

# Resources Policy Development and Scrutiny Panel

**Date: Wednesday, 16th May, 2018**

**Time: 4.30 pm**

**Venue: Council Chamber - Guildhall, Bath**

Councillors: Sarah Bevan (Chair), Lisa O'Brien, Jasper Becker, Joe Rayment,  
Andrew Furse, Patrick Anketell-Jones and Sally Davis

Chief Executive and other appropriate officers  
Press and Public



**Michaela Gay**

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## NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

Paper copies are available for inspection at the **Public Access points:-** Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

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<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942>

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## Resources Policy Development and Scrutiny Panel - Wednesday, 16th May, 2018

at 4.30 pm in the Council Chamber - Guildhall, Bath

### A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 5.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** *or* an **other interest**,  
(as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES - 21 MARCH 2018 (Pages 5 - 12)

8. THE CORPORATE APPROACH TO EQUALITY (Pages 13 - 18)

To consider the attached report regarding the corporate approach to equality.

9. TRADING UPDATE - SERVICES TO SCHOOLS (Pages 19 - 42)

To consider the attached report regarding services to schools.

10. STRATEGIC PROCUREMENT TEAM UPDATE (Pages 43 - 74)

To consider the attached report giving an update from the Strategic Procurement Team.

11. CABINET MEMBER UPDATE

The Cabinet Member will update the Panel on any relevant issues. Panel members may ask questions on the update provided.

12. PANEL WORKPLAN (Pages 75 - 78)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on 01225 394411.

**BATH AND NORTH EAST SOMERSET**

**RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL**

Wednesday, 21st March, 2018

**Present:-** Councillors Sarah Bevan (Chair), Lisa O'Brien, Jasper Becker, Joe Rayment, Andrew Furse, Patrick Anketell-Jones and Sally Davis

**57 WELCOME AND INTRODUCTIONS**

The Chairman welcomed everyone to the meeting.

**58 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

**59 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were none.

**60 DECLARATIONS OF INTEREST**

There were none.

**61 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

**62 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

The Chair noted that a member of the public, Nicolette Boater had submitted two questions regarding Item 8 'Human Resources and Workforce Planning (Including Apprenticeships)'. It was noted that a response would be sent within 5 working days. *A copy of the questions and responses is appended to these minutes.*

**63 MINUTES**

The Panel confirmed the minutes of the previous meeting as a true record, with the following amendments, they were duly signed by the Chairman:

Page 9 – '...assisted' to read '...assistive'.

Page 12 – add in the words shown in bold '...set in terms of retail **holdings** as there are **market** changes in this area...'.

## 64 HUMAN RESOURCES AND WORKFORCE PLANNING (INCLUDING APPRENTICESHIPS)

Cherry Bennett – Head of Human Resources and Organisational Development, introduced the item to the Panel and gave a presentation which covered the following:

- Agenda
- Purpose
- What is workforce planning?
- Why is it important?
- Who is our workforce?
- What does this mean for B&NES?
- Information used in workforce planning
- Recruitment & Retention
- Recruitment & Retention: Next steps
- Apprenticeships: Next steps
- Talent planning
- Talent planning: Next steps
- Skills audit
- Succession Planning
- How will we do this?
- Our people
- Full Time Equivalent Staff by Directorate
- Age and Sex Profile
- How will we do this?
- The Strategic Workforce Planning Process..
- Challenges
- Outcomes
- Members

Panel members made the following points and asked the following questions:

Councillor Anketell Jones asked for a definition of 'qualitative external' (page 7) and asked how the Council picked up on higher level trends. The officer explained that 'qualitative external' includes receiving data and information from a number of professional bodies such as the CIPD, LGA and South West Councils as well as professional networks. David Trethewey – Divisional Director Strategy and Performance, explained that trends can be picked up through formal and informal feedback from partners and local companies.

Councillor Rayment asked if the 'Living Wage' referred to is the government national living wage, the officer confirmed that it was. Councillor Rayment asked what proportion of staff were paid under the 'real' living wage – the officer stated that she would find out and report back. She also explained that she met with all recognised Trade Unions monthly and had a constructive relationship with them and would share plans around the approach to workforce planning with them at the earliest opportunity.

Responding to a query from Councillor Bevan, the officer explained that the government had rebranded the role of apprenticeships and the levy was now a training programme open to people of any age and experience. The officer explained that myth busting was important so that the new definition was understood.

Councillor Davis asked about progress with regard to the 'kite' diagram in the presentation. The officer explained that there were different levels of progress in different areas of the Council.

Regarding the gender pay gap, Councillor Anketell Jones stated that he was pleased to hear that the authority had an 8% pay gap against a national public sector average of 13%, he asked what figure the authority would be comfortable with. The officer explained that there is no exact number but 1-2% would be an aspiration. She further explained that there is a period of sustained work ahead to achieve this.

Councillor Lisa O' Brien asked that, when the programme was developed, to what extent were multi skilling and moulded services considered. She also asked about the fact that there are more women in the Children Services area and more men in Environmental Services. The officer explained that the gender patterns in different work areas can go back to schools and what boys and girls are being encouraged to study and the role models they have. Regarding the first question, the officer explained that her colleagues were spending a lot of time on cross skilling and working on being 'One Council' with no silos and staff with generic skills as part of the restructure.

Councillor Rayment asked if men are taking their full entitlement of parental leave, the officer will report back on this.

Councillor Becker asked about the impact of the minimum wage – the officer explained that the pay differential issues caused by the increase in the national living wage had to be managed from 1 April 2019. The Strategic Director explained that this has been an issue for Local Government as a whole as well as for partner agencies.

## **65 TRAINING FOR MEMBERS AND OFFICERS**

Tiki Toogood – Organisational Development Manager, introduced the item and gave a presentation which covered the following:

- The journey so far...
- What is development?
- 21<sup>st</sup> Century Councillor
- Recommendations – Levels of development
- Are there any gaps?

Panel members made the following points and asked the following questions:

Councillor Anketell Jones asked about a possible examination for Councillors after their first year in order to assess the gaps in their knowledge. Maria Lucas – Head of Legal and Democratic Services explained that there is only a small budget in their area so money must be spent wisely. She explained that the induction programme

will be refreshed and suggested that new Councillors receive ongoing training and refresher sessions as a continued learning progress. Tiki Toogood, Organisational Development Manager, explained that e-learning could be used to test and improve knowledge.

Councillor Furse stated that he hoped that training was not just about digital skills. He explained that all Councillors had differing priorities and wards. Maria Lucas explained that there were specific training courses for areas such as licensing and planning but also some general skills such as dealing with a complainant, skilful questioning and knowledge of the constitution that all Councillors may benefit from. Councillor Furse stated that member training would become more important as the Council changes and officers are possibly less available. Councillor Karen Warrington – Cabinet Member for Transformation and Customer Services, stated that resident's expectations can be relatively high and there is a need to let them know that there is less money and fewer officers and there will be a different way of working.

Councillor Davis stated that Councillors can help each other by sharing experience with possible mentoring and being pro-active in learning new things (such as using i-pads). Councillor Bevan agreed that Councillors asking officers for information on specific areas would be better than officers spending time organising formalised training sessions which are not always well attended. Councillor O'Brien echoed this and added that it can be up to a year before a new Councillor starts to learn how everything in the authority works – she explained that it should be about developing understanding rather than training (although there are some areas where training is obligatory) and suggested that a criteria be drawn up for candidates. Maria Lucas explained that descriptions for certain roles such as Cabinet Member, Chairperson etc. could be shared with candidates to give them an idea of what each role involves.

Councillor Rayment explained that managing resident's expectations is political. He stated that equalities training was very positive and that representatives from all sections of society should be encouraged to become Councillors. Councillor Bevan stated that maybe Human Rights and Equalities training should be obligatory in the same way as Planning and Licensing training and that some formal training could be shared with other authorities. Councillor Rayment asked that the programme be developed with Councillors. Officers agreed this should be planned with Councillors.

## **66 BUDGET MONITORING**

Donna Parham - Divisional Director Business Support, introduced the item.

Panel members made the following points and asked the following questions:

Councillor Furse asked about the £3.4million overspend (paragraph 5.4) and what the figure will look like going forwards. He also asked about NHS Trusts claims (paragraph 5.16) and asked what the risk profile for this area was. Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency responded to the first point by explaining that there are some improvements in the draft February outturn figures although the severe weather in the last couple of weeks was not helpful (decline in the use of Car Parks and Roman Baths along with the cost of grit). He also explained



that £1million of the £3.4million is carry over from the previous year's care home closures. On the second point Councillor Gerrish explained that some local authorities have been affected by NHS Trusts claiming charitable relief on their rents. The LGA are acting on behalf of local authorities. This is a substantial issue.

Councillor Anketell Jones asked about the Non Domestic Rates (page 37) and if this is the right model for funding local government. The officer explained that it was not the most stable income stream but it is there to encourage growth.

## **67 CABINET MEMBER UPDATE**

The Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish updated the Panel on the following:

- Regarding property – there is a meeting with property agents HTC tomorrow.
- Ongoing close examination of potential commercial acquisitions.
- Asset Transfers – Keynsham Town Hall, and possibly Clutton Scout Hut plus Bath City Farm.
- Close monitoring of the Budget outturn performance.
- Government Fair Funding Review – the authority will be responding to the Government.

## **68 PANEL WORKPLAN**

With the following amendments, the Panel noted the workplan:

16<sup>th</sup> May 2018

Add 'Procurement Strategy and Plans'

11<sup>th</sup> July 2018

Add 'Update on ADL' and 'Update on final figures for this financial year – outturn report'

28<sup>th</sup> November 2018

Add 'Update on Council Management Restructuring & Staff Savings; plus also on the plans for the 'Member Development Programme'

Items to be scheduled

Add 'People Strategy' (likely to be March 2019) and 'Local Government Funding Changes (no date agreed – links to Government announcements on Fair Funding and funding for Social Care).

## **69 ANDREW PATE - STRATEGIC DIRECTOR - RESOURCES**

The Panel noted that this would be Andrew Pate's last meeting as he would be leaving the Council in the near future. Members thanked Andrew for the work he

had undertaken, expressed their recognition and appreciation of his valuable contribution to the Panel and wished him well for the future.

The meeting ended at 6.25 pm

Chair(person) .....

Date Confirmed and Signed .....

