



ADUR & WORTHING
C O U N C I L S

26 May 2017

Joint Strategic Committee

Date: 6 June 2017

Time: 6:30pm

Venue: Queen Elizabeth II Room, Shoreham Centre, Shoreham-by-Sea

Adur Executive: Councillors Neil Parkin (Leader), Angus Dunn (Deputy Leader), Carson Albury, Brian Boggis, Emma Evans and David Simmons

Worthing Executive: Councillors Daniel Humphreys (Leader), Kevin Jenkins (Deputy Leader), Diane Guest, Heather Mercer, Mark Nolan and Val Turner

Agenda

Part A

1. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

2. Minutes

To approve the minutes of the Joint Strategic Committee meeting held on 4 April 2017, copies of which have been previously circulated.

3. Public Question Time

To receive any questions from members of the public.

4. Items Raised Under Urgency Provisions

To consider any items the Chairman of the meeting considers to be urgent.

5. Achieving value through a responsible procurement strategy

To consider a report from the Director for Digital & Resources, a copy is attached as item 5.

6. Staying secure in a digital world

To consider a report from the Director for Digital & Resources, a copy is attached as item 6.

7. Scrutiny Major Projects Working Group Report

To consider a report from the Chairmen of the Joint Overview & Scrutiny Committee, a copy is attached as item 7.

8. The Environmental Management of Brooklands Lake

To consider a report from the Director for Communities, a copy is attached as item 8.

9. Worthing Capital Programme - South Downs Leisure Trust Athletics Track

To consider a report from the Director for Communities, a copy is attached as item 9.

10. Exclusion of the Press and Public

In the opinion of the Proper Officer the press and public should be excluded from the meeting for consideration of the following item. Therefore the meeting is asked to consider passing the following resolution:

'that under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting from the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph of Part 3 of Schedule 12 A to the Act indicated against the item'

Part B - Not for Publication – Exempt Information Reports

11. Update on the future Environmental Management of Brooklands Lake - Appendix 1

To consider exempt appendices to a report from the Director for Communities, copies are attached as item 11.

Recording of this meeting

The Council will be voice recording the meeting, including public question time. The recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

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The agenda and reports are available on the Councils website, please visit www.adur-worthing.gov.uk



Achieving Value Through a Sustainable Procurement Strategy

Report by the Director for Digital and Resources

1.0 Summary

- 1.1 Over the last year, we have made significant progress in improving our approach to procurement, creating far better capacity for a more strategic approach.
- 1.2 In the year since the last report to this committee, there have been some significant changes to the procurement function. The team of three, now reporting to the Chief Finance Officer, has two new members, with an experienced manager and a specialist in property and construction (our most significant category of spend) now in place.
- 1.3 Despite these changes to personnel, savings have continued to be delivered in the procurement team, with over £250,000 realised during the last financial year on projects such as purchase of new refuse vehicles and building works, meeting the target set out in the committee paper in April 2016.
- 1.4 In order to create more strategic capacity, Councils agreed in February 2017 to the raising of the procurement threshold, where involvement by the procurement team is required, to £25k. Contract Standing Orders sets out the standards required for procurements of all values and a new, accessible procurement toolkit has been produced for managers, assisting them through the process.
- 1.5 This report introduces a new Sustainable Procurement Strategy which highlights the need to continue to transform the Councils approach to procurement in order to deliver the aspirations in *Platforms for our Places* and deliver greater social value. The Strategy illustrates how improved procurement activity will help deliver our corporate ambitions for *Platforms*.
- 1.6 The Strategy has five themes (detailed below) and three core values which run through each of the themes - *community focus* (putting needs and aspiration of communities at the heart of our procurement activity); *sustainable procurement* (undertaking procurements on a whole life cost basis obtaining value for money and delivering social, economic and environmental benefits); *governance and risk*

(ensuring appropriate governance and attitude towards risks are considered in our procurements). The five themes are:

- **category management and strategic sourcing** - using best practice procurement philosophies to deliver best value strategic procurement; using local suppliers where possible, actively promoting opportunities locally
- **contract and supplier relationship management** - ensuring better day to day contract management exists and seeking long term partnership benefits with our key suppliers;
- **skills and systems** - investing in our staff and technological resources to ensure the right skills and information systems exist to make better informed decisions;
- **social value** - incorporating social, economic and environmental benefits into our commissioning and procurement decisions;
- **commercialisation** - focus on continuous improvement through better commercial arrangements, seeking cost reduction and avoidance and income generation opportunities.

1.7 The strategy establishes a vision for commissioning and procurement. The practical application will be achieved through a much more strategic and structured approach to procurement using category management philosophies which look at the bigger picture, at categories of related expenditure rather than just individual procurement projects; through better planning and prioritisation of our procurement resources, and; most importantly by adopting a “commissioning mindset”, shifting the procurement emphasis onto the value adding pre-procurement activities rather than the transactional compliance and financial savings role.

1.8 The planned changes to procurement will not involve greater centralisation of the work (although our procurement officers will assist and challenge to drive a more strategic approach in key areas), but will be achieved through the creation of a better support infrastructure for officers including the promotion of a Procurement Toolkit (a step-by-step process guide with template documents), officer skills gap analysis and tailored training programme, more formal contract and supplier relationship management procedures, and the introduction of project assurance methodologies on larger projects.

1.9 Finally the acquisition of the new financial management system will be used to improve the quality of financial data capture and reporting, drive better discipline around purchase orders and invoice management, and support the maintenance of an improved contracts register.

2.0 Background

- 2.1 The Councils' combined expenditure is approximately £29 million a year on the acquisition of goods and commissioning of works and services through procurement activity and the provision of grants to third party organisations. The main categories of revenue spend are property maintenance, emergency accommodation, small civil engineering projects, and facilities management. During the financial year 2016-2017, approximately £5.1m (c18%) of the Councils' expenditure was with organisations located within the boundaries of Adur and Worthing councils and a further £4.9m (c17%) with organisations based elsewhere in West Sussex.
- 2.2 Services are delivered through a mixed economy approach with the Councils acting as both providers of services and as enablers with other services delivered through suppliers and other third party organisations via procurement activity and the provision of grants.
- 2.3 Much of the Councils' procurement activity is transactional and reactive, often addressing an immediate need within a particular department, with the main focus of the procurement team is on the legal compliance element of the procurement process. Such a transactional and reactive approach to procurement does not create added value. The circumstances behind this trend are understood and the new procurement strategy together with the re-structured procurement team will drive significant changes.
- 2.4 The Chief Financial Officer has established a new structure for the team with a Procurement Manager driving the change to strategic procurement, a Procurement Specialist, whose main area of focus is a portfolio of c£13million pounds per annum of expenditure under the property and construction category and a Procurement Officer (Trainee). The team is focussed on driving strategic procurement behaviour, and building corporate procurement tools and training, thereby embedding robust contract and supplier relationship management.
- 2.5 The Sustainable Procurement Strategy sets out the changes planned in order to meet the Councils aspirations and drive a more strategic and proactive approach to commissioning and procurement. One of the key elements is for the procurement team to become involved in potential projects much earlier in the process by supporting client officers in pre-procurement activities, such as:
- community, residents and stakeholder consultation - identification and assessment of community needs and aspirations, potentially involve them in the design of the requirement;
 - supplier/market engagement - understanding the capacity and capabilities of markets and specific suppliers, understanding what services they can offer and how these may meet our requirements, being aware of potential market developments and innovations. If the market lacks capacity or capability to meet our requirements then this may also involve developing the market to meet our needs. Discussions may not be exclusively with suppliers, and could extend to relevant trade associations, chamber of commerce, etc

2.0 Background

2.6 Better pre-procurement in turn will enable the development of Category Plans and sourcing strategies. These establish how a particular category of expenditure will be tackled, with each Plan identifying the best procurement route(s) and most appropriate market approach for each particular requirement. The overall Plan will prioritise procurement activity across the different elements of the category. For example, within any particular category it is likely there will be:

- “quick win” opportunities to improve service performance or deliver savings;
- areas where consolidation, standardisation or substitution of requirements will deliver better value;
- opportunities to collaborate with other parties to improve service delivery or efficiency, and;
- projects that will require medium to longer term activity in order to release benefits.

