbouring authorities extends to quarterly meetings with other Cheshire authorities to share best practice and to discuss related fraud matters

Internal

- No employee fraud identified in 2014/15
- E-learning module on fraud awareness circulated to all staff
- Council's Whistleblowing Policy approved and Internal Audit oversees the records and investigations. In 2014/15 2 incidents were reported

FUNDING AND INCOME GENERATION

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
9	Failure to maximise and identify funding opportunities in light of government cuts resulting in a potential challenge of the Councils capacity to delivery its priorities	3	3	9	A Healthy Halton / Employment, Learning and Skills / Children and Young People / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Continue to identify funding streams and income generating options through horizon scanning alternative untapped funding opportunities and shared partnerships with 3rd sector, private sector, and other public sector bodies • During the budget setting process Directorates to annually identify and prioritise requirements for funding and ensure that there are systems capture and report when funding comes to an end • Commercially focussed through establishing trading and income generation possibilities in order to protect and effectively use funds • Intelligent procurement processes for spending of goods and services that leads to annual savings targets • Corporate procurement practices are consistently utilised 	2	2	4	6 monthly	All Strategic Directors

9. Funding and Income Generation

- The use of the Chest within Procurement is now established for all spending by services for over £1K
- The Chest assists to reassure that there are competitive processes and drive market prices down. This is delivering an annual savings target for the Council year on year and for every £5M that passes via the Chest, there is at least £500K of cost reduction
- External Funding provides information on specific funding streams to both internal and external officers. This is promulgated through Funding Bulletins on different themes including specific promotion of funding streams, bid-writing support for schools and funding searches for specific projects
- Bi-annual Impact Assessment reports are taken to Management Team on funding secured and this includes pipeline projects comparisons with neighbouring authorities
- 2014-15 External Funding secured £3.01 million
- Bid-Writing manual is to be sold externally with a view to generating external income
- As part of income generation, internal Departments are providing services to external organisations, e.g. ICT to North West Employees and Sefton Council

Version Control Record

Version	Date Created	Date of Amendment:	Nature of Amendment	Date of Next Review:
1.0	13.10.11			
1.1		28.8.12	Progress Commentary	28.3.13
2.0		13.3.13	Reviewed and updated	13.10.13
2.1		20.9.13	Progress Commentary	28.3.14
3.0		31.3.14	Reviewed and updated in line with the Corporate Peer Challenge and the revised Business Planning Process and associated guidance notes	13.10.14
3.1		15.9.14	Progress Commentary	28.3.14
4.0		10.4.15	Reviewed and updated	12.10.15
4.1		15.9.15	Progress Commentary	28.3.16

Scoring Mechanism

Once the business risks are identified and analysed they are scored by multiplying the impact and likelihood. They will then establish a final score (or significance rating) for that risk:

Risk Score	Overall Rating
11-16	High
5-10	Medium
1-4	Low

Those that have been placed in the red boxes are the primary or **Top Risks** followed by the **medium** and **low** risks.

Measures to control the risks are identified from the following options;

1. Reducing the likelihood; or
2. Reducing the impact; or
3. Changing the consequences of the risks by,
 - Avoidance
 - Reduction
 - Retention
 - Transference; or
4. Devising Contingencies, i.e. Business Continuity Planning

The risks are scored again to establish the effects the measures have once implemented on reducing the risks and identify a score rating for residual risks.

REPORT TO:	Business Efficiency Board
DATE:	18 November 2015
REPORTING OFFICER:	Strategic Director, Community and Resources
PORTFOLIO:	Resources
SUBJECT:	Information Governance Annual Report 2014/15
WARD(S)	Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 To present the Information Governance Annual Report for 2014/15 to the Business Efficiency Board.

2.0 **RECOMMENDATION: That the Board note the contents of the Annual Report for 2014/15.**

3.0 **SUPPORTING INFORMATION**

3.1 The Council's Information Governance (IG) function forms part of the responsibilities of the IG Team, Service Improvement Division within ICT Services.

Improving information governance has been a key priority for the Council since 2010/11 with the introduction of corporate information governance support within ICT Services.