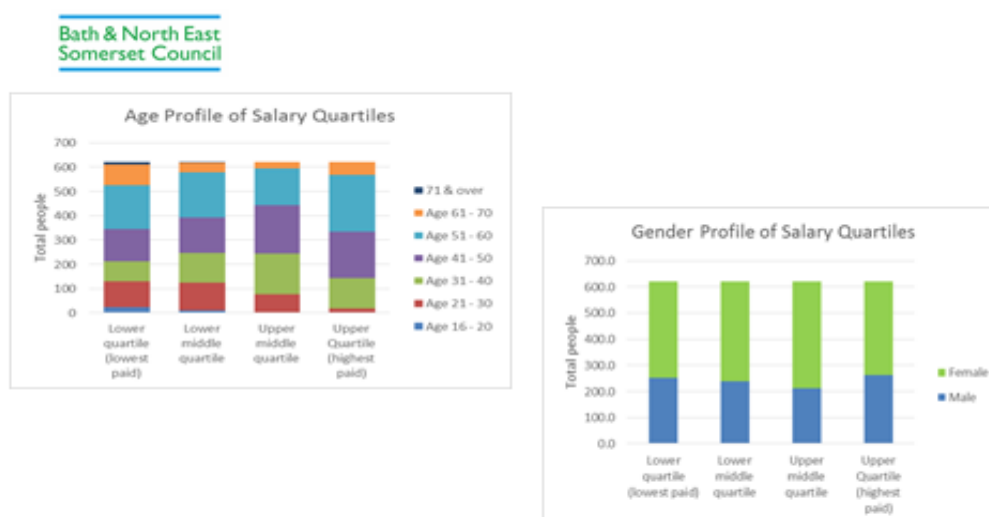
**Prepared by Democratic Services**

## Questions from Nicolette Boater to the 23.11.16 Resources PDS Panel meeting

1. The background report to agenda item 8 highlights the need for a more holistic and evidence based approach to Human Resource, Organisational Development and workforce planning, to ensure alignment<sup>1</sup> with the Council's strategic priorities and delivery objectives. In particular the report alludes to the need for workforce planning to be better informed<sup>2</sup> by readily available "quantitative staffing data including equalities information."

*To provide a baseline for the development of this HR/OD strategy, please can you indicate the current proportion of Council employees<sup>3</sup> in each pay quartile, by age band, and by gender?*

Please see below



Bath and North East Somerset – The place to live, work and visit

<sup>1</sup> As summarised in paragraph 6.1 "In times of significant financial constraint, it is crucial that the Council has a robust, forward looking workforce plan in place ensuring that the Council's workforce is aligned to the Council's priorities and that "the right number of people with the right skills, are in the right place at the right time to deliver short- and long-term organisation objectives"".

<sup>2</sup> For example paragraph 3.1 states that "The data and data reporting tools are already available" and paragraph 5.5. that "Work is currently underway to create an "HR dashboard" to provide managers with clear quantitative staffing data including equalities information."

<sup>3</sup> At an appropriate level of aggregation, ideally service level.

2. The presentation associated with agenda item 8, will be addressing “apprenticeships” alongside wider recruitment, retention, skills and succession planning issues.

*In view of the Prime Minister’s 2017 support<sup>4</sup> for career returnships, and the associated publication<sup>5</sup> this month by The Government Equalities Office of Best Practice Guidance, what is the Council doing to evaluate the contribution that career returnships might also make to the delivery of its corporate objectives?*

The Council does recruit career returners, but we do not track them or have plans at the current time to launch a formal career returnship programme. In our Recruitment & Selection training course we specifically advise/encourage managers not to focus too narrowly on qualifications or full work history so as not to rule out career returners who can bring valuable and relevant experience to the role. The Council also has well established policy and practice for part-time and flexible working.

We published our Gender Pay Gap report this week which you might find interesting in this context: <http://www.bathnes.gov.uk/services/your-council-and-democracy/equality-and-diversity>

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<sup>4</sup> *In the 2017 Spring Budget, the Prime Minister announced £5 million to “promote returnships in the public and private sector”, and in her 2017 Conservative Manifesto pledged to support organisations to take on parents and carers “returning after long periods of absence”.*

<sup>5</sup> *The report, downloadable from <https://www.gov.uk/government/publications/set-up-a-returner-programme>, is aimed at increasing the number and scope of returner programmes as a way of tackling skills shortages, accessing high-calibre talent, and improving gender, age and cognitive diversity.*

Bath & North East Somerset Council		
MEETING	Resources Policy Development & Scrutiny Panel	
MEETING	16 May 2018	
TITLE:	The Corporate Approach to Equality	
WARD:	All	
AN OPEN PUBLIC ITEM		

## **1 THE ISSUE**

- 1.1 A briefing on the corporate approach to equality including the legal framework, our approach to equality and the challenges we face.

## **2 RECOMMENDATION**

The Panel is asked to;

- 2.1 Note the report and consider the role of scrutiny in supporting this work.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 Nil

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The Equality Act 2010; (also other legislation, notably Modern Slavery Act 2015; Crime and Disorder Act 2011).

## **5 THE REPORT**

### **5.1 Introduction**

- 5.1.1 This paper sets out the approach taken by Bath and North East Somerset Council to ensure that it is operating in a way that promotes equality and meets legal requirements. It provides an overview of the work being undertaken to ensure that services meet the needs of the community, so that the area is a great place to live work and visit for all members of our diverse society. The paper also highlights the distinct features of the Bath and North East Somerset area, and the particular challenges we face in respect of the equality agenda, along with some of our key successes.

### **5.2 The legal background**

- 5.2.1 The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics ('protected characteristics'). As the Council is a public body, the law also requires that the Council proactively considers equality issues when carrying out its functions to make sure opportunities to enhance equality, tackle discrimination and foster good community relations are utilised. This 'Public Sector Equality Duty' (PSED) covers all aspects of our work including service delivery and commissioning activities – and the PSED is especially important factor when services are being reduced or redesigned as part of budget proposals.

### **5.3 How do we work within the Equality Act within Bath and North East Somerset Council?**

- 5.3.1 Our approach to equality within Bath and North East Somerset includes the following:
- a) **Equality Team:** The team offers advice and guidance across the Council (for example - how to consult with a wide range of people; reasonable adjustments for disabled customers and employees; carrying out equality analysis (see below).
  - b) **Equality training for staff:** To ensure our employees have the skills and knowledge they need to work with a diverse community, training takes places regularly. There is an equality workshop within Induction for new staff; Equality Training for Customer Service Staff; Equality Training for Children's Workforce staff; Equality Training for managers. Also, teams across the Council regularly receive 'bespoke' training in equality to reflect their specific requirements.

- c) **Equality training for elected members:** We have used a variety of approaches. Most recently we used a 'Theatre Learning' style of training, to enable elected members to reflect on their own attitudes and behaviour, and consider ways that they could promote equality within their various roles.
- d) **Customer feedback:** We encourage customers to give us their feedback, and we check complaints for any issues raised that relate to barriers for particular groups where we might need to do things differently.
- e) **Communicating with the public.** We try to ensure that we communicate in a way that is accessible to disabled people and those for whom English is an additional language. The Council has commissioned Oncall Interpreting services to assist with Interpreting and Translation where necessary.
- f) **Research and intelligence about the needs of our communities:** Our Joint Strategic Needs Assessment (JSNA) provides a single portal for facts, figures and intelligence about our local area, its communities and its population. It helps us to make decisions based upon evidence of the identified needs within Bath & North East Somerset.
- g) **Equality analysis:** Teams within the Council regularly review the services they are delivering by carry out equality analysis. Our equality analysis process helps to identify any issues that could create a barrier for particular groups, and, if any are identified, prompts us to find ways of removing or mitigating any barriers or obstacles. We publish the results of our equality analysis on our EIA web pages
- h) **Supporting our staff:** We have staff groups for Black and Minority Ethnic Staff, Disabled staff and LGBT staff. These provide support and we also use them as consultative bodies. We also have a robust Harassment & Bullying at Work policy.
- i) **Gender Pay Gap** - We have compiled a Gender Pay Gap report which shows that the Council compares favourably with organisations both across the whole UK economy. We have set some actions to address a number of areas to achieve greater gender equality. This was reported to the previous meeting of this panel.
- j) **Involving others in our work:** The Council hosts an Independent Equalities Advisory Group quarterly. This multi-agency group is made up of representatives from local statutory and voluntary sector organisations, and acts as a 'critical friend' to the Council, helping us to assess the likely impact of our work on equality groups.
- k) **Making fair financial decisions:** The Council carries out proportionate and appropriate screening of all budget proposals. Following this, responsible officers ensure that equality issues continue to be considered during implementation stages

through actions including the completion of equality analysis; ensuring inclusive consultation; agreeing clear communication; the incorporation of equality issues within commissioning specifications; relevant workforce training and development and ongoing monitoring.

## **5.4 Some challenges for us in Bath and North East Somerset**

5.4.1 Bath & North East Somerset enjoys a unique quality of built and natural environment, world-class arts and culture, a relatively strong economy and low levels of unemployment. The area has relative high levels of educational achievement, low crime levels, excellent public services and an affluent and healthy population. There are a great many positive things about Bath & North East Somerset. However, there are a number of challenges in the equality agenda:

- a) There are **pockets of deprivation** within the district, so **narrowing the gap** between the most and least affluent is a challenge. Therefore 'Socio-Economic' status is an aspect of our equality approach in Bath and North East Somerset, in addition to the nine protected characteristics of the Equality Act.
- b) Our **Black and Minority Ethnic (BME) population is smaller** than the national average. This means we have had a steeper learning curve than other Local Authorities in developing some areas of our work (for example, working with newly arrived Syrian refugees).
- c) There are relatively **few organised equality-focused forums** and groups (especially outside Bath city), which makes effective consultation and engagement with minority groups, such as the LGBT community, more difficult. We have managed to make some links and engage the community by holding events (for example, Holocaust Memorial Day, and LGBT history month).
- d) As the whole of Bath City is a World Heritage site, with many Grade 1 listed facilities, making improvements to **physical access to our public buildings** is often more complicated due to building conservation issues. However despite this we have achieved some successes (for example, improved and enhanced access for Disabled people at the Roman Baths).



## 5.5 Our successes and achievements

- a) Our Equality work was awarded the 'Achieving' level of the Equality Framework for Local Government when we last undertook an audit in 2010.
- b) We undertake preventative work with children and young people, who are taking a lead on making their schools and settings more inclusive. We now have over 50 E-Teams (equality teams) throughout Bath and North East Somerset, led by children and young people.
- c) Our LGBT equality work has received national recognition. We are rated as the top Local Authority in Stonewall's 2017 Education Champions Index.
- d) We continue to work towards the eradication of human trafficking and slavery in Bath and North East Somerset and towards the eradication of unlawful genital mutilation. We have approved Council motions against trafficking and slavery.
- e) We continue to work and have an agreed Council motion against these.