This will be a major piece of work and is likely to continue throughout the three year period of the new strategy.

2.7 Some areas of expenditure have already been identified as priorities for review in the first year of the strategy, these include:

- The Procurement Specialist will lead/support the following projects:
 - Property Services, testing and inspection contract - secure interim arrangements for this financial year whilst putting in place a new corporate contract for these services.
 - Creation of a Property Partnering contract - this will be a partnership with consultancy firm(s) to work alongside the in-house professional and technical teams providing skills and support (where there is a shortage of in-house resource) and by adding capacity to the in-house teams to deliver revenue and capital projects quicker
 - The multi-million Capital improvements programme for Adur Homes which is being informed by a stock condition survey currently being undertaken;
 - support a number of planned programmed maintenance or renewal projects over the course of the year
 - review and assess the suitability of existing frameworks and contracts available to the Councils

2.0 Background

- review the c£4.5m per annum spent on property repair, programmed maintenance and disabled adaptations and the £1m per annum spent on “minor civils” projects (small public realm improvements, landscaping, coastal protection works) - and put in place a category action plan.
- There are other key areas of expenditure which the Procurement Manager will review, these include:
 - Emergency and temporary accommodation, £1.2m expenditure for the period March 2016 to January 2017. This is a challenging category of expenditure that will require both long and short term strategies to seek to remedy the shortage of suitable accommodation and providers.
 - Building cleaning, all five individual cleaning contracts expire at the end of this year. This presents an ideal opportunity to review how these services are provided at a corporate level.
 - Review the c£10m per annum spent across the Corporate, Communities and Facilities categories of expenditure and put in place appropriate action plans for each category.

2.8 Contract management practices across the council still need to be significantly improved. Some relationships are well managed but others are very transactional, often conceived of and conducted on an individual project to project basis by different council officers even though the same supplier may undertake multiple projects over the year. Our review work has identified some areas of expenditure with suppliers submitting hundreds of low value invoices over the course of one year. As such both parties are missing out on simple opportunities for efficiency savings through consolidated invoicing. This work still needs to be addressed.

2.9 New contract and supplier relationship management (SRM) guidance and toolkits will be developed alongside a programme of officer training. Contracts should be managed appropriately according to the value and level of risk and/or importance to the Councils. The procurement function will also play a greater supporting role both as a point of escalation to deal with contract performance issues and by assigning procurement officers particular portfolios of contracts to build their knowledge of particular markets and supply chains. Better contract management can contribute towards overall cost reduction through cost avoidance and negotiating better pricing. Whilst SRM can contribute towards longer term aims, encouraging partnership working with key suppliers seeking performance improvements, releasing and sharing efficiency savings, income generation and innovation.

2.0 Background

2.10 Procurement and contract related data available is being assembled from multiple sources. The purchase of a new Financial Management System is a significant project being delivered this year and this has a contracts management module, presenting the Councils with an opportunity to address some of these data deficiencies by:

- Rationalising the number of works order systems and tackling low value invoicing issues
- Improving the data held on procurement categories
- Implementing a contracts management module which will improve the data held on contracts

2.11 Savings over £250,000 were realised during the last financial year on projects such as purchase of new refuse vehicles and building works. In addition, the procurement team has become more involved in service change projects, such as the procuring a Managed Service Provider for our cloud migration, which involves transferring our applications to off-site data centres. There are no “like for like” procurement savings generated on these projects, instead the efficiencies come from organisation change as consequence of adopting new ways of working.

3.0 Proposals

3.1 The strategy outlines the requirement to adopt new strategic procurement principles to drive value through strategic contracting, and broader social and environmental value through better and earlier market engagement working to deliver our *Platforms for Our Places* ambitions.

This will be achieved by:

- undertaking market and supplier engagement, understanding capabilities, capacity and constraints of markets and developing market capacity as required;
- ensure there are formal business cases detailing our sourcing strategy and these are signed off;
- putting in place a consistent approach to the Councils procurement activity through creation of a Procurement Toolkit and template documents
- make better use of all available data - council owned and other parties - to identify and deliver better outcomes;
- improving contract and supplier relationship management standards; ensure our contractors are delivering what they are meant to be;

- undertaking officer procurement and commercial skills gap analysis via PDR process, provide appropriate training programme;
- embedding a commissioning “mindset” into the organisation, incorporating social value (social, economic and environmental benefits) into our procurements and evaluating on a whole life cost basis;

3.2 The adoption of category management philosophies will ensure expenditure is reviewed cross-council not within departmental silos, opportunity assessments are undertaken and both “quick wins” and longer term opportunities are identified. All relevant procurement routes/options available will be considered and the most appropriate selected.

3.3 Developing more robust commercial and contract management arrangements ensuring service delivery is maintained, benchmarking and cost control measures are explored and opportunities for developing more efficient processes, cost reduction and income generation are realised. Additionally supplier relationship management will be adopted for key suppliers and long term contracts seeking continuous service improvement, innovations and joint sharing of efficiency gains.

3.4 The April 2016 report by the Director for Digital and Resources stated that the initiatives contained in that report would deliver a reduction of at least £250,000 in annual spend over the next three years. This was achieved in 2016/17, but we anticipate savings are likely to be lower in 2017/18 as we undertake the next phase of deeper strategic work. As such the targets have been revised as follows, with greater expectations in later years - FY17/18 - £100,000; FY 18/19 - £300,000; FY19/20 - £350,000.

4.0 Legal

4.1 Section 1 Local Government (Contracts) Act 1997 provides a power for Local Authorities to enter into a contracts with another person for assets or services for the purposes of, or in connection with, the discharge of the functions of the local authority. Section 139 Local Government Act 1972 empowers the Councils to accept goods, property or money.

4.2 The Local Government Act 1999 imposes a duty upon the councils to ensure they obtain best value in everything they do.

4.3 Internally the Councils are governed by Contract Standing Orders in respect of procurement matters.

5.0 Financial Implications

5.1 There are no direct financial implications arising from the adoption of the new strategy. However, in the longer term, it is expected that the recommended approach to procurement will enable the Council to achieve better value.

6.0 Recommendation

- 6.1 That Joint Strategic Committee approve the Sustainable Procurement Strategy set out in appendix A.
- 6.2 That the Committee approves the direction of travel in developing a strategic procurement function and delivery of initiative outlined in this report.
- 6.3 That quarterly reports are provided to both Executive Members of Resources and a progress report is provided to the Committee in 12 months time.

Local Government Act 1972

Background Papers:

Sustainable Procurement Strategy

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SCHEDULE OF OTHER MATTERS

1.0 Council Priority

- 1.1 The report contributes to deliver of ambitions across the *Platforms for Our Places strategy*.

2.0 Specific Action Plans

- 2.1 The report fulfils the requirement of action 3.1.5 in the strategy, "Build sustainable procurement and contracting practices into our procurement strategy, increasing the use of local suppliers and assessing the environmental impact of our procurements."

3.0 Sustainability Issues

- 3.1 The proposed strategy

4.0 Equality Issues

- 4.1 Matter considered and no issues identified

5.0 Community Safety Issues (Section 17)

- 5.1 Matter considered and no issues identified

6.0 Human Rights Issues

- 6.1 Matter considered and no issues identified

7.0 Reputation

- 7.1 The procurement strategy should enhance the reputation of the Councils.