In response to these challenges the Information Governance Group was introduced to look into information governance and information security and how best to move this forward in the Council.

The IGG meets every 6 weeks and supports the role of the Senior Information Risk Owner - SIRO.

3.2 IG is a key component of good governance in any organisation and consists of several aspects:

- Data Protection & Privacy
- Freedom of Information
- Information Security
- Information Sharing & Confidentiality
- Information & Records Management
- Information Quality & Assurance

IG has continued during 2014/15 to support senior managers and service delivery managers with the management of their information governance arrangements.

- 3.3 This is the first annual report to the Business Efficiency Board on Information Governance and contributes to the Council's assurance framework and good governance.
- 3.4 There are a number of pieces of legislation and good practice standards that govern the IG arrangements of the Council. The work of IG is primarily based on the requirements of the Local Authority Data Handling guidelines, ISO27001 (standard for information security), Data Protection Act 1998, Freedom of Information Act 2000 and Environmental Information Regulations 2004.

The Local Authority Data Handling Guidelines (stated above) recommend that each local authority should appoint a Senior Information Risk Owner (SIRO). The SIRO should be a representative at senior management level and has responsibility for ensuring that management of information risks are weighed alongside the management of other risks facing the Council such as financial, legal and operational risk. At Halton the nominated SIRO is the Strategic Director - Community and Resources. The Divisional Manager for Service Improvement in ICT Services acts as the Deputy SIRO.

3.5 **Information Rights**

Information rights is a collective name for 3 main pieces of legislation in respect to public sector information, these are:

Data Protection Act 1998 – looks at personal information relating to individuals

Freedom of Information Act 2000 – encompasses any information held by the Council

Environmental Information Regulations 2004 – information with an environmental impact

The IG Team has played a key role in providing assurance that the Council complies with information rights legislation in 2014/15. IG advises on the application of relevant exemptions in respect to requests received under information rights legislation.

IG also plays a prominent part when the Council receives a subject access request (someone requesting their personal information) or a request to access social care records, e.g. a parent asking to view the contents of their child's records. The Council's Data Protection Officer (Divisional Manager for Service Improvement) gives guidance on what records should or should not be released under the Data Protection Act 1998.

IG completed a review of the administration of Freedom of Information (FOI) requests in 2010/11. This review identified that the administration of FOI requests should be undertaken in one place therefore a decision was made to transfer the FOI function fully to IG to ensure FOI support is given from one area.

3.6 **Security Incident Management Investigations**

IG investigates all instances of alleged data breaches that are identified and referred to them. A data breach can cover a number of different incidents from a member/employee reporting a lost laptop to confidential/sensitive information being communicated to an unauthorised and/or incorrect recipient.

Following the implementation of the new ICT Directorate structure in October 2010, the Divisional Manager for Service Improvement instigated a procedure for formally recording alleged information breaches received and investigated. Before October 2010 possible breaches were investigated but recording of these was not formalised / consistent.

Between 1st April 2014 and 31st March 2015 there were 12 reported instances of possible data breaches. IG investigated all of these and confirmed that 1 data breaches had occurred and was reportable to the Information Commissioner. For each of these incidents the SIRO and IG agreed actions with the relevant management team to minimise the impact of the incidents on the customer and the council and to reduce the possibility of a similar data breach in the future.

The Information Commissioner's decision in relation to the breach reported to them was that no further action would be taken against the authority. As part of that decision, the Information Commissioner emphasised that the authority's commitment to introduce mandatory data protection training should be implemented as soon as possible.

3.7 **Data Protection and Privacy**

Information Governance/IT Security Awareness Week took place during October 2014 including daily Intranet homepage articles linked from the intranet news ticker, In Touch and Team Brief articles. Also undertaken

Fax Policy published

Data Quality and Corporate Strategy published

Freedom of Information Policy reviewed and published
Records Management Policy reviewed and published

Following a review of the Caldicott (is a set of principles that health and social care organisations use when reviewing the use of client information) and Data Protection guidance, including Caldicott Guardian Roles, Caldicott Staff Guide, Protecting Confidential Data Best Practice, Telephone Safe Haven, Email Good Practice, all documents have been published.