## 5.6 Interlinking agendas

- 5.6.1 There are numerous work streams and projects underway that are integral with the equality agenda – and to making Bath & North East Somerset a safe and inclusive place for all. These include work to resettle refugee families within the national Vulnerable Persons Resettlement Scheme, homing Unaccompanied Asylum Seeking Children; work to highlight, address and prevent Human Trafficking, Modern Slavery, Female Genital Mutilation (FGM) and Domestic Violence and Abuse. This work is overseen by the Responsible Authorities Group and the Local Safeguarding Boards.

## 6 RISK MANAGEMENT

- 6.2 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Samantha Jones 01225 396364 samantha_jones@bathnes.gov.uk</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Resources Policy Development & Scrutiny Panel	
MEETING/ DECISION DATE:	16 May 2018	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Trading Update - Services to Schools	
WARD:	All	
AN OPEN PUBLIC ITEM		
<b>List of attachments to this report:</b> Presentation to be made at the meeting – Appendix 1 Single member decision on the future of the catering service to schools – Appendix 2		

## **1 THE ISSUE**

- 1.1 *A presentation will be given to update the panel on the changes that have been made to trading activities with specific reference to the services provided to schools.*

## **2 RECOMMENDATION**

The Panel is asked to;

- 2.1 Note the actions taken by service managers on the structure of services to schools

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 There are no specific resource implications from this report, however the actions taken by service managers have limited the risk of overspends in certain service areas

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The services provided to schools are not statutory functions of the Local Authority and are provided to the schools on fully traded basis.

## **5 THE REPORT**

- 5.1 The Council has for many years been the main provider of support services to schools.
- 5.2 As schools have converted to academies and therefore been given greater latitude in the decisions they make in relation to support services their purchasing decisions have changed and many are making purchasing decisions based on the Multi academy trust guidance.
- 5.3 The schools purchasing decisions have resulted in a reduction in services being purchased from the Local Authority. This reduction has made the trading position of services become inefficient and has resulted in services making a loss in some trading periods.
- 5.4 The LA looked to address this situation and set up an officer board to review the services being provided to schools.
- 5.5 The Board assessed each service area to look at the trading viability and to consider the possible options schools would have if the service was not provided by the LA.
- 5.6 The Board reported to informal cabinet on the specific issue of the future of the catering service to schools. A single member decision was then taken to cease the service from September 2018.
- 5.7 Where decisions were made to cease trading a service to schools the Board ensured a communication to schools and a programme of support was put in place to ensure the schools were guided into appropriate procurement decisions.
- 5.8 Training sessions and guidance documents were produced to advise schools of their responsibilities and advise them on best practice.

## **6 RATIONALE**

- 6.1 The panel should be aware that the schools lead approach to decision making has made the service area decisions more complex, but has also ensured multiple providers are used within the schools sector.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 For each service area multiple options were considered as part of the services to schools board work programme

## **8 CONSULTATION**

None.

## **9 RISK MANAGEMENT**

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Richard Morgan 01225 395220</i>
<b>Background papers</b>	<i>None</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

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# Trading Update- Services to Schools

Richard Morgan

## The Financial Landscape

- Council Savings target of £49m
- in addition to the £45m saved since 2012.
- By 2020, the core grant the Council receives from government will reduce from £20m to almost nothing.
- Education Services Grant reduced by £1.5m (from the LA and Academies)
- Trading activities could support savings targets
- Majority of trading activities sell something to schools



## The Political Landscape

- Green Paper / White Paper of the future role of LA's
- Government still planning for all schools to be academies
- Academy landscape is emerging from individual school decisions
- Current mixture of MATs and schools will change
- Savings targets have been set for future years and will impact on ability to continue to provide some services.

# Estimated Pupil numbers in Schools at 1 September 2018

Schools	maintained		academy		total
Primary	3813	30%	9061	70%	12874
Secondary	989	10%	9337	90%	10326
Special	0	0%	431	100%	431
Studio	0	0%	215	100%	215
	4802	20%	19044	80%	23846

## What is currently happening with Support Services?

- Academy and school buying decisions are changing
- Services are seeing reductions in demand
- Services therefore struggling to cover costs of delivery
- Price increases and / or service reductions are inevitable

## What has the LA done to date?

- Services to Schools Board created
- Concentrating of services provided to schools
- Project almost completed assessing each support services ability to continue to provide to schools
- Assessing options for alternative suppliers where we cannot supply ourselves
- Sensible transition to any new supplier where necessary
- Support and Guidance made available to schools to ensure they are capable of procuring a new service when the council ends any specific service.

## What has been changed?

- Service areas that have been ceased.
  - Hr and Payroll from April 2018
  - Catering from September 2018
  - Cleaning from July 2018
  - Building maintenance indemnity Scheme (BMIS) from April 2017
  - Parent Support Advisers from July 2018
  - Various trading activities in Educational services ceased
- Services that have changed
  - Schools IT delivered by Integra (South Glos)
- Future Service Changes
  - Health and Safety Advice

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## Informal Cabinet Report Front Sheet

<b>Report Title</b>	School Catering Services
<b>Strategic Director</b>	Andrew Pate
<b>Divisional Director</b>	
<b>Responsible Officer</b>	Richard Morgan
<b>Portfolio Holder</b>	Cllr Charles Gerrish

<b>Cross-Portfolio Issue?</b>	Yes	
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<b>Is this item confidential?</b>	Yes	
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### Summarise purpose of the report (maximum of 200 words):

To Update the Cabinet about the changing nature of the catering functions of the Local Authority, and for the cabinet to provide a steer with regard to future communications and service plans.

### Summary in bullet points – key issues on which a view is required:

- Cabinet is requested to review the changes to service provision that has occurred due to schools changing purchasing decisions and provide a steer to officers with regard the future viability of the service.
- In light of the financial viability of the catering service consider issuing schools with a notice of cessation and to create an active plan of supporting schools to find alternative suppliers.
- This report links with the further report on the agenda relating to community meals.

### Agreed by Informal Cabinet (to be completed at or after the meeting)

<b>Bath &amp; North East Somerset Council</b>		
MEETING/ DECISION MAKER:	<b>Cllr Charles Gerrish, Cabinet Member for Resources</b>	
MEETING/ DECISION DATE:		EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	<b>Provision of catering services for schools</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		

## 1 THE ISSUE

- 1.1 By September 2018 it is anticipated 80% of local schools will have become academies. The Council has for many years been the main provider of meals to schools but schools are now deciding to procure this service elsewhere. As schools convert to academies there is often a change in their purchasing decisions and alternative suppliers are being chosen to deliver meals to schools and Multi Academy Trusts (MATs)
- 1.2 The reduction in the Council's economies of scale are making the service less economic and price increases have been made in prior years with further price rises will become inevitable. Schools have been made aware of this and helped to assess the market and make their own decisions.
- 1.3 The price rises needed to overcome the dis-economies being observed now which make the service unviable and consideration of ceasing to provide the service is required. The Council now needs to support the 17 remaining schools of the 81 total number of schools in the area to complete their procurement of this service from elsewhere.
- 1.4 The decision required is about the Council's role as a provider of a catering service and needs to reflect the impact of academisation, previous decisions by schools together with the economics affecting the service. The decisions about the meals themselves rest with the schools and it is not intended that there need be any direct impact on children that receive school meals.



## **2 RECOMMENDATION**

The Cabinet Member is asked to;

- 2.1 Agree that as it is estimated that only 17 schools of the total 81 schools in the area will now use this service from 1<sup>st</sup> September 2018, and as the economics of this service now make it unviable in its present form, the Council role as a direct provider of school meals will cease operation on 1<sup>st</sup> September 2018, in line with the operational plan of the council.
- 2.2 Schools that still use the service will be advised of the changes and supported to find alternative suppliers

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 The catering services financial plan shows the increasing costs being borne by the service along with a diminishing client base. Inevitably, this creates a shortfall in the in the finances of the service.
- 3.2 The table below shows the financial position of the service for the past few years and the estimated budget position for the 2018-19 year.
- 3.3 In order to ensure that limited pressures are borne by the council, schools will be required to make alternative arrangements from a specified date
- 3.4 The Schools that are still supplied by the catering service pay £2.60 for each pupil meal ordered. Schools that have made alternative arrangements in their provision over the past few months have achieved savings of between 30p and 60p per meal depending on the specification used in the tender, and the circumstances of the facilities available in the school.
- 3.5 The volatility of the service over the past few years has been extreme as schools have moved to find alternative suppliers. This has increased the risk being borne by the council and has resulted in losses on the service. In 2016-17 the overall loss was £527k and it is anticipated that the loss in 2017-18 will be approximately £300k despite significant mitigating actions to limit costs and overheads.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The responsibility for the provision of meals in schools lies with the governing body of each school.
- 4.2 The council has supported the schools in delivering this responsibility, by selling a service to schools.
- 4.3 As some schools have actively looked for alternative suppliers the economies of scale that existed have diminished considerably and the council cannot formally subsidise the service. Any subsidy for schools using a council run service could be seen as anti-competitive by alternative suppliers

## 5 THE REPORT

- 5.1 Until 2015-16 the catering service supplied meals to 99% of primary schools within B&NES along with a number of cross border schools and private nurseries.
- 5.2 In September 2014 the government introduced the Universal Infant Free School Meals programme. The programme made meals free for all pupils in reception, year 1 and 2 of their school life. The DFE introduced a grant to support the additional costs incurred and allocated £2.30 per pupil per day for this purpose. This policy resulted in a dramatic increase in the numbers of meals being provided and the catering service had to gear up fast to ensure delivery of the policy. The catering service has been commended for its approach to ensuring quality and high food standards
- 5.3 Over the last few years the costs of providing the service have escalated significantly due to rising food costs and increasing minimum wage implications. The service made a loss of £527k in 2016-17 and had to increase the cost of provision to schools from September 2017 from £2.40 to £2.60 per meal. Despite the price increase and due to declining numbers the service anticipates costs exceeding income by £300k again this year. Schools understandably have actively then considered their options and many have looked for alternative suppliers

### 5.4 Schools converting to academies

- 5.5 The number of schools converting to academy has increased in recent months with a large group of primary schools planning to convert during March and April. The numbers of schools in maintained or academy sectors anticipated for September 2018 is as follows:-
- 5.6 If all schools convert to planned timescale numbers on Sept 18