8.0 Consultations

- 8.1 Key staff and the Corporate Leadership Team has been consulted in the development of the proposed procurement strategy.

9.0 Risk Assessment

- 9.1 Matter considered and no issues identified

10.0 Health & Safety Issues

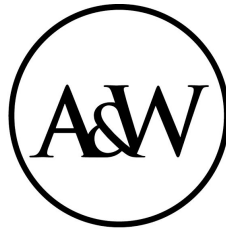
- 10.1 Matter considered and no issues identified

11.0 Procurement Strategy

- 11.1 The report proposes a new procurement strategy.

12.0 Partnership Working

- 12.1 Matter considered and no issues identified



ADUR & WORTHING
COUNCILS

Sustainable Procurement Strategy 2017 to 2020

Purpose of the Strategy

This strategy sets out how the councils will use their commissioning and procurement activities to help deliver Platforms for Our Places, Adur and Worthing Councils' ambition for prosperity and well-being in our places and communities over the next three years.

Five strategic themes are identified in this strategy: category management & strategic sourcing, contract and supplier management, social value, staff skills and systems and commercialisation. Driving improvement in these areas will enable those with buying responsibilities to support Platforms in the ways illustrated below:

1. Supporting our financial economies by increasing our spend on local suppliers, specifying the use of local labour or creating local apprenticeships in tenders and contracts, as well as developing voluntary agreements retrospectively with existing contractors
2. Supporting our social economies by introducing requirements into contracts to help tackle identified social and environmental issues, such as youth unemployment, disability and health
3. Levering opportunities to enhance our natural environment by exploring community investment or corporate social responsibility initiatives with suppliers to benefit the environment, as well as requiring good environmental standards in the supply chain
4. Driving value for money from our corporate suppliers (target £750k by 2019/20), by developing more strategic contracts that consolidate spend and help drive prices down in key categories
5. Leading in partnership by identifying opportunities for creating larger, cost effective contracts with other organisations in property & construction, digital and other key categories

The Sustainable Procurement Strategy can only be delivered with both an effective centralised strategic team and a group of knowledgeable, skilled and experienced buyers acting in line with the values set out here. This strategy sets out how we will continue to build that capacity across the organisation.

Of course, underpinning our effort to deliver effective commissioning and procurement are Contract Standing Orders, which provide the legal framework under which all procurement activity will take place. An easy to use Procurement Toolkit and training has also been produced to provide structure and guidance to the improvement work this strategy identifies.

Where we are now

During 2016, the three person procurement function was re-shaped into a more strategic unit, introducing two new members; a strategic manager and a property & construction specialist.

Contract Standing Orders, have been revised, increasing financial thresholds at which quotations and tenders need to be obtained. This has reduced the administrative burden and the volume of enquiries about routine purchases received by the Procurement team, enabling a greater focus on the strategic procurement activities that can add real value to the organisation. Standing Orders will continued to be reviewed as appropriate to ensure they remain fit for purpose for the Councils.

A Procurement Toolkit has also been developed. This is an online, easy to use “self-serve” step by step information and advisory resource for officers to follow when undertaking routine procurement. In time the Toolkit will also feature a library of commissioning and procurement related best practice and guidance documents.

A Contracts Register is being built in order to develop a strategic opportunity pipeline, and support effective contract management across the organisation.. A number of complex systems issues are being progressed, including the introduction of a new financial management system in late 2017 and a single asset management system.

There remains a significant task ahead to break out of a still largely reactive and non-strategic approach to procurement, but the foundational work is advancing along with dedicated resource now working to deliver category management benefits in property and construction.

The Strategic Opportunity

The councils' combined expenditure is approximately £29 million a year on the acquisition of goods and commissioning of works and services through procurement activity and the provision of grants to third party organisations. The main categories of revenue spend are property maintenance, emergency accommodation, small civil engineering projects, and facilities management. During financial year 2016-2017 approximately £5.1m (c18%) of the Councils' expenditure was with organisations located within the boundaries of Adur and Worthing councils and a further £4.9m (c17%) with organisations based elsewhere in West Sussex.

Driving value for money is vital for the Councils through the creation of better strategic procurement opportunities and effective supplier management. This is key to the strategy. But we

also recognise through Platforms for Our Places, that the Councils have an important role to play in driving wider value, whether it is through ‘buying locally’, requiring suppliers to use local resources and labour, meeting good environmental standards, or giving value back to our places through corporate social responsibility or community investment.

Platforms for Our Places recognises the challenges facing local communities our Councils recognise that adopting a commissioning and category management approach to service delivery will help address the needs of these communities.

This Sustainable Procurement Strategy has been created to strike an appropriate balance: to transform our procurement into an activity that can deliver additional social value by developing a commissioning “mindset” towards service delivery, planning with greater involvement of communities, stakeholders and service providers to develop an understanding of their needs, and by adopting core philosophies of category management, strategic sourcing and supplier relationship management into a tailored approach suitable for the Councils. In reality this will mean a greater emphasis on the pre-procurement activities that add most value (the Analyse and Plan segments of the Commissioning Cycle shown below), enhanced procurement and contract management (the Do and Review segments), and that the members of the procurement team will each have overall responsibility for a broader “portfolio” of expenditure than those found in a traditional category management structure.



The Councils' vision for Sustainable Procurement is to support delivery of the commitments in *Platforms for our Places* through development and training of staff and appropriate commissioning and procurement procedures to deliver more effective strategic procurement that provides value for money services meeting the needs of local communities and realising greater social, economic and environmental benefits.

This strategy has three core values embedded into each of the five strategy themes, and which will be at the heart of all the Councils commissioning and procurement activities. These values are:

- **Community focus** – ensure all commissioning and procurement activities are designed to meet the needs and aspirations of the communities we serve;
- **Sustainable Procurement** – all commissioning and procurement should be undertaken in an efficient manner, adopting a whole life costing basis that obtains value for money delivering social, economic and environmental benefits
- **Governance & Risk** – ensure procurement activities have appropriate governance arrangements at key milestones and are undertaken in a transparent and legal manner. To identify and manage risks appropriately without becoming risk averse.

How we will deliver change

During 2016/17 we have restructured and created a more strategic central procurement team with more specialist skills. Contract Standing Orders have been revised to help give the team more capacity for strategic work, and a detailed procurement toolkit has been produced for managers in the organisation to help drive best practice and compliance. However, there is much more to do, particularly in building up commissioning and contract management skills among managers to drive the broader opportunities highlighted in this strategy.

A skills gap analysis will be undertaken for any officer undertaking commissioning, procurement, purchasing and contract management duties, and a suite of procurement training resources will be established to train and educate officers and make them more aware how their commissioning and procurement activities can help deliver the aims of this strategy.

These initiatives together with the strategic priorities detailed in this document will enable the Councils to make the transition to embed strategic procurement practices into the organisation. The strategy vision and the core values will develop the Councils procurement activity to:

- Create a commissioning “mindset” within the councils through staff training and awareness to ensure we maximise the potential for innovation from our suppliers through early engagement, and secure social and environmental benefits as well as value for money where possible.
- Introduce project “gateway” reviews at key stages to improve project governance
- Adopt suitable and tailored category management philosophies across all council expenditure. Identify and assess potential procurement opportunities
- Create a robust Contracts Register and prioritise procurement opportunities to create a procurement pipeline
- Apply strategic sourcing tools to better manage demand and aggregate common or aligned categories of expenditure to negotiate better prices
- Manage key suppliers with a strong focus on contract and supplier relationship management and develop better commercial and market intelligence
- Seek to collaborate and/or partner with other organisations in areas where joint contracting may offer mutual benefit
- Make use of regional and national framework agreements which represent value for money for the councils
- Review skills and capability of council staff involved in commission and procurement and provide appropriate training programme to fill and enhance skills/knowledge gaps.
- Enhance the quality of data available from the councils and our partners systems. Create and share information to allow effective performance management and enable better informed commissioning and procurement decisions
- Simplify and standardise procurement processes and tender documentation through the Procurement Toolkit;
- Enhance the information available to suppliers via the council website and ensure that tender opportunities are visible to all suppliers.