Office Audits have been completed and Operational Directors have been provided with reports for their areas.

3.8 Freedom of Information

Freedom of Information E-Learning courses are available for any staff involved in the handling of such requests and a review of the modules is due.

Statistics are produced at end of each quarter for the IGG and circulated to all Strategic Directors and Operational Directors. FOI Stats for the year ending 31st March 2015 are below.

Directorate	Deadline Date Met		Grand Total
	No	Yes	
Policy & Resources	28	565	593
Children & Enterprise	25	190	215
Communities	38	178	216
Grand Total	91	933	1024

3.9 IT Security

The Council is now considering gaining ISO27001:13 certification in which Security and Policy has been working towards in the background for a number of years in terms of good practice when documenting policies and procedures, as well as ensuring the Council complies to the cabinet office rules and internal and external audits. There are external contracts that Halton Borough Council have been awarded which specifically require compliance to ISO27001 conditions. Such contracts bring in money to the Council.

The IGG allows for the vast amount of policies for gaining ISO27001:13 to have a formal review and approval process. The IGG is the first step for approval before ICT Strategy Board consideration and union consultations where necessary.

The following policies have been completed and the majority have

already been approved via the approval process. Meetings have now been taking place with the Records Management Unity - RMU to ensure the procedures for the RMU now meet ISO27001:13 as well as the policies.

- Information Security Policy
- Organisation of Information Security Policy
- Mobile Computing and Teleworking
- Human Resource Security Policy
- Asset Management Policy
- Acceptable Use Policy
- Removable Media Policy
- Information Classification Policy
- Access Control Policy
- Cryptography Policy
- Physical and Environmental Policy
- Clear Desk and Screen Policy
- Operations Policy
- Backup Policy
- Change Management Policy
- System Acquisition, development and maintenance Policy
- Supplier Relationships
- Information Security Incident Management Policy
- Information Security aspects of Business Continuity Policy
- Compliance Policy

As well as ISO27001:13 compliance in terms of policies and procedures the actual project documentation is being created which includes the business case for approval, statement of applicability which is a gap analysis of where we are and where we need to be to gain certification and most importantly the correct scope of the project.

ELearning for IT Security and Information Governance has also been upgraded by Security and Policy and Information Governance in partnership for all users to complete across the council so they can become more educated on the rules and legislation they need to comply with.

3.10 **Information Sharing**

The production of Tier 2 Information Sharing Agreements by all divisions with third parties is an on-going area of work and it is hoped to have a full library of all such agreements that exist across the Council in the future. The Information Sharing Agreement Library holds the agreements so far recorded and made aware to the IG team.

3.11 Information Quality and Assurance

IG Toolkit – Halton Borough Council are part of the 5 Borough’s partnership with Health and other partners. An essential requirement for the Council is to be able to connect to health systems and in order to connect we are required to complete an Information Governance Toolkit assessment which is an online assessment consisting of around 29 attainment levels. Extensive work is undertaken by the Information Governance Team and the Security and Policy Team to complete the assessment by March of each year. Halton has completed and submitted the assessment for version 12 (year ending March 2015) and confirmation of successful submission has been received.

3.12 Current ongoing work areas

A full review of Council’s Information Governance requirements is being undertaken which includes:-

- Information Governance Toolkit Assessment for 2015/16
- Information Governance Handbook
- Information Sharing Policy
- Records Retention Policy
- E-Learning modules for FOI and Subject Access
- SIRO/IAO Guidelines
- Training as follow up to office audits
- External data flow analyses
- Work towards incorporating IG in corporate projects at outset

A full review of Information Governance requirements for schools is ongoing which includes -

- Model School Data Protection Policy
- Model Schools Policy for Disposal of Redundant ICT equipment
- Model Schools Data Quality Policy
- Model Schools FOI Policy
- Model Schools Subject Access Policy
- Model Schools Publication Scheme
- Model Schools Policy for Data Security
- Heads Guidance - Data Security
- Staff Guidance - Data Security
- Network Managers Guidance - Data Security
- Model E Safety Policy
- Model School Policy - Records Management
- Privacy Notice for Schools – short version
- Privacy Notice Primary aged children
- SIRO IAO Guidance - Data Security
- Acceptable Use Agreement Staff Governors Visitors
- Primary Pupil Acceptable Use Agreement
- Secondary Pupil Acceptable Use Agreement

Press and Publicity in Schools

3.13 Data Security

All laptops with access to the network have been encrypted. This is provided by McAfee endpoint encryption. The use of non-Council owned laptops for person identifiable data is not permitted. There is also a reduced amount of users with outlook web access due to the potential of users accessing emails on their personal devices at home and saving personal / sensitive information to their own devices which will not have the same security controls.