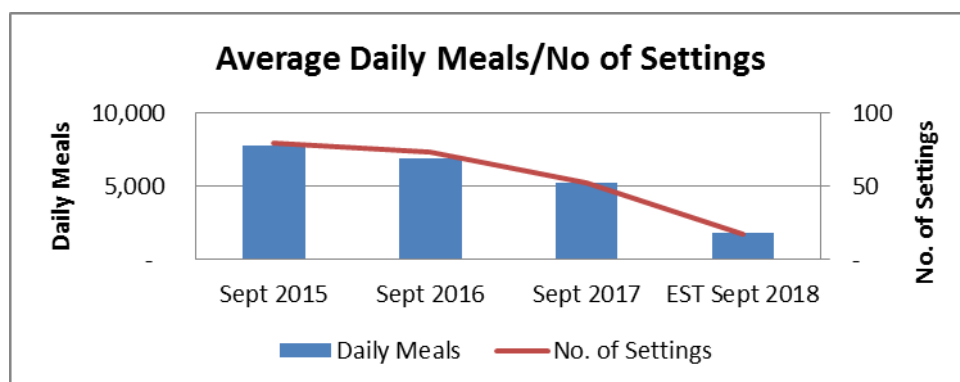
Schools	maintained		academy		total
Primary	14	23%	48	77%	62
Secondary	2	15%	11	85%	13
Special	0	0%	3	100%	3
Studio	0	0%	3	100%	3
	16	20%	65	80%	81

- 5.7 When school join a Multi Academy Trust there is generally a review of processes and plans by that trust that often results in changing purchasing practices within schools. The group moving to the Diocese of Bath and Wells MAT in March and April have indicated that they intend to look for alternative suppliers of the catering function.

5.8 Additionally, the Midsomer Norton Partnership Trust has already looked to tender its catering service to a private company with a view to changing their provider in April 2018.

## 5.9 Schools Meals buy in from Schools

5.10 Over the past few years the use of the catering service by schools has changed the tables below show the changing nature of the service as schools make decisions on the supply of meals.



5.11 We had to increase the price of school meals from 1 Sept 2017 due to the ongoing cost increases being borne by the service such as food cost inflation and pay pressures to ensure a forecast balanced budget position for 2017-18. Notice has also been given that further price increase may be needed in Sept 2018.

5.12 Since the price increase 29 schools and settings have given notice that they intend to cease to use the Council as their provider, representing a 32% reduction in meals previously being produced. The change in provision over the current year and the prediction of 2018-19 is shown in the table below

Date	Settings	Meals provided per day	Cum. %age reduction	Price per meal	Income
Sept 2015	79	7,808	0%	£ 2.40	£3.56m
Sept 2016	73	6,900	12%	£ 2.40	£3.15m
Sept 2017	52	5,235	33%	£ 2.60	£2.59m
EST Sept 2018 *	17	1,784	77%	£ 2.80	£0.95m

EST Sept 2018 Income is for comparison only as no price increase has been agreed.

5.13 The service overheads currently equate to 32p per meal (in April 17 this was 23p) if modelling as planned the overheads would be 56p per meal in April 2018, unless restructuring can reduce the costs.

5.14 Equally relevant is the impact of schools becoming academies. In total up to 80% of local schools expected to have become academies by Sept 2018. Academy Trusts have indicated their desire to actively look to retender their provision for the schools under their control. Two trusts accounting for 17

primary schools have formally indicated their intention to retender before June 2018. These decisions have been included in the tables above.

- 5.15 These changes require the LA to fundamentally review its role as a provider and to look at alternative ways to enable schools to secure a service that can continue to meet agreed quality standards. Options that will need considered including: enabling schools to buy from elsewhere, schools taking on the kitchens themselves, the role of Multi Academy Trusts, and ways to achieve efficiencies to support the necessary changes.

#### **5.16 Councils Operational Plan**

- 5.17 The councils recently published operational plan records the planned changes that have been agreed with services. A Schools support services and trading services review has been agreed that will

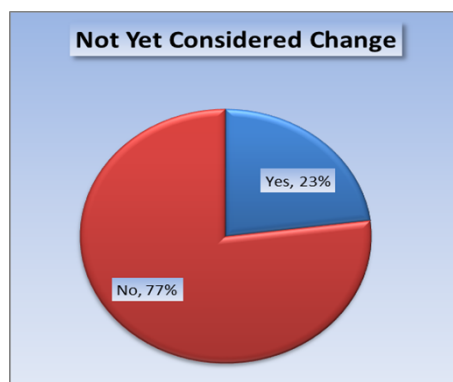
“Services for schools including payroll, ICT, finance, cleaning and catering have been reviewed in the light of schools becoming academies and others often choosing to buy their support elsewhere. Schools will be supported to procure value for money services and the Council will reduce or withdraw its provider role accordingly.”

- 5.18 The operational plan suggests that these reviews will be completed in the autumn of 2018

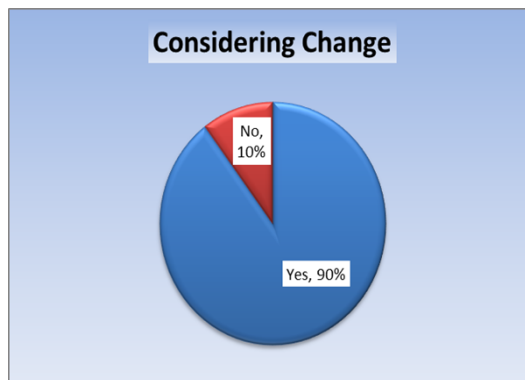
#### **5.19 Results of recent questionnaire to schools**

In January Catering Services wrote to all schools asking about their future plans. The response rate was very high at 78%, so this can be taken as a good indication for all schools.

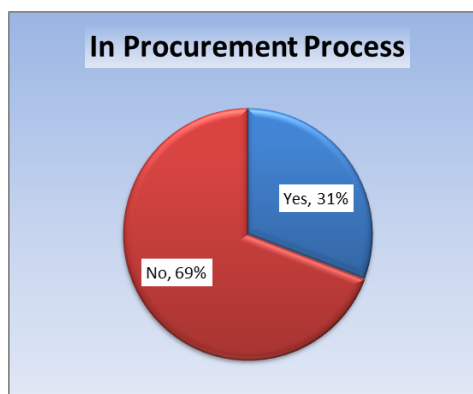
1. We have not yet considered how to delivery school meals in the future.



2. We have considered changing our catering arrangements

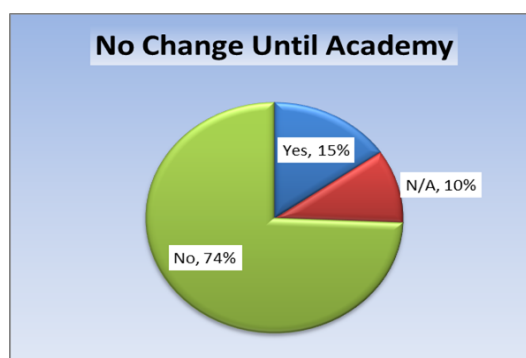


3 We are currently in the procurement process



Of the schools that indicated that they were in a procurement process, the majority of these said that they were looking to impliment new arrangements from September 2018.

4 We do not anticipate considering the future provision of school meals until we have become an Academy



5.20 As part of our preparation for the changes to service delivery that may occur, a draft communications plan has been established (appendix 1)

## **6 RATIONALE**

- 6.1 It is apparent that the financial pressures being observed by the service cannot be allowed to continue as the efficiencies that could be made would not remove the need for significant price rises to ensure no council subsidy would be required to allow a service to continue.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 The option of outsourcing the service had been considered but rejected as it contradicts with a schools led approach.
- 7.2 Continued delivery with a plan to find alternative clients to ensure economies of scale was rejected as the need to supply to a relatively local market would require clients in reasonably small distance. This was actively tried in prior years and additional clients had been obtained from cross boarder activity. However, those schools have also all found alternative suppliers.

## **8 CONSULTATION**

- 8.1 The council's operational plan has been consulted on widely, and sets out clearly the proposals to reduce or withdraw from service delivery where business reviews show schools making decisions to buy service from alternative suppliers.
- 8.2 Communication has been provided to explain the need to increase the price of school meals from September 2017.
- 8.3 Further consultation of the impact of the price rise and the anticipated further price increase in September 2018
- 8.4 Staff consultation on the future of the catering service will run in parallel with consultation with schools
- 8.5 Head teachers are generally aware of the LA's plan to assess all services. Following guidance from Cabinet it is intended to continue with general consultation with Head Teachers, Chairs of Governors and Trustees of MATs to explain the likely changes that may occur for catering services.
- 8.6 School Meals Catering ran a well-attended event in November to explain the procurement issues of catering and the specific legal requirements that schools will need to ensure their new suppliers adhere to should a school decide to utilise a different provider.
- 8.7 As the number of schools diminishes through this year consideration of running a tender process for schools who will find it difficult or cost ineffective to run a tender process to find a new provider. This option will be utilised if there are sufficient schools who would be interested in such a process.
- 8.8 A toolkit has been prepared for schools to support them in procuring catering services. The toolkit emphasises the benefits of good catering facilities to schools

and pupils. It also promotes the Public Health agenda of hot meals for pupils and healthy living

## 9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Richard Morgan, Julie Bromley</i>
<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	





## Appendix 1

### DRAFT – Schools Meals Communications Q&A

Following a period of significant changes to the catering service in B&NES, the council has agreed that from September 2018 schools in B&NES will no longer be provided with a catering service from the council.

School Governors will need to decide whether they take the service in house, share a service with other schools or look to the market to find alternative providers. The responsibility of providing school meals lies with the governing body of each school and as the Council cannot subsidise a service to schools, the delivery of meals from the council becomes uneconomic.

Q and A –

Q Why is the council doing this at a time when school budgets are over stretched?

A The Council understand the pressures head teachers face, However this is an opportunity for schools to find an alternative supplier which is likely to be significantly cheaper than the council service.

Q Parents fear that standards will slip as schools seek to provide meals more cheaply?

A Many academies now buy their food from other suppliers and there is no evidence that standards have slipped. The Council will assist any school that wishes to go elsewhere to get the best possible deal and put them in touch with suppliers successfully providing food to academies

Q.Does this conflict with the council's public health campaigns to improve eating and reduce obesity?

A For schools that decide to source their catering elsewhere the Council will work with them to ensure that good quality food is provided by reputable suppliers. The Government also sets the food and nutrition standards that must be met.

Q Will the schools put up prices?

A that is a matter for the Head teachers and the Governors of the schools, but schools do recognise that currently school meals provide fantastic value for money

Q Will staff be made redundant?