Strategy Theme 1 - Category Management and Strategic Sourcing

Category management is a best practice, structured approach to procurement which aims to deliver best value by segmenting an organisation's expenditure into particular categories. These are generally aligned with market capabilities and business/service users' needs, rather than just the needs of a particular department. The category management cycle typically comprises four stages:

- **Identify** – collation and analysis of data, undertaking a high level assessment to identify potential opportunities for procurement improvements and production of a category plan;
- **Prepare** – a more detailed review of the potential opportunities identified above including analysis of the business needs and market capabilities and the production of sourcing strategies for each sub-category of expenditure;
- **Deliver** – the procurement stage involving seeking quotes or tenders, drawing up contracts and undertaking mobilisation work required pre-contract start date;
- **Manage** – ongoing contract and supplier relationship management to ensure benefits are delivered and any opportunities for cost reductions, service improvement or innovations are not lost. This can also include performance measurement, benchmarking services and costs against other providers in the market. Towards the end of the contract a formal review should take place ensuring any lessons learnt from this process are built into the next contract.

Category management is a process that challenges existing thinking. Whether this is the way a service is delivered, how goods are acquired or works commissioned, the process will ask how these may be procured better. Strategic sourcing is a key element of this process using cross-functional teams including Procurement and the lead client and other key officers to consider creative and innovative approaches in providing the requirement which will add better value.

The process considers things that we can do ourselves (the demand side) such as reducing demand for a requirement, standardising products/services or processes, or substituting items or processes for ones that are cheaper, more sustainable, or that offer greater community benefits, etc. The process also considers how we can use our position in the market (the supply side) to our benefit, e.g. aggregating our own expenditure on a requirement, collaborating with other organisations to approach the market with larger volumes and better knowledge, or by changing the nature of the supplier relationships, or considering the total cost of using the supplier (internal and external cost).

We recognise the size of our councils means it would not be suitable to adopt the traditional model of category management and strategic sourcing. Nevertheless adopting some of the core elements can still deliver savings and better outcomes because:

- Staff will develop a better understanding the needs of communities and stakeholders;
- Staff will develop greater commercial knowledge of individual supply markets and be able to think beyond traditional procurement boundaries. The capabilities and limitations, and the improvement and innovation opportunities of markets, as well as awareness of risks and appropriate mitigation measures will all be considered;
- Introduction of project “gateway” reviews at key stages will improve project governance;
- Attention and resources will be focused on key activities that add value and not just on procurement compliance processes;
- Strategic sourcing will consider most appropriate procurement route from wide range of possible options including use of frameworks and dynamic purchasing systems;
- Cost/value benefits can be realised by reducing demand, and by standardising or substituting for alternative products or services;
- Aggregating our requirements and collaborating with others can leverage better prices;
- Strategic contract relationships with key suppliers will deliver longer term benefits.

We plan to achieve this by:

CM1	Undertaking a detailed review of available data including councils expenditure, analysis of needs and usage, and an opportunities assessment to develop appropriate category plans for key areas of expenditure
CM2	Engaging with communities, stakeholders and suppliers to inform our sourcing strategies
CM3	Prioritising opportunities and producing more detailed sourcing strategies for particular requirements within each category to produce a Procurement Pipeline
CM4	Applying strategic sourcing tools to better manage demand and aggregate common or aligned categories of expenditure to negotiate better prices .
CM5	Introduction of project “gateway” reviews at key stages will improve project governance
CM6	Collaborating and/or partnering with other organisations in areas where joint contracting may offer mutual benefit
CM7	Considering most appropriate procurement route including making use of regional and national framework agreements which represent value for money for the councils
CM8	Undertaking a skills gap analysis and provide appropriate procurement training for

	officers;
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Strategy Theme 2 - Contract and Supplier Relationship Management

Contract Management involves the day to day management of the contract - understanding the requirements set out in the contract and ensuring the supplier performs in delivering them. Supplier Relationship Management (SRM) focuses on building a longer term relationship with the supplier, forming common goals and seeking continuous improvement, innovation, and social and added value opportunities for the benefit of both parties throughout the life of the contract.

It is important once a contract has been let that it is effectively managed, especially higher value or more complex contracts to ensure the outcomes detailed in the supplier’s tender submission are delivered, risks are identified and mitigated, and cost control is maintained. This will involve obtaining feedback from the client or users of the service, regular meetings with the supplier, gathering data and measuring the supplier’s performance against agreed key performance indicators and implementing improvement measures where necessary.

A good contract manager will understand the contract requirements, will have knowledge of their supplier and the market in which they operate and an understanding of the cost drivers within that market.

SRM looks at longer term development of the relationship with the supplier, seeking mutual opportunities for cost and service improvements and innovation. The contract manager will develop an understanding of the key supply chain issues and risks, both direct and indirect, which will assist in early identification of potential issues. There will also be opportunities to benchmark the contract to ensure it remains competitive, and the potential to explore closer working with the supplier including adoption of open book accounting.

We plan to achieve this by:

SRM1	Creating, populating and maintaining a new Contract Register including digitising and hosting copies of contracts on the system
SRM2	Identifying key contracts/key suppliers and ensure appropriate contract management arrangements are in place

SRM3	Introducing an online toolkit for Contract and Supplier Relationship Management providing both guidance and template documentation;
SRM4	Investigate acquiring or creating our own online contract management system to better monitor contract performance and flag potential issues;
SRM5	Undertaking a skills gap analysis and provide appropriate training for contract managers
SRM6	Using the Procurement team to support contract managers with the management of key contracts and acting as a point of escalation if performance issues arise. Undertake periodic reviews of other contracts to ensure contract standards and supplier performance are maintained;
SRM7	Developing Supplier Relationship Management with key suppliers to exploit continuous improvement, innovation and cost sharing opportunities
SRM8	Ensuring contract data is provided and that the data is available for use across the council
SRM9	Benchmarking contract costs and supplier performance with other customers

Strategy Theme 3 - Social Value

The Public Services (Social Value) Act 2012 places a legal obligation on councils sourcing services above the EU threshold (c£164,000 in 2016) to consider at the pre-procurement stage:

- how the service being procured may improve the social, environmental and economic well-being of an area (e.g. Adur and Worthing council boundaries, West Sussex, etc);
- how such improvements could be secured;
- an obligation to consult on these matters prior to procurement commencing.

This strategy proposes to extend the scope of social value considerations to cover all the councils' commissioning and procurement activities to ensure the councils get the best value from the monies spent through commissioning and procurement activities not just in terms of pure financial benefit but through applying whole life costing models across the triple bottom line, delivering social, economic and environmental benefits for the betterment of the local communities, and to deliver the councils' commitments outlined in *Platforms for our Places*.

Incorporating Social Value into our commissioning and procurement processes will require a change in organisational culture and individuals' attitudes by developing a commissioning "mindset" within the councils and creating "intelligent" commissioning and procurement process, being better informed about specific needs and tailoring each project outcomes around those

particular sets of needs and circumstances. It is also about being mindful of the suite of potential social benefits we may wish to realise but equally being open to those we may not yet have considered. Ultimately it is about delivering outcomes for the betterment of our communities.