Machines are also locked down centrally so users can only access what they need to access and they cannot install software without the need of a member of ICT Services. There are processes in place to test any software off the network before ICT allow software to be installed, this is to reduce the risk of introducing viruses.

The SIRO is kept informed of emerging issues via copies of the minutes of the Information Governance Management Group

3.14 Training

All staff received an email from the Chief Executive and all DMs have received an email regarding the E-Learning training module for "IT Security and Information Governance" encouraging all staff to complete the course. The course helps staff gain an understanding of the principles of IT Security and information governance. E-learning reports are being monitored. Further tailored training has been arranged with Adoption and Fostering Services staff and guidance for manual workers has been introduced for those workers who do not use IT equipment. Manual workers are asked to sign to confirm they have read and understood the guidance.

3.15 Information Asset Register

We are moving towards all directorates having an Information Asset Register in which all the Council's Information Assets have been recorded and are being assessed for risk. This is part of the activities involved in producing the Information Asset Owners Guidance.

3.16 Conclusions for 2014/15 and looking forward to 2015/16

The IG team has like all areas of the Council been affected by reducing resources during 2014/15. There have also been increased pressures in 2014/15, primarily due to increased public awareness of their information rights and an increase in the number of alleged data breaches reported.

There have been a number of initiatives that had previously been planned by IG that were progressed in 2014/15 with an expectation of full implementation in 2015/16. Key initiatives that have been progressed include:

- a) Information Governance Handbook
- b) Information Asset Owner Guidance
- c) Information Life Cycle Policy
- d) Information Sharing Policy
- e) Records Retention Policy
- f) E-Learning modules for FOI and Subject Access
- g) Developing training and awareness

Training and awareness underpins all information governance requirements and aims to equip employees with the necessary skills/knowledge to comply with information legislation and good practices.

IG intends to build on the progress made in 2014/15, and that of previous years, to continue to meet the current and future needs of the Council.

An annual report will now continue to be presented to the Business Efficiency Board providing an update on information governance and activity of the team during the year.

4.0 **POLICY IMPLICATIONS**

- 4.1 The IG process has developed and maintains policy and guidance covering all relevant aspects of Information Governance

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 The major impact would be an ICO fine resulting from major data breach. Council had a reportable data breach in June 2013 and the ICO imposed a fine of £70,000.
- 5.2 The work being undertaken by Council as outlined in this report is to minimise the risk of a further data breach that results in an ICO fine.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 Not applicable.

7.0 **Children & Young People in Halton**

- 7.1 Not applicable.

8.0 **Employment, Learning & Skills in Halton**

8.1 Not applicable.

9.0 **A Healthy Halton**

9.1 Not applicable.

10.0 **A Safer Halton**

10.1 Not applicable.

11.0 **Halton's Urban Renewal**

11.1 Not applicable.

12.0 **RISK ANALYSIS**

12.1 The Council –

Acknowledges the importance of protecting customer's privacy and strives to comply with all relevant legislation and best practice to achieve this.

Values the personal information entrusted to it and makes sure it respects that trust.

Goes further than just the letter of the law when it comes to handling personal information and has adopted good practice standards.

Keeps personal information to the minimum necessary and deletes it when it's no longer required.

Has effective safeguards in place to make sure personal information is kept securely and does not fall into the wrong hands.

Provides training to staff that handle personal information and treat it as a disciplinary matter if they misuse or don't look after it properly.

Regularly checks that it is living up to those commitments and reports on how it is doing.

13.0 **EQUALITY AND DIVERSITY ISSUES**

13.1 Not applicable.

14.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.