A Schools will need to continue to provide meals and therefore will need onsite staff to serve their pupils. Therefore the Council does not anticipate any frontline staff will be made redundant although some may transfer to a new employer if school Governors decide to transfer catering elsewhere

Q How will this impact on local suppliers?

A Local suppliers are aware of the pressures on the Council and the schools and the move of many academies to buy school meals directly. They are aware that this may create additional opportunities to extend their contracts directly with schools as the amount purchased from the council diminishes

Q Why has the council not done more to retain schools and their economies of scale?

A Academies have the ability to buy directly and have formed their own buying groups. The Council's key aim is to encourage all schools to continue to provide good quality meals and it has worked directly with schools. This certainly seems to be the case with academies who provide high quality food.

## Appendix 2

Dear Colleague

Following a review of the council support services to schools it has become apparent that the catering service is observing significant pressures due to rising costs of both food and staff costs. These cost increases have been exacerbated by diminishing client base due to schools and settings giving notice to the council as a supplier and making alternative arrangements.

The council understands the financial pressures being observed by schools and the need for schools to find services at the most economical prices they can. However the numbers of schools and settings giving notice to the council has escalated over the past 12 months to a point that the current viability of the service is in question.

The council has therefore reluctantly come to the decision that the catering service to schools will cease as of 1<sup>st</sup> September 2018.

The council recognises that some schools will find the process of finding an alternative supplier difficult and the council's officers will look to support and advise schools that need guidance in making alternative arrangements.

Should you require support and advice please contact the catering service on

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Resources Policy Development & Scrutiny Panel	
MEETING/ DECISION MAKER:	16 May 2018	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Strategic Procurement Team Update	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<ul style="list-style-type: none"><li>Appendix 1 Strategic Procurement Update Presentation</li><li>Appendix 2 Draft National Procurement Strategy Summary</li></ul>		

## 1 THE ISSUE

- 1.1 To update the Panel on the work of the Strategic Procurement Team and some of the key risks/issues it is dealing with in terms of new legislation and other challenges the Council is facing.

## 2 RECOMMENDATION

The Panel is asked to note;

- 2.1 The intention to align the Council's Procurement Strategy with the National Procurement Strategy which is currently out for consultation.
- 2.2 A review of the Procurement function is currently taking place as part of the Council restructure.

## 3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are no specific resource implications.

## 4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council is a contracting body as defined by the Public Contract Regulations 2015. It also has to comply with a wide range of other legislation relating to procurement and commissioning of services as highlighted in the Council's Contract Standing Orders.

## 5 THE REPORT

- 5.1 The Head of Strategic Procurement & Commissioning will provide a presentation on the work of the Strategic Procurement Team.
- 5.2 The Council is a complex organisation that provides a wide range of services to the public, from collecting waste, running parks and car parks and building roads to providing social services to the vulnerable. In order to provide these services a large number of goods and services are procured and commissioned to either provide services directly to the public or to enable departments to provide them themselves.
- 5.3 To ensure these contracts are compliant and provide value for money, the Strategic Procurement Team must support the Council across the whole Procurement and Commissioning lifecycle.
- 5.4 The Strategic Procurement Team has a key focus on supporting the Council in two ways.
- (1) **Compliance:** Support the Council to meet all procurement rules, regulations and national expectations.
  - (2) **Value for Money:** Support the Council apply best practice procurement and contract management in order to obtain VfM when spending public money.
- 5.5 As a public authority we need the Council must comply with relevant legislation such as the Public Contract Regulations 2015 and guidance from the Crown Commercial Services, including publication of opportunities on “Contracts Finder”, Modern Slavery and the Social Value Act.
- 5.6 These rules and regulations, in addition to the Council’s own political procurement agenda, have been built into the Council’s Contract Standing Orders (CSOs) which outlines the rules for all purchases.
- 5.7 It is also important to consider the need to balance these obligations with the changing role of the Council in terms of trading and income generation to ensure some service areas are not placed at a competitive disadvantage.
- 5.8 Our role is no different to any other strategic procurement function across the public and private sector in ensuring the Council obtains goods & services:
- That are of the right quality
  - That are in the right quantity
  - That are in the right place
  - At the right time
  - For the right price
- 5.9 The SPT also needs to ensure that once contracts are put in place they are managed in a manner that is proportionate to the size and risks of the contract. To achieve this, the team has to work with other functions across the whole Council, providing a framework of best practice.
- 5.10 Procurement has a role in encouraging innovation by using the tools available to improved services design and secure better value from its current spend These include using different procurement approaches available under the PCR.2015 as well more appropriate contracting models. The SPT will continue to challenge service areas to ensure this happens.

5.11 The key areas where it can add value include:-

- Sourcing policies & processes – including e-sourcing
- Procurement Strategy
- Ensuring the correct fit for the organisation
- Procure to pay
- Reporting and spend analysis to drive quality and savings
- Procurement systems support
- Supplier Relationship Management
- Changing practices & behaviours

## **6 RATIONALE**

6.1 Not Applicable

## **7 OTHER OPTIONS CONSIDERED**

7.1 None

## **8 CONSULTATION**

8.1 None

## **9 RISK MANAGEMENT**

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Richard Howroyd – Head of Strategic Procurement &amp; Commissioning 01225 477334</i>
<b>Background papers</b>	<i>National Procurement Strategy:</i> <a href="https://www.local.gov.uk/national-procurement-strategy">https://www.local.gov.uk/national-procurement-strategy</a>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

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**Strategic Procurement Update  
Resources Policy Development & Scrutiny  
Panel  
16<sup>th</sup> May 2018**

Richard Howroyd  
Head of Strategic Procurement &  
Commissioning

# Working Together to Bring Down Costs

Working together to bring down costs



DDG Goods and Services Panel



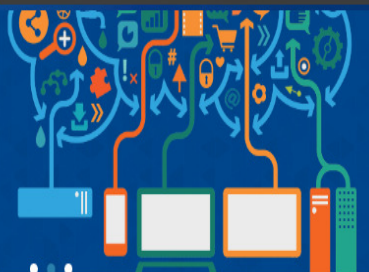
Contract Register



Stationery



Catering



Subscription Management

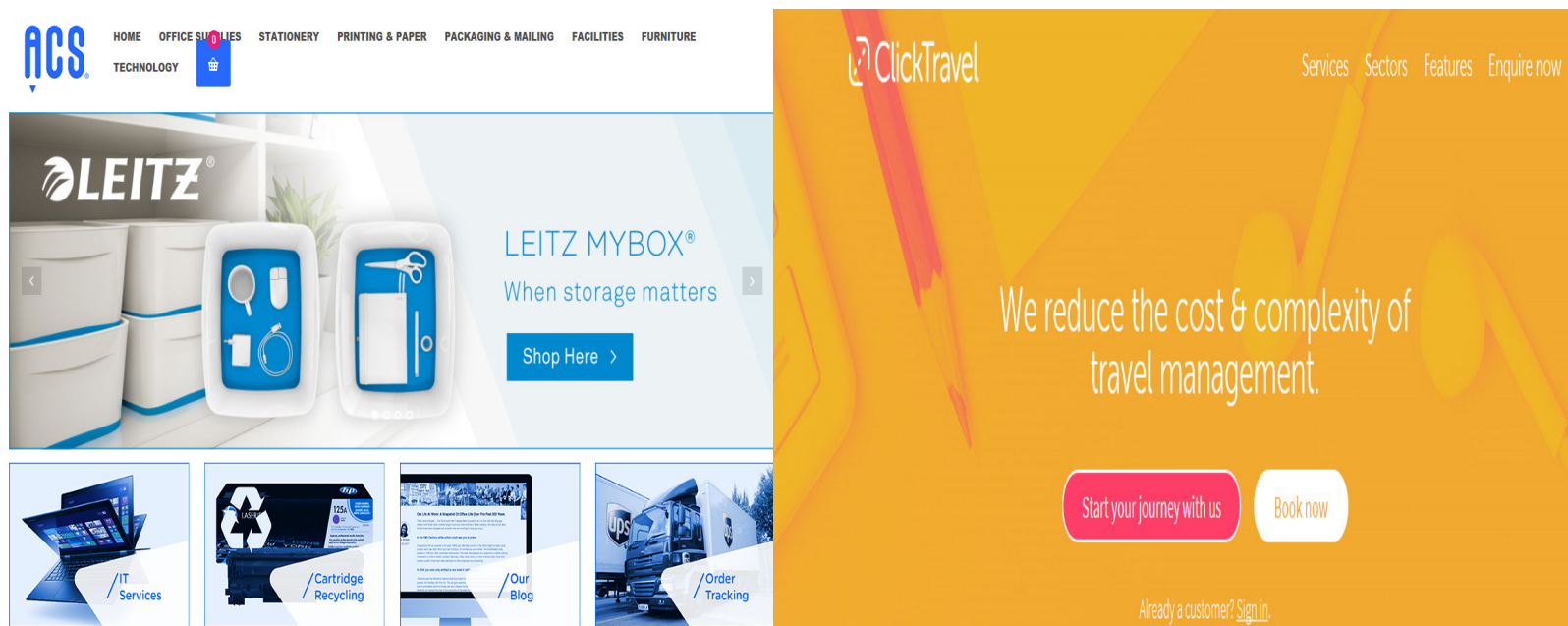
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# Corporate Contracts

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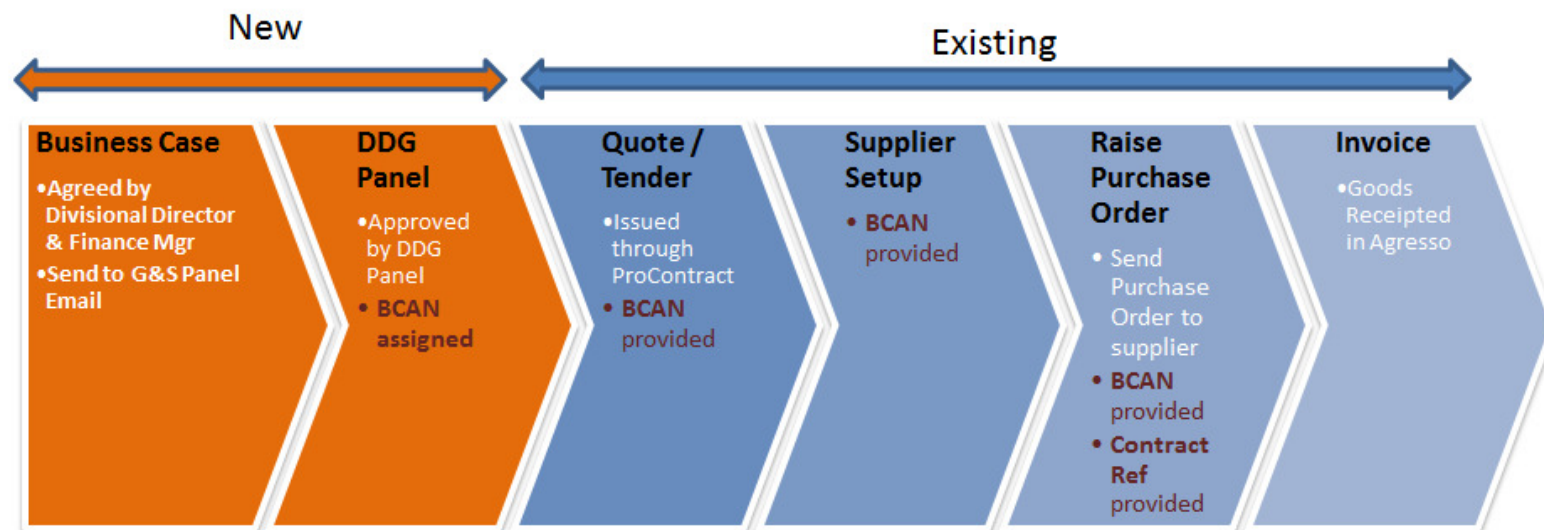


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# Goods & Services Panel

Over £10,000 Process Overview - Updated 12th July!