By its very nature Social Value can take many forms, there is no “one size fits all” approach because every requirement, every circumstance and every community will have different needs and aspirations. Examples of Social Value include:

- Apprenticeship schemes
- Back to work initiatives for long term unemployed and people not in education or training
- Training and development programmes to up-skill employees
- Payment of the Living Wage
- Compliance with social and labour laws, e.g. prevention of modern day slavery, etc
- Volunteering initiatives
- Improving access for healthier lifestyle choices
- Creating a circular economy
- Reducing demand and reusing/remanufacturing products
- Reducing waste and diverting waste from landfill (e.g. recycling)
- Carbon reduction initiatives and carbon footprint measurement
- Substituting products for more sustainable items
- Protecting biodiversity
- Ethical and fair trade purchasing
- Supporting local businesses, ethnic minority owned businesses, SMEs and third sector organisations
- Encouraging local innovation

The Councils made a specific commitment in *Platforms for our Places* to become stewards of our natural resources and we will embed the *Ways of Living Principles* into our procurement processes and documentation:

1. Do more with less - reduce demand, standardise/change specifications, substitute products for more sustainable alternatives;
2. Embrace & Develop Community - place the betterment of our communities and residents at the heart of our procurement activities;
3. Smarter Purchasing - officer training and education, developing a commissioning “mind-set”; supporting local businesses;

4. Efficient Resource Use and Reduction - eliminate waste, energy efficiency
5. Celebrate and Cultivate Nature - increasing biodiversity; reconnecting communities with the natural environment

The councils will also draw up a *Procurement Charter* illustrating the Councils' commitments to responsible procurement and social value on a single A4 sheet. We will encourage our key suppliers to sign up to the same goals.

We plan to achieve this by:

SV1	Undertake a high level review the Councils annual expenditure, identify key categories of spend and the social value criteria most applicable to these categories.
SV2	Create a Social Value Toolkit to guide officers through the process of embedding Social Value in our key commissioning and procurement projects;
SV3	Engaging with local communities, service users and other stakeholders to fully understand and analyse their needs and aspirations;
SV4	Meeting with service providers and other organisations in the markets to understand the capacity, capabilities, constraints and potential developments and innovations taking place within these markets, both now and those likely in the future.
SV5	Developing appropriate capacity and capabilities in markets that are currently unable to meet our requirements;
SV6	Incorporating relevant social value criteria into specifications, contract documents and into our evaluation processes
SV7	Structuring our procurement exercises to remove barriers that may prevent SME, voluntary and community organisations from bidding for work. These may include reducing the minimum requirements for participation and dividing requirements into smaller lots or by geographical regions;
SV8	Reserving particular tender lots for organisations whose main purpose is the integration and employment of disadvantaged groups where this is practical or legal;
SV9	Evaluating our procurement on a whole life cost basis to include social value criteria
SV10	Ensuring that our quotation processes invite a least one local (located within the boundaries of Adur and Worthing councils) organisation to bid wherever possible. Ensuring that our tender processes are advertised on our e-tendering portal and <i>Contracts Finder</i> .
SV11	Developing and publishing the councils commitments in a Procurement Charter and encouraging our key suppliers to sign up and share our vision.

Strategy Theme 4 - Staff Skills and Systems

In order to achieve the aspirations of this strategy and transform the councils procurement activities from reactive, transactional and compliance based processes into a more proactive and strategic operation we need to invest in our resources and improve our systems, processes and data.

There is a need to ensure that staff have the appropriate skills, professional support, and electronic resources in order to make sound commercial and procurement decisions. This will be provided through appropriate training and systems development. The councils also need to ensure that there is an improvement in the quality and scope of data available to officers to assist them in making better informed decisions for the benefit of local communities.

We plan to achieve this by:

SSS1	Undertaking a skills gap analysis, creating and embedding a skills matrix of essential procurement and commercial skills into the PDR which staff involved in purchasing decisions should possess
SSS2	Developing a suite of procurement related training for officers;;
SSS3	Developing a Procurement Toolkit on the Councils' intranet site containing guidance and template documentation for officers;
SSS4	Creating, populating and maintaining a new Contract Register including digitising and hosting copies of contracts on the system
SSS5	Publishing the Contracts Register to ensure we are complying with the data transparency requirements
SSS6	Improving the level and quality of financial and procurement data available to us through the opportunity created by the acquisition of the new FMS solution
SSS7	Improving the relevance and quality of data available to us through our own contracts. Where practical we will make this data available for other parties to utilise;
SSS8	Collaborating with other third parties to share data for mutual benefit to help make better informed decisions about meeting the needs of our communities
SSS9	Reviewing the use and/or adoption of appropriate e-procurement tools including ones for e-tendering and contract management to ensure they remain relevant fit for purpose

Strategy Theme 5 - Commercialisation

The Councils need to become more commercial across the entire range of services offered. This will include making best use of our assets and resources, seeking opportunities to increase income, reduce costs, better manage risks, improve service performance, and by working in partnership with other organisations to secure the best solutions to meet the needs of our communities and residents. This will require better management of our contracts and a closer working relationships with key suppliers, developing a detailed understanding of the breakdown of our suppliers' costs, the markets and supply chains in which they operate and an understanding of the issues and pressures affecting these supply chains and markets. It will also mean developing a understanding of our key suppliers' competitors and their cost models and supply chains.

It will also involve considering the most appropriate model for service delivery, whether that is the Councils acting as a service provider, or as an enabler with a third party delivering the service, or in a joint-partnership arrangement with one or more third parties. It may also involve redesigning services and being prepared to ceasing providing all or part of a service if it is no longer delivering the best value or desired outcomes.

We plan to achieve this by:

C1	Ensuring our key contracts are appropriately resourced and managed through better contract and supplier relationship management processes
C2	Reviewing contract provisions and clauses prior to tender, ensuring they are fit for purpose for the market
C3	Developing a more commercial and evidence based approach to contract negotiations and to be proactive in seek efficiency savings when market costs reduce
C4	Working in partnership with key suppliers to continuously improve service performance, manage risks and share efficiency gains from better productivity
C5	Reviewing opportunities to generate new or more income generation streams;
C6	Regularly reviewing the services offered and who is best placed to provide them. Being prepared to stop providing all or part of a service that no longer offer best value for money
C7	Having realised cashable savings of £750,000 by end of FY19/20

Strategy Action Plan

This Action Plan will be revisited and refreshed every 12 months

Description	Timescale
Publish the Procurement toolkit	June 2017
Complete the next review of Councils expenditure, identify key categories of expenditure, key suppliers/contracts. Identify opportunities for category management, better contract management and embedding social value	July 2017
Review and update procurement and contract template documents to reflect the Councils' new corporate objectives	July 2017
Develop Contract and Supplier Relationship Management toolkit and templates	August 2017
Develop a Social Value toolkit	August 2017
Review/develop a robust procurement process to ensure: <ul style="list-style-type: none"> the needs of communities and service users are considered; social value is embedded into documents/process; capacity, capabilities and developments of potential markets and suppliers are understood; barriers preventing smaller or younger organisations from bidding are understood and removed where practical; procurements are undertaken using whole life costing where possible 	August 2017
Develop category management and strategic sourcing tools and templates	August 2017
Embed category management / strategic sourcing philosophy	September 2017
Review/develop Project management methodology and documentation <ul style="list-style-type: none"> project business case/sourcing strategy including options appraisal risk & issue logs "gateway" reviews take place at key project stages 	September 2017
Complete the creation and population of a new Contracts Register	October 2017
Develop procurement training programme Year 1: CSO & Strategy, Intro to Contract Mgmt & SRM; Social Value Year 2: (determined by PDR skills gap analysis)	November 2017 November 2018
Publish Procurement Charter	December 2017
Create procurement skills matrix and embed into PDR	January 2018
Enhance the quality of reports and data available from our e-procurement and new financial management systems	March 2018
Deliver minimum of £750,000 procurement savings	March 2020