REPORT TO:	Business Efficiency Board
DATE:	18 November 2015
REPORTING OFFICER:	Strategic Director, Community & Resources
PORTFOLIO:	Resources
SUBJECT:	Efficiency Programme Update
WARDS:	All

1.0 PURPOSE OF THE REPORT:

To inform the Board of progress made to date with the Efficiency Programme (refer to Appendix 1).

2.0 RECOMMENDATION: The Board note the contents of the report.

3.0 SUPPORTING INFORMATION

Up to date workstream information is available via the Efficiency Programme Office's team site at: <http://hbc/Teams/EFFIC/Pages/Home.aspx>

4.0 POLICY IMPLICATIONS

None identified at this stage. Activity within the Efficiency Programme may result in recommendations to change policies as individual workstreams progress.

5.0 OTHER IMPLICATIONS

It should be noted that since commencing in 2009, the Efficiency Programme, and activity associated with it, has identified savings in the region of over £12.5m. This has assisted the Council in the difficult task of dealing with the budget gap.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The Efficiency Programme is designed to improve the effectiveness of services across the authority and reduce costs associated with service delivery. This affects all of the Council's priorities.

7.0 RISK ANALYSIS

Given the financial constraints facing the Council in the immediate and medium terms, failure to continue to progress Efficiency Programme workstreams into future stages may result in the Efficiency Programme not achieving its objectives – primarily cost reduction. This could result in services being underfunded, with departments unable to meet the costs of staff and other resources required to deliver to the community of Halton.

8.0 EQUALITY AND DIVERSITY ISSUES

N/A

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

N/A

Halton Council Efficiency Programme

Progress update – November 2015

Progress to date against each of the current workstreams is given below.

Review of Library Services (Wave 5)

A new Library Service structure was implemented in April 2015. An ongoing evaluation has been in place since the new structure was implemented and this will be concluded with an on-site assessment of the service during November. The operation of the staffing structure and pattern of opening hours has been monitored, alongside analysis of monthly service statistics.

The functionality of the new arrangements appear well established, with no adverse feedback from stakeholders.

A formal evaluation report is being drafted and will be considered by the Efficiency Programme Board in January. It is planned that the workstream will then be formally closed and Libraries service management will facilitate any future changes / improvements.

Sustainable Revenue savings of £400,000 have been achieved.

Review of Halton Supported Housing Network (Wave 5)

This review is currently at implementation stage. A revised staffing structure and suite of rota's has been agreed, and will be implemented in January 2016.

It is anticipated that the service will be more stable and better able to respond to tenants fluctuating needs where they occur. Savings of £83,000 are expected.

Review of Highways Services (Wave 5)

A proposed To-Be model for the service was endorsed by the Efficiency Programme Board in September and has been subject to consultation with staff in the service during October. Responses are under consideration and final proposals for a future structure will be considered by the Efficiency Programme Board towards the end of November. Following that, a final structure will be brought forward for implementation.

Introduction of the new structure is planned for February 2016, with anticipated savings in the region of £140,000.

Review of Agency Workers (Wave 6)

Following a period of in-depth analysis, this workstream has now progressed to implementation stage. A robust organisational approvals process has been agreed by Management Team, and endorsed by the Efficiency Programme Board.

This is currently being translated into an electronic process that will be used to make a request for an agency worker, and will also form the basis of the management authorisation chain. It will be based upon the recently introduced electronic 'Request to Amend Establishment' and 'Request to Advertise' processes now being used across the Council to provide a faster and more effective interface with the HR section.

The process will address a number of process issues that were identified as part of the review. In addition, management of the contract has been consolidated into the Efficiency Programme Office where regular management information will be generated and provided to Management Team.

Following introduction, cost reductions resulting from the implementation of this process will be monitored and reported to Management Team at regular intervals.

Having now established a number of organisational principles, a placement by placement review of agency workers is underway

Review of Premium Pay Arrangements (Wave 6)

This workstream remains in progress, however priority has been given to the work that has taken place on Agency Workers (refer above).

Review of Casual Worker Usage (Wave 6)

This review will be progressed from late 2015 onwards, along the same lines as the Review of Agency Workers.

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