# Contracts Register

## Contract Register

### What is the Contract Register?

The Contract Register is a public listing of all Council contracts. In order to meet Transparency Requirements, the Council must publish all commercial contracts over the value £5,000. ProContract's Contract Register module is used for this which can be accessed through the [Supplying the South West](#) portal.

As procurement is devolved throughout the Council, it is the Service Area's responsibility to keep the Contract Register up-to-date. Please contact the Procurement if you have any questions or require system access or training.


### What are the benefits of keeping contract details up-to-date on the register?

As well as meeting Transparency Requirements, there are many benefits from keeping contract information in the register up-to-date.

- Contract related FOIs can be quickly sign-posted to the public register on the Supplying the South West portal.
- Automatic reminders can be setup when contracts are due for review / renewal.
- It's easy to keep track of all contracts in your team, and to plan for future procurements.
- Records are kept in case of changes to staff.



# Supplying the South West

A banner for the "supplyingthesouthwest.org.uk Procurement Portal". It features a stylized landscape with a lighthouse, a suspension bridge, and a person standing on a hill. The text "supplyingthesouthwest.org.uk" is in a large, white, sans-serif font, and "Procurement Portal" is in a smaller, white, sans-serif font below it.

**Navigation**

- Home
- Search Latest Opportunities
- Contract Register
- Authorities
- Suppliers' Login
- Buyers' Login

**Useful Links**

- Help and Guidance
- CPV Codes
- Crown Commercial Services
- TED - Tenders Electronic Daily

## Welcome to Supplying the South West Portal

This portal provides a user friendly, intuitive process to advertise all open tenders and quotation opportunities for councils in the South West. The procurement portal is FREE to join for businesses and offers the following advantages:-

- Immediate access to current business opportunities
- Receive email notifications on business opportunities that are align with your company
- Reduces costs as the process is online
- You are in control of your tender submission and not reliant on a third party courier or postal service
- Submissions can be completed electronically rather than hand written
- Submissions can be amended up until the closing date and time

[Register now >](#)

Once your company has registered you need to add the domain **@due-north.com** to your safe senders list to ensure that you receive all email alerts

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## Keeping the Contract Register up to date



- » Approximately 300 Contracts currently published on the Contract Register
- » Contract values from £5k to £700m



# GDPR & Contracts

## What are the GDPR impacts on Contracts?

GDPR comes into force on May 25th 2018 and all of the Council's contracts must be compliant by this date. The Council risks very large fines if contracts are not compliant. Please see [GDPR](#) intranet page for further information on this new regulation.

To meet this deadline, all officers responsible for contracts or commercial agreements where any personal data is processed must ensure GDPR clauses are in place. These clauses define how any personal data shared between the Council and suppliers can be used or processed and how/when the data should be destroyed.

## New Contracts Processing Personal Data

All new contracts must have GDPR clauses included. Please use the latest templates on the Intranet to ensure these clauses are included.

## Existing / Current Contracts Processing Personal Data

All current contracts or commercial agreements must be varied to include GDPR. Suppliers must return a signed variation agreement by 21st May 2018. In order to do this, please follow the process below.



25th of May

2018

New Contracts Processing Personal Data
Existing / Current Contracts Processing Personal Data
GDPR Briefings

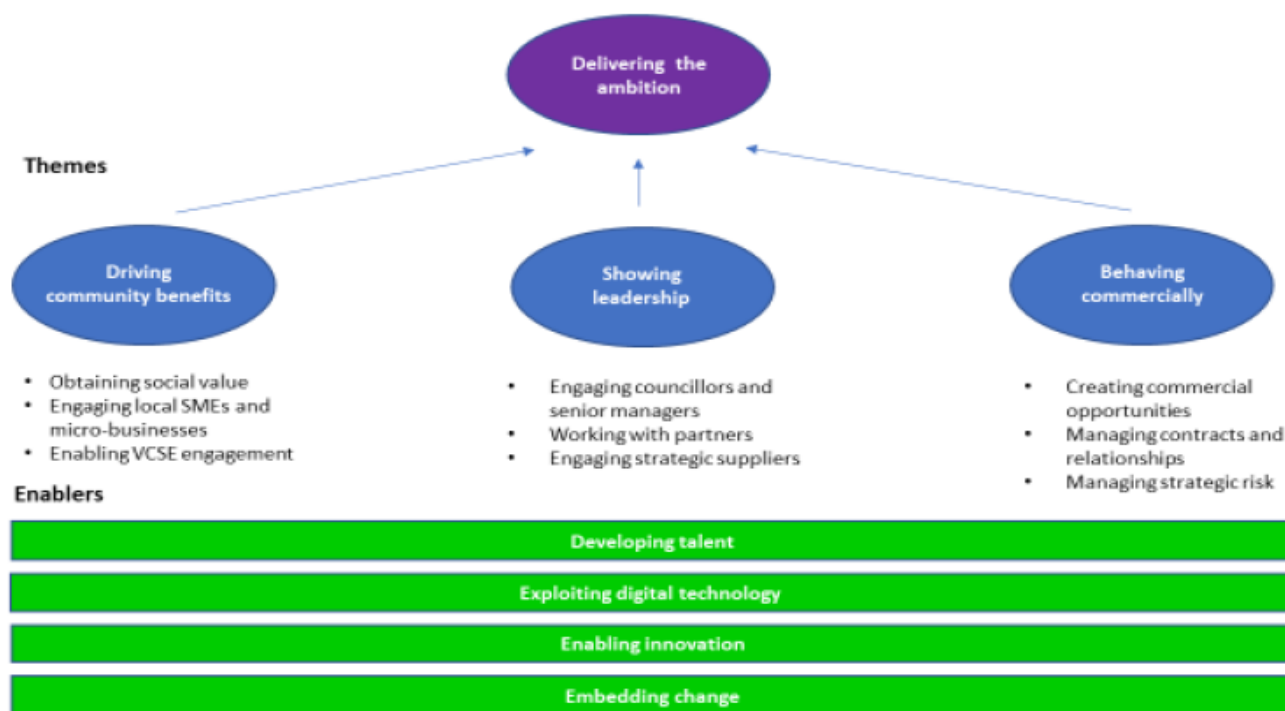
Templates

- [GDPR Variation Letter](#)
- [GDPR Variation Agreement](#)





# Draft National Procurement Strategy





# Procurement Templates

## Procurement Templates

2 Weeks 21 Hours Ago

Pin to dashboard

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No votes yet

We are in the process of uploading new templates to this page. Please use the templates below.

### February 2018 Updates

All guidance and templates documents have been recently reviewed. Please ensure you use the latest versions.

### Guidance Documents

[Guidance on Concessions Contracts](#)

[Guidance on Grant Agreements](#)

[Guidance on Supplier Finance Assessments](#) - will be updated shortly

[Guide for Contract Forms and Terms & Conditions](#)

[Guide for Dynamic purchasing systems](#) - **updated Feb 2018**

[Guide for Framework Agreements](#)

[Guide for How to Write a Specification](#)

[Guide for Market Engagement](#)

[Guide for Pilot Schemes](#)

#### Navigation

[Guidance Documents](#)

[Quote/ITT Templates](#)

[Letter Templates](#)

[Supplier Selection Questionnaire](#)

[Report Templates](#)

[Evaluation Templates](#)

[Other Templates](#)

[Contracts \(Terms & Conditions\)](#)



# Current Issues/Risks

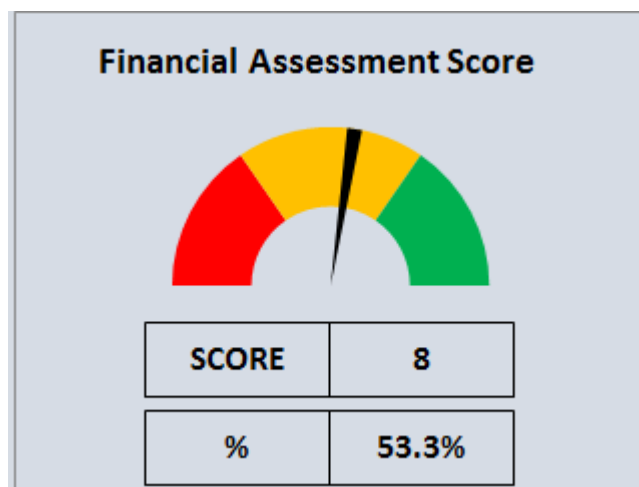


- » External Events & Legislation
  - » Supply chain and contractor failure
  - » Brexit
  - » The impact of schools converting to Academies
  - » IR35 – Employment Status
  - » Modern Slavery
- » Technology – Integration of Sourcing and Procurement to Pay (P2P) processes