Staying Secure in a Digital World

Report by the Director for Digital & Resources

1.0 Summary

- 1.1 The purpose of this report is to provide committee with an update on the cybersecurity arrangements that are in place keep the Councils' networks, computer system and information assets safe and secure. As we move forward with our digital technology strategy (see the Joint Strategic Committee report, 2nd Dec 2014), increasingly moving to cloud-based services, it is crucial to keep our approach to cybersecurity updated, while ensuring that our existing network infrastructure is protected.
- 1.2 The Data Protection Act 1998 (DPA) requires that Data Controller (the Council) complies with the principles within, including to have security measures in place to protect personal data. In May 2018 the General Data Protection Regulation (GDPR) comes into force and supersedes the DPA. The most significant addition in the GDPR is the accountability principle : the Controller (the Council) shall be responsible for, and be able to demonstrate compliance with the GDPR principles. This report contributes to the Council demonstrating how it protects personal data.
- 1.3 Information security is of paramount importance to our organisation, and whilst this report was commissioned well before the recent attack affecting the NHS, it is a timely statement of our approach to security and our ongoing efforts to continuously improve our position.

2.0 Background

- 2.2 Cybersecurity covers the protection of computers, networks, programs and data from unauthorized access or denial of service. Maintaining security is not just the remit of the ICT department as security responsibilities extend to all staff, Councillors, contractors and our suppliers.
- 2.1 Modern organisations now demand effective, efficient digital services available from anywhere, from a wide range of devices. Enabling the business securely is a critical requirement in our digital age. Our strategy to adopt cloud technologies is beneficial to our security arrangements. The leading platform and infrastructure technology companies we use are continually developing their approaches to cyber-security in the face of ongoing threats and have the resources and expertise to deliver the highest levels of security. Adur & Worthing Councils have taken the right strategic decisions to adopt these technologies -

ones that provide the benefits of digital service delivery with the most advanced cybersecurity.

- 2.2 Our new software platforms Google, Salesforce and Matssoft are highly secured by industry leading security teams, with our current on-premise applications soon to be recipients of this care and attention, as we move to leading cloud datacentre providers Microsoft Azure and Amazon Web Services (see the Joint Strategic Committee report, 13 July 2016 - [Moving to the cloud](#)).
- 2.3 An example of a common type of cyber threat and the Councils readiness was the malware attack, WannaCrypt on 12th May 2017
 - 2.3.1 The world wide '[Ransomware](#)¹ attack, struck c150,000 organisations in 150 countries including sections within the NHS. The ransomware, known as WannaCrypt encrypted the contents of computer hard drives, preventing users from accessing their data and services whilst demanding a ransom to be paid.
 - 2.3.2 As a result of the Council's IT security systems being routinely maintained and updated, there was no compromise to any of the council's systems, data or devices. All Council Services continued to run without disruption.
 - 2.3.3 The Councils' ICT and Digital and Emergency planning staff reviewed and confirmed the status of system security. This review identified several areas of low-lying risk to be addressed and took appropriate remedial steps.
 - 2.3.4 Council Staff and managers were kept informed throughout the period and were reminded to be diligent with regard their part to play in reducing the risk, for example they were reminded not to open any unsolicited email, nor click through any internet link where the source can not be identified and trusted.

3.0 Adur & Worthing's Architecture and Solutions

- 3.1 The connected nature of the Councils' ICT infrastructure and arrangements enables staff to access computer systems through a blend of on site and cloud hosted services, providing them with the same experience in the both the council office and home office.

Cloud Services

- 3.2 Secure cloud-based services are now crucial to the way commercial and government services are delivered to customers, business-to-business and to staff. Due to the constantly changing nature of technology and emerging threats there is a need to continually assess and validate the security arrangements in place by the cloud services we use and we follow the guidance on such services published by the National Cyber Security Centre.
- 3.3 Cloud vendors continually invest in improving the security architecture of their products. The wide range of their customers mandate certain levels of assurance, which are often higher

¹ Malware, short for malicious software, (also known as computer viruses) is any software used to disrupt computer or mobile operations, gather sensitive information, gain access to private computer systems. Ransomware refers to the type of malware that carries out an extortion attack that blocks access to data until a ransom is paid.

that the standard set by local government. International standards ISO 27001, ISO 27017 & ISO 27018 as well as CSA * certifications are held by the cloud providers that we will be engaging with. The council is responsible for ensuring that the data hosted is secured in an appropriate manner.

Local Network & Devices

- 3.4 It is not by chance or luck that the Council has not been affected by a cyber attack. The following is a summary of the ways that cybersecurity has been applied across the Council.
- 3.5 Several layers of managed firewalls prevent unauthorised external access of the internal network. Where external inbound connections are required by business need, the scope and nature of the connection is tightly governed by predefined rules. Fully documented, peer reviewed change requests are required to amend these rules. Where possible the connection is encrypted to ensure integrity of the data transferred, and prevent attacks such as 'Man-in-the-Middle'.
- 3.6 Authenticated web proxy, servers, mobile device management (MDM), storage encryption, backup encryption, device control policies, anti-malware and software deployment products ensure that devices and media used for storing and accessing Council data are protected from malicious code and other threats. The council deploys a wide range of industry standard products such as Forcepoint Web Security, Lumension Endpoint Security, Microsoft Group Policy, Bitlocker, System Center Configuration Manager, and GFI Languard.
- 3.7 Access control systems define who has access to what resources when. This relies on a system called Active Directory, an industry standard user directory system built on the foundation of highly-available and reliable infrastructure.
- 3.8 Proactive monitoring of key operational systems ensure problems are known to ICT operations staff, and remedial action can be taken in advance of an incident occurring. Unusual activity on the network is logged and brought to the attention of senior 3rd Line Technicians, data that can be indicative of an attack but also invaluable for capacity planning. *Cisco Prime Infrastructure* is in the process of being installed, which will allow centralised monitoring, patching and maintenance of core network infrastructure including Wi-Fi access points.
- 3.9 As referenced in the section about the Council's PSN code of connection, the datacentre and internal network is subject to an annual health check and penetration test. The output of this test forms the basis of a remedial plan, the progress of which is reviewed monthly by the IT Service Operations Team Leader. This is part of the purview of the Security Operations Group which reviews security threats and implications at a highly technical level.
- 3.10 Requests for access to both cloud services and the internal network (new starters, contractor access) are processed through a new starters process where requests are documented and require management approval. Leaver requests are similarly processed and form part of the HR processes to terminating employment. This means that no staff leaver accounts shall remain active following their departure date.

- 3.11 Automated Microsoft Windows patching processes ensure the latest software update on on staff devices, so staff are protected from malware, known vulnerabilities resulting from out-of-date software. ICT operations staff maintain an overview on NCSC, industry message boards and vendor information bulletins to ensure vulnerabilities are mitigated as soon as possible.
- 3.12 The Council's public Wi-Fi service is cryptographically separated from the Council's internal network and computer systems within that protection. The council's internal Wi-Fi service is only available to staff with an authenticated Council device.
- 3.13 Access to the Council secure internal network and services is permitted only on Council provided laptops and personal computers.
- 3.14 Council provided iPads, tablets and smartphones are fully encrypted to AES256 standard and are only permitted to connect to the public WiFi service, as such they have no access to the secure internal network.
- 3.15 In addition to encryption services, all Council smartphones have Google security and device management controls installed and configured enabling them to be wiped, this may be performed on a specific Google account or the whole phone.
- 3.16 The Council has a Bring Your Own Device (BYOD) provision that allows staff members to access email and cloud-based productivity services from any device . The corporate telephone system, cloud hosted systems and applications on the Council Digital Platform are also available from BYOD devices by virtue of the services being made securely accessible via internet connectivity and secure logons. Services exclusively hosted from the Council's network are not accessible to BYOD devices.