# Financial Risk Assessment

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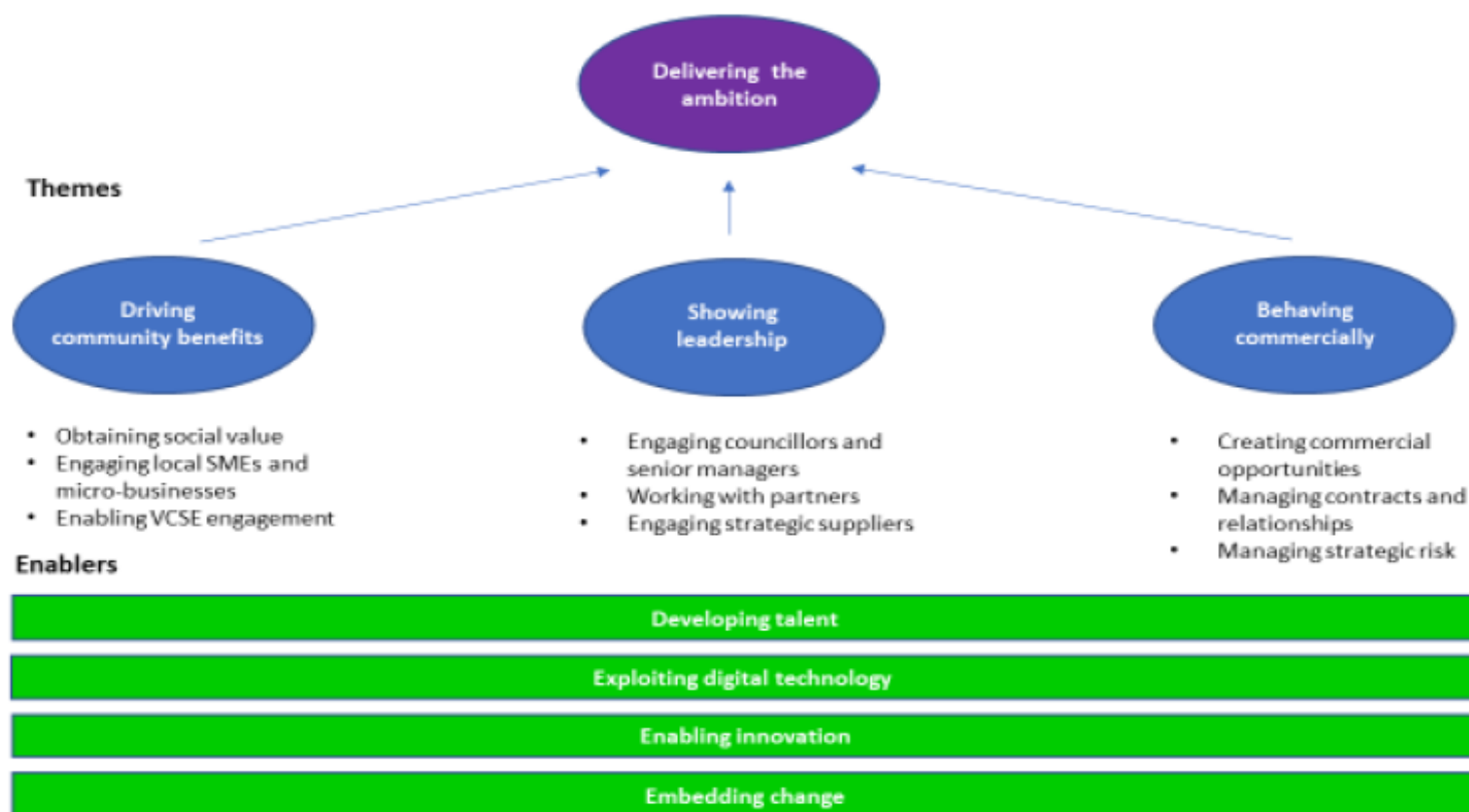


# Any Questions?

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# Draft National Procurement Strategy





## Showing leadership

NPS Key Area:	Engaging Councillors and Senior Managers				
Description:	Engaging Councillors and Senior Managers refers to the Cabinet (or other executive body) and the corporate management team valuing and benefiting from commercial and procurement advice at all stages of decision-making including early advice on major projects.				
Help:	<p><u>What it is:</u> Key decision-makers value and benefit from commercial and procurement advice including advice at the early stages of major projects. This is a two-way process requiring action by councillors and senior managers on the one hand and by commercial and procurement advisors on the other.</p> <p><u>Why it is important:</u> Good commercial and procurement advice (provided in-house wherever possible) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that councillors and senior managers engage with the commercial and procurement issues from the earliest stages of the project.</p>				
High level Principle/Specific Behaviour:	<b>Minimum</b>  Councillors and senior management regard commercial and procurement issues as purely operational matters.	<b>Developing</b>  Exploring the best approach to obtaining commercial and procurement input into decision-making.	<b>Mature</b>  Leadership engaged with commercial and procurement issues, routinely taking advice at key decision points.	<b>Leader</b>  Demonstrating better results from early commercial and procurement advice on projects.	<b>Innovator</b>  Council commercial and procurement advice valued in combined authority/group of councils projects.



NPS Key Area: Working with Partners					
Description:	Working with Partners refers to a 'one team' approach to the design and implementation of solutions for public services.				
Help:	<p><u>What is it:</u> The council works as a single team to design and implement solutions for public services and commissioners/budget holders and commercial and procurement advisors work together as part of that team.</p> <p><u>Why is it important:</u> A team approach makes best use of limited resources and can lead to innovative solutions and better results. The team approach should characterise how council departments work together and how the council works with other councils, fire, police and health, housing, VCSEs and other partners.</p>				
High level Principle/Specific Behaviour:	<b>Minimum</b>  There are teams but they work in isolation from commercial and procurement advisors.	<b>Developing</b>  Council acknowledges the business case for a cross-council approach to design and implementation of solutions and is seeking to encourage this.	<b>Mature</b>  Designing and implementing solutions as a single team in high value/high risk projects.	<b>Leader</b>  Designing and implementing solutions as a single team is the council's normal way of working (policy).	<b>Innovator</b>  Designing and implementing solutions as a combined authority or as a group of councils/with health, fire, police, housing, VCSEs and other partners.



NPS Key Area: Engaging Strategic Suppliers					
Description:	Engaging Strategic Suppliers refers to the process of identifying strategic suppliers and engaging with them to improve performance, reduce cost, mitigate risk and harness innovation.				
Help:	<p><u>What it is:</u> The council takes a strategic approach to the management of relationships with the most important suppliers (otherwise known as Strategic Supplier Relationship Management). This activity should be carried out cross-department and is most effective when done cross-organisation.</p> <p><u>Why it is important:</u> Effective management of strategic supplier relationships can deliver a range of benefits including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.</p>				
High level Principle/Specific Behaviour:	<b>Minimum</b>  Firefighting. Ad hoc engagement with important suppliers usually when there is a problem to be resolved.	<b>Developing</b>  Acknowledges business case for improved strategic supplier management and is piloting engagement.	<b>Mature</b>  Delivering programme of engagement with strategic suppliers at council level.	<b>Leader</b>  Playing a leading role in programme of engagement with strategic suppliers at combined authority/group of councils level.	<b>Innovator</b>  Playing a leading role in programme of engagement with strategic suppliers at regional/national level.





## Behaving commercially

NPS Key Area: Creating Commercial Opportunities					
Description:	<p>Creating Commercial Opportunities refers to how an organisation promotes revenue generation and value creation through the way it:</p> <ul style="list-style-type: none"> <li>Plans its major third party acquisitions (works, services and goods)</li> <li>Reviews its business options (make or buy)</li> <li>Engages with, and influences, markets and potential suppliers</li> </ul> <p>Commercialisation is a broad subject and this Key Area is confined to how procurement teams should contribute to its successful delivery.</p>				
	<p><b>Help:</b></p> <p><u>What it is:</u> There are many ways in which commercial opportunities can be created through the strategic management of the commercial cycle and the services and assets delivered through the contracts it creates. Commercialisation is a broad subject and important subject to the sector. This Key Area is confined to how procurement teams should contribute to helping identify and create commercial opportunities.</p> <p><u>Why it is important:</u> As grants from central government are reduced, organisations are required to look at other means of reducing funding deficits. Commercial opportunities can be created in many different ways, from conventional means such as increasing returns on assets to the way it engages with its development partners and third party contractors.</p>				
High level Principle/Specific Behaviour:	<b>Minimum</b>	<b>Developing</b>	<b>Mature</b>	<b>Leader</b>	<b>Innovator</b>
	Focused on business as usual and compliance.	Some high value / high profile acquisitions examined for creating commercial opportunities.	<p>Clear understanding of the ways in which new revenue generation opportunities can be created across the commercial cycle.</p> <p>End-to-end policies and processes promoting this approach in place across the organisation.</p>	<p>Revenue generation and potential wealth creation is a standard part of all contract review meetings.</p> <p>Procurement staff are encouraged to enhance commercial skills and demonstrate commercial behaviours.</p>	<p>Organisations work collectively to identify and exploit new commercial opportunities through market shaping and shared working with development partners</p> <p>Organisations see staff innovation and knowledge / information utilisation as a commercial opportunity.</p>



<b>NPS Key Area: Managing Contracts &amp; Relationships</b>					
<b>Description:</b>	<p><b>Contracts &amp; Relationship Management</b> refers to the effective management and control of all contracts from their planned inception until their completion by the appointed contractor(s). It covers the supporting policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations and the maintenance of clear communications and operational relationships with contractors.</p>				
<b>Help:</b>	<p><u>What it is:</u> Contract &amp; Relationship Management is the process by which all contracts and variations are managed effectively to control costs, secure the quality and timeliness of agreed outcomes and performance levels and minimise the occurrence of risks</p> <p><u>Why it is important:</u> Research by IACCM shows that contracts exceed their expected costs by on average 9.4% over their lifetime. Poor contractor performance or commercial failure can seriously damage a council's reputation and its ability to deliver effective services and support to local communities.</p>				
<b>High level Principle/Specific Behaviour:</b>	<p><b>Minimum</b></p> <p>Compliance driven. Reactive approach to contract and relationship management.</p>	<p><b>Developing</b></p> <p>Identified the need to change and improve. Basic policies, procedures and systems in place.</p>	<p><b>Mature</b></p> <p>All basic policies, procedures and systems in place to support contract and relationship management across the organisation and used in all departments.</p>	<p><b>Leader</b></p> <p>Well-developed policies, procedures and systems in place to support contract and relationship management. Used to drive forward planning, cost control and contractor performance.</p>	<p><b>Innovator</b></p> <p>Contract and relationship management recognised by the leadership team as being essential to driving ongoing improvement and better service outcomes. Systems, procedures and staff delivering consistently high results.</p>



NPS Key Area: Managing Strategic Risk					
Description:	Managing Strategic Risk refers to the impact by an external event, passing of a statute or illegal activity upon business as usual, reputation and/or financial health of the organisation.				
Help:	<p><u>What it is:</u> A series of actions and policies designed to reduce or even eliminate the probability of a perceived risk occurring and minimising the detrimental effects that may occur should it materialise.</p> <p><u>Why it is important:</u> The occurrence of any risk, particularly when it could be foreseen, can have a devastating impact on the organisation's reputation and the lives of the people it serves, the quality of the services that it provides, and even its financial viability.</p>				
High level Principle/Specific Behaviour:	<b>Minimum</b>  Compliance driven. Doing enough to meet statutory requirements.	<b>Developing</b>  Good awareness of issues involved and potential threats with basic systems in place to manage should they occur.	<b>Mature</b>  Taking a pro-active approach to strategic risk management with all vulnerable areas identified and mitigating policies and plans in place.	<b>Leader</b>  All vulnerable areas identified and policies and plans in place and shared ownership, transparency and reporting with appropriate contractors.	<b>Innovator</b>  Effective policies and plans in place in all areas, shared with contractors with contingency plans in place and active management of all strategic risks.