Key technology platforms

- 3.17 Our website, www.adur-worthing.gov.uk is hosted on site currently, and is primarily protected within the Council's network security web server arrangements (see section 7.1). In addition, the site uses the gold standard for web site security: <https://> protocols (the 's' in <https://> = secure). This encrypts all communications between the website and user. These arrangements together with close monitoring and security reviews thwart any cyber attacks to attack or take over the web site. There are 12 micro web sites e.g www.itjunction.org.uk, that the council hosts using Wordpress. Security updates, monitoring and patches are kept upto date thwarting frequent attacks and hacking attempts.
- 3.18 Matsoft and Salesforce platforms together form the Council's (Cloud) Digital platform, and an increasing number of council internal and customer facing services are built and hosted on these solutions. The responsibility for cybersecurity for these services rests with both the platform suppliers and the Council. The following independent security assurance work has been undertaken by certified security consultants.
 - Risk based approach to information classification and information security management - Aug 2015

- Risk assessment of the Digital platform - Nov 2016
- Mazars audit of the Digital platform - Nov 2016
- Assessment of Matsoft PEN test and audit of the council's Digital platform configuration settings - Apr 2017.

The Council's Matsoft data is hosted on Amazon Web Services (AWS). [AWS](#) have highly compliant security certifications, assertion and operates a highly secure and reliable cloud infrastructures, and is used by other leading councils such as Peterborough, Aylesbury and Bristol, as well as a host of central government departments including the Ministry of Justice.

Google Suite (Email, Calendar, Gdrive, Hangouts)

3.19 Google has a [highly compliant security certifications, assertion and operates a highly secure and reliable cloud infrastructures.](#)

- Google cloud infrastructure protects data 24/7 : From custom-designed data centres to undersea fibre cables that transfer data between continents, . Data is distributed across multiple data centers, so that in the event of a fire or disaster, it can be automatically and seamlessly shifted to stable and secure locations.
- Encryption keeps data private while in transit : When you do things like send an email, share a video, visit a website or store photos, the data that is create moves between your device and Google data centres. This is protected by multiple layers of security, including leading encryption technology like HTTPS and Transport Layer Security.
- Threat detection helps protect Google services : Google continuously monitor its services and underlying infrastructure to protect them from threats, including spam, malware, viruses and other forms of malicious code.
- Gmail encryption keeps emails private : Gmail has supported encrypted connections, which makes it harder for hackers to read emails. Gmail also warns users about possible security risks, like when you receive an email that was not sent over an encrypted connection.
- Gmail spam protection filters out suspicious emails : Many malware and phishing attacks start with an email. Gmail security protects users from spam, phishing and malware. Gmail analyses patterns drawn from billions of messages to identify characteristics of emails that users marked as spam, then uses those markers to block suspicious or dangerous emails before they ever reach users. Users can help by selecting "Report Spam" for suspicious emails. Machine learning and artificial intelligence enable Gmail's spam filter become ever-more accurate.
- Chrome automatically updates your browser security : Security technologies are always changing, so staying safe means staying up to date. The Chrome browser automatically checks regularly to make sure that the version of the browser being used is updated with the latest security fixes, protections from malware and deceptive sites.

- Google Play keeps potentially harmful apps off smartphones : One of a device's biggest security vulnerabilities can be the apps installed on it. Google's detection system flags potentially harmful apps before they ever reach the Play Store.
- Security rewards programmes : Google have a security rewards programmes that pay independent researchers to find vulnerabilities in their services and create security fixes.

7.8.2 The Council has control over its own Google configurable features and settings that can be invoked to enhance security and data management practices. The [CESG Google Apps security guidance](#) has been used to inform the Council's setting, such as :

- Enforcing strong passwords
- Enforcing 2 factor login authentication
- Enforcing email encryption
- Enforced mobile device management
- Enforce mobile phone encryption, pin and screen lock.
- Remote wipe of an email account.

An annual independent security assessment check is undertaken on the Council's Google domain configuration in liaison with Google and the Councils Google deployment partner. The Security Operations Group monitor and progress actions from the security assessment.

Council staff can take control and undertake their own checks on their Google Apps account :

- Secure your account with the Security Checkup
- Privacy check
- Get alerts about suspicious activity
- Strengthen sign-in to prevent attacks
- Safeguarding Google account if the event of losing a phone.

Staff have access to training resources and can run their own privacy and security checks on their accounts.

4.0 Council's Governance arrangements

4.1 Cybersecurity is not just about technical controls of course, but relies on our staff understanding the importance of protecting information appropriately. Good governance and information management is required from end-to-end, implemented in a way that is safe but does not restrict or constrain the business unnecessarily. It is vital that our Council's information assets are safe and secure while at the same time having proportionate and appropriate security controls and policies. There are many ways we secure and reduce risks, by using:

- Physical controls like walls, locked doors and door access management management
- Procedural controls like making managers responsible for access, audits, allocation and retrieval of devices, ensuring staff hold appropriate systems access (using the principle of least privilege).
- Regulatory controls in policy and contract conditions
- Adherence to industry standards, codes of practice and government guidelines
- Undertaking risk assessments and identifying continuous improvements
- Mandating staff security training and raising awareness on social engineering and common attack methods (phishing emails, CEO fraud and other spoofing attacks)
- Technical controls like cryptographic software, authentication and authorisation systems or secure protocols, penetration testing
- Security and legal professional advice and support
- Disaster recovery and business continuity planning and testing

The Council has a suite of information security policies. The policies sets out the approach of the Council regarding the security of our information assets to guarantee the confidentiality, integrity and availability of Council information and systems. At present, the policy suite is being reviewed and updated by an independent security consultant commissioned by the Census partnership. The policies define roles in the organisation with responsibility for information security which are strongly established at Adur & Worthing.

- 4.2 Included in staff T&Cs and employee handbook are acceptable use, email and internet policies. Staff have to complete an information security e-learning module when first in post and then 3 yearly (a review is pending on changing this to annually). Additional and up to date guidance and advice is published on the intranet, including: Bring your own device, setting up smartphones, working abroad, device guardianship, Social engineering and fake emails (phishing).

Updates and alerts are communicated to staff via email and through intranet communications channels. If in doubt on a matter of data security staff are encouraged and signposted to contact the ICT helpdesk, the Information security manager or Data Protection Officer for advice and support.

A key part of the Council cybersecurity is for all staff, Councillors and contractors to have good information security practices, including phishing attacks. We all like to think we can spot one, but the fraudsters are very clever in fooling us to divulge information which can then be used to obtain personal, financial information. Staff are signposted to guides to help raise their awareness.

The Information security e-learning module is due to be reviewed and updated, including making it mandatory to undertake the module annually.

- 4.3 The Senior information Risk Owner (Paul Brewer, Director of Digital and Resource) is accountable for :
- a. Informing the Chief Executive of all current developments in security practices and monitor the revision of the Information Security Policy Suite and any supporting standards, guidelines and procedures as required;
 - b. Delegating as required the authority to monitor compliance with the Information Security Policy Suite to such officer(s) as deemed fit to discharge such a function, e.g.

Information Security Manager;

- c. Ensuring that information governance is embedded into the organisation;
- d. Ensuring that potential risks to corporate information are mitigated;
- e. Ensuring that resources are available to provide such protective measures as may be appropriate to meet security requirements, e.g. finance, people, etc.