## Driving community benefits

NPS Key Area:	Obtaining Social Value				
Description:	Social Value refers to wider financial and non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment. From a business perspective it may be summarised as the net social and environmental benefits (and value) generated by an organisation to society through its corporate and community activities reported either as financial or non-financial (or both) performance.				
Help:	<p><u>What it is:</u> Social Value is about improving economic, social and environmental well-being from public sector contracts over and above the delivery of the services directly required at no extra cost.</p> <p><u>Why it is important:</u> Experience from procurements let by Councils that have fully included Social Value requirements has shown that a minimum +20% SV 'additionality' can be obtained on contract value by way of direct community benefits.</p>				
High level Principle/Specific Behaviour:	<b>Minimum</b>  Compliant. Doing just enough to meet the conditions of The Act.	<b>Developing</b>  Compliant but only pro-actively seeking Social Value in a few key contracts only.	<b>Mature</b>  Taking a pro-active approach to integrating Social Value into procurement and commissioning.	<b>Leader</b>  Social Value embedded into corporate strategy and have comprehensive frameworks for management and delivery.	<b>Innovator</b>  Social Value is a core operational metric, integrated into all directorates/departments and activities with regular reporting against targets.





<b>NPS Key Area:</b>		<b>Engaging Local Small Medium Enterprises (SMEs) and Micro-businesses</b>				
<b>Description</b>		The usual definition of SMEs used in the public sector is any business with fewer than 250 employees and turnover of less than £50m. There were 5.2 million SMEs in the UK in 2014, which was over 99% of all business. Micro-businesses are business with 0-9 employees and turnover of under £2m. For the purposes of this document the term 'SME' shall refer to both SME and micro-businesses.				
<b>Help:</b>		<p><u>What it is:</u> SMEs are non-subsidiary, independent firms.</p> <p><u>Why it is important:</u> SMEs play a major role in creating jobs and generating income for those on low incomes; they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector. With the potential localisation of business rates, it will be even more important for local authorities to encourage the establishment and growth of SMEs in their areas.</p>				
<b>High level Principle/Specific Behaviour:</b>		<b>Minimum</b>  Council does not see any benefits to be gained from SME engagement.	<b>Developing</b>  SME organisations are engaged in a few key contracts only.	<b>Mature</b>  Taking a pro-active approach to integrating SME organisations into procurement and commissioning.	<b>Leader</b>  SME engagement is embedded into corporate strategy.	<b>Innovator</b>  SME engagement is a core operational way of doing business, integrated into all directorates/departments and activities with regular reporting against targets.



NPS Key Area: Enabling Voluntary, Community Social Enterprise (VCSE) Engagement					
Description:	VCSE refers to organisations that include small local community and voluntary groups, registered charities both large and small, foundations, trusts and a growing number of social enterprises and co-operatives. These are often also referred to as third sector organisations or civil society organisations.				
Help:	<u>What it is:</u> The VCSE sector is diverse in size, scope, staffing and funding of organisations. It provides a broad range of services to many different client groups. However, VCSE sector organisations share common characteristics in the social, environmental or cultural objectives they pursue, their independence from government, and the reinvestment of surpluses for those objectives.				
	<u>Why it is important:</u> VCSE organisations can play a critical and integral role in health and social care including as providers of services; advocates; and representing the voice of service users, patients and carers.				
High level Principle/Specific Behaviour:	Minimum	Developing	Mature	Leader	Innovator
	Organisation does not see any benefits to be gained from VCSE engagement.	VCSE organisations are engaged in a few key contracts only.	Taking a pro-active approach to integrating VCSE organisations into procurement and commissioning.	VCSE engagement is embedded into corporate strategy.	VCSE engagement is a core operational way of doing business, integrated into all directorates/departments and activities with regular reporting against targets.



## Developing talent

Minimum	Developing	Mature	Leader	Innovator
Recruits staff with professional qualifications (CIPS).	Recruits staff with professional qualifications and responds to ad hoc requests for training and development.	Service plan includes support for staff to obtain professional qualifications and for apprenticeships.	<p>Planned approach to talent development in relation to future procurement and contract management workload including -</p> <ul style="list-style-type: none"> <li>• contracts pipeline</li> <li>• resourcing plan</li> <li>• competency framework</li> <li>• remuneration strategy</li> <li>• comprehensive training and development plan including provision for development of staff not currently in procurement or contract management roles.</li> </ul>	Planned talent development (as for Leader) but at combined authority/group of councils level.



### Exploiting digital technology

Minimum	Developing	Mature	Leader	Innovator
<p>Basic purchase ordering functionality for some products and/or services using the Finance and/or Operational Systems.</p> <p>Limited Procurement and Contract Management information available via static sources.</p>	<p>Use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services/products. May include some human intervention and paper trails.</p> <p>Some Procurement and Contract Management Information available online to all stakeholders with appropriate search and filtering.</p> <p>Use of electronic tendering and quotations system for some tenders/quotes (<i>either as a dedicated system or tender box rental</i>).</p>	<p>Use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services/products fully automated and paperless, with human intervention being restricted to exceptions only.</p> <p>Comprehensive Procurement and Contract Management Information available online to all stakeholders with appropriate search and filtering.</p> <p>Use of electronic tendering and quotations system for all tenders/quotes (<i>either as a dedicated system or tender box rental</i>).</p> <p>Access and interaction to all of the above possible from <u>any</u> electronic mobile device.</p>	<p>Access to a Procure to Pay (P2P) system via secure mobile application, promoting a self-service approach for suppliers. (<i>Access should include on-line viewing of payment records / status and the ability to auto convert orders to invoices</i>).</p> <p>Technology used to forward plan all strategic acquisitions and to underpin sourcing and procurement decisions making.</p> <p>Performance monitoring and communications underpinned by dashboards and diagnostics.</p>	<p>Mobile applications designed for supplier and contractor interactions including future opportunity alerts, contract management, contractor performance ratings and procurement satisfaction levels.</p> <p>Shared systems and information with delivery partners (<i>including voluntary sector / local businesses</i>) other councils and citizens.</p> <p>Knowledge Management, accessing paper and electronic sources to build comprehensive intelligence about contracts, markets and trends.</p>





## Enabling innovation

Minimum	Developing	Mature	Leader	Innovator
Ability to capture and harness procurement innovation in organisation non-existent.	Innovation only considered in a few contracts where technology is involved.	Outcomes based procurement and market making are the 'standard' way of doing things.  Innovative procurement approaches not just applied to technology but to established services.	Innovation in procurement and contract management is mainstreamed.  Procurement techniques such as Innovation Partnerships, pre-commercial procurements used regularly.	All contracts reviewed to identify new service delivery and income generation models.  Procurement challenges and innovative potential solutions shared across councils and regions.

## Embedding change

Minimum	Developing	Mature	Leader	Innovator
Success depends on individuals, no organisational engagement.	New approaches and ideas applied in isolated procurement processes.	Procurement change comprehensively applied across multiple projects and departments.	Senior leaders recognise the importance of procurement and contract management and promote as a way of leading and managing organisational change	Procurement and contract management are key drivers of organisational change and are embedded at all levels in organisation.  Lessons learned shared with other organisations at Regional and national level.

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## RESOURCES PDS FORWARD PLAN

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

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<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

*Should you wish to make representations, please contact the report author or Michaela Gay, Democratic Services (01225 394411). A formal agenda will be issued 5 clear working days before the meeting.*

*Agenda papers can be inspected on the Council's website and at the Guildhall (Bath), Hollies (Midsomer Norton), Civic Centre (Keynsham) and at Bath Central, Keynsham and Midsomer Norton public libraries.*

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
<b>16TH MAY 2018</b>				
16 May 2018	Resources PDS	Corporate Approach to Equalities	Samantha Jones, David Trethewey Tel: 01225 396364, Tel: 01225 396353	Strategic Director - Resources
16 May 2018	Resources PDS	Future delivery options for Traded Services	Julie Bromley, Richard Morgan Tel: 01225 395220	Strategic Director - Resources
16 May 2018	Resources PDS	Procurement Overview and Activity	Richard Howroyd, Donna Parham Tel: 01225 477334, Tel: 0122539	Strategic Director - Resources
<b>11TH JULY 2018</b>				
11 Jul 2018	Resources PDS	Update on activities of the Council's Property Company (ADL)	Derek Quilter Tel: 01225 477739	Strategic Director - Resources
11 Jul 2018	Resources PDS	Update on Final Figures for the Financial Year	Donna Parham Tel: 0122539	Strategic Director - Resources
<b>12TH SEPTEMBER 2018</b>				
<b>28TH NOVEMBER 2018 (DATE TBC)</b>				

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
28 Nov 2018	Resources PDS	Update on Restructuring and Member Development Programme	Cherry Bennett, Ticki Toogood Tel: 01225 47 7203,	Strategic Director - Resources
28 Nov 2018	Resources PDS	Budget and Financial Plans	Donna Parham Tel: 0122539	Strategic Director - Resources
<b>ITEMS TO BE SCHEDULED</b>				
	Resources PDS	Local Government Funding Changes	Andrew Pate Tel: 01225 477300	Strategic Director - Resources
Page 77	Resources PDS	People Strategy (March 2019)	Cherry Bennett Tel: 01225 47 7203	Strategic Director - Resources
	Resources PDS	Council Company Governance Update	Andrew Pate Tel: 01225 477300	Strategic Director - Resources
The Forward Plan is administered by <b>DEMOCRATIC SERVICES</b> : Michaela Gay 01225 394411 Democratic_Services@bathnes.gov.uk				

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