4.4 Unlike many councils, we have chosen to maintain a dedicated post to ensure our standards are maintained and improved. The Information Security Manager (Barbara Bastable) is responsible for :

- a. Developing, monitoring and overseeing the implementation of the Information Security Policy Suite and any associated standards, guidelines and procedures;
- b. Ensuring that all staff and Members are aware of the information security policies, standards, guidelines and procedures and where necessary ensure that the Council provides instruction and training in security matters;
- c. Providing advice and support to Information Asset Owners
- d. Providing advice and support to Digital/ICT, groups, SIRO, Councillors and staff.
- e. Review the security arrangements and action for the Council's key Digital platforms.

4.5 The ICT Operations Manager (Simon Taylor) is responsible for :

- a. Regularly reviewing security measures in place at Adur and Worthing Council's Data Centre, Desktop Client environment and networks (local physical and WAN links).
- b. Facilitating operational ICT resources participation in IT health checks (Pen Tests), PSN reassessment, audits and investigations and ensuring the remediation or mitigation of any identified risks or issues.
- c. Providing reports on the state of Adur and Worthing Council's security patching for Servers, PCs (inc Laptops) and Network switches.
- d. Chairing the Monthly 'Security Operations Group' Meetings
- e. Coordinating the incident management response for ICT Major Incidents affecting the Council's ICT environment.
- f. Reporting any identified deficiencies in staff, councillor, contractor, or supplier behaviour presenting a risk to the ongoing security of the Council's data systems.

4.6 The Digital Programme Board, Digital Operations Group and Security Operations Group have responsibilities for strategic and operational security arrangements . See Appendix A.

5.0 Audit regimes

5.1 There is a robust, stringent and continual audit regime of the Council's security policies, controls and arrangements across the whole scope of Digital and ICT services provided in-house and by suppliers. Recommendations from the audits are actively monitored and actioned.

Internal Audits, undertaken by Mazars (from 2013):

- IT Project Management & Governance (CenSus Contract) - June 13
- IT Asset Management – Oct 13

- Data Centre – Nov 13
 - Joint Website – Nov 13
 - Delivery of Digital Strategy – Feb 17
 - ICT Helpdesk - Mar 2014
 - ICT Network Infrastructure - Apr 2014
 - FOI Audit - 2014
-
- Data Protection and Information Governance - Mar 2015
 - Disaster Recovery - July 2015
 - Public Service Network - Sept 2015
 - ITIL Service desk - Sept 2015
 - Cloud Computing - Nov 2016
 - Google Implementaion - Jan 2017
 - Remote access - April 2017
 - IT resilience - April 2017
 - Telecom contract - April 2017
 - Mobile phone contract - in progress

The 17/18 plan includes the following audits:-

- Compliance with the new General Data Protection Regulations
- ICT Management & Strategy
- Cyber Security
- Thematic review of password security of all key system
- Web Security
- Mobile Devices

Public Services Network Audit

- 5.2 The PSN is the government's secure, high-performance network. For the Council to have a connection to the PSN, it must pass a successful [code of connection](#) (CoCo) submission annually. The council has successfully passed the CoCo every year.

The process of completing a CoCo submission includes an independent [IT health check](#) (ITHC), providing internal and external penetration testing (Pen testing). Pen testing is a process whereby certified IT security consultants attempt to gain access to Council Systems using ethical hacking software methods. Key areas covered in ITHC are :

- Boundary firewalls [to prevent unauthorised access]
- Secure configuration [setting up systems securely]
- User Access control [restricting access to those who need it]
- Malware protection [i.e. using anti-virus software]
- Patch management [i.e. updating software]

Passing the PSN submission and achieving accreditation means that we are able to connect to secure resources across the PSN, such as protected systems hosted by the Department of Work and Pensions. The ITHC also forms the basis of a remediation action

plan to improve security across the Council's internal network, providing valuable insight into how the internal technical controls the Council deploys measure against industry and NCSC best practice. The remediation plan prioritises remediation of risks by their threat severity level.

Adur and Worthing have a good track record remediation of identified risks promptly following receipt of the health check reports.

6.0 Standards and good practice

The publications, guidance and advice from the NCSC and GDS informs the Council's Digital programme and cybersecurity policies, controls and arrangements.

6.1 National Cyber Security Centre (NCSC)

The National Cyber Security Centre (NCSC) is the UK Government's authority on cyber security. The NCSC brings together and replaces CESG (the former information security arm of GCHQ), the Centre for Cyber Assessment (CCA), Computer Emergency Response Team UK (CERT UK) and the cyber-related responsibilities of the [Centre for the Protection of National Infrastructure](#) (CPNI).

The NCSC's main purpose is to reduce the cyber security risk to the UK by improving its cybersecurity and cyber resilience. They work together with UK organisations, businesses and individuals to provide authoritative and coherent cyber security advice and cyber incident management

6.2 Government Digital Services

The Government Digital Services (GDS) is part of the [Cabinet Office](#) and the [Efficiency and Reform Group](#). They are responsible for :

- Provide [best practice guidance](#) and advice for consistent, coherent, high quality services
- Identify the needs for [common services, components and tools](#), building some ourselves and helping departments build others
- Run [model projects](#) with government and other partners to show what's possible
- Help government [choose the right technology](#), favouring shorter, more flexible relationships with a wider variety of suppliers
- Set and enforce [standards for digital services](#)
- Lead the [Digital, Data and Technology function](#) for government

7.0 Migration of on-site hosted computer systems to the cloud

7.1 The CenSus ICT Partnership teams (A&W, Mid Sussex and Horsham) are running a project to migrate Council services hosted locally, within local secure local data centres, to secure public cloud computing hosts. In simple terms this is moving applications hosted in our on-site data centre at the Town Hall to secure off-site data centres within the UK, hosted by Amazon Web Services (AWS) and Microsoft Azure. Both have highly compliant security certifications, assertion and operate highly secured and reliable cloud infrastructures.

- 7.2 Plans are progressing to commission a Managed Service Provider (MSP) to work alongside the CenSus ICT partners in creating a cloud infrastructure design that is secure and compliant with all appropriate standards. The MSP will assist the councils in migrating the infrastructure to the cloud, whilst ensuring there is no impact to the business. The selected MSP was chosen on the basis of their skills and experiences in undertaking a similar migrations for other organisations in the public sector including. They will work closely with Councils Digital / ICT officers to ensure appropriately robust, security measures are applied in-line with current best practice (noting also that regular review and penetration testing will also be performed to confirm the integrity of security measures).
- 7.3 The chosen cloud providers have shown that they are compliant with the current security standards that are required to host local government infrastructure. Due to the focus on cloud security, cloud vendors are investing significant sums of money to ensure that cloud security is as good if not better than local government resources can provide. ISO 27001, ISO 27017 & ISO 27018 as well as CSA* certifications are held by the cloud providers that we will be engaging with. The council will be responsible for ensuring that the data hosted is secured in an appropriate manner.

8.0 Disaster Recovery

- 8.1 In order to ensure that Council Services can be restored in the event of an emergency, IT Services have a disaster recovery plan outlining the actions to be taken in a loss of one or more services.

The council has a number of key resilience measures in place already to mitigate for loss of service. These include:

- Email and Telephony Services hosted in the Cloud
- Front line and business continuity management services hosted on Salesforce and Matsoft platforms hosted in the cloud.
- Locally held data is backed up to disk locally and remotely (Horsham DC's Data Centre), encrypted tape backups held elsewhere within the district (2.5 miles from Worthing Data Centre).
- Uninterruptable Power Supplies within the Data Centres and Comms Rooms
- Contract for Emergency Generator Power Supply in place

Most commonly, service interrupting incidents are managed locally through our standard IT incident management processes (covers day to day service or technical failures).

In preparation of this the Council's Emergency Planning Officer has worked extensively over the last year on a process of creating a corporate Business Impact Assessment (BIA), which identifies all of the Council's key services and the risk that a loss of service poses to the organisation and those reliant on it. From this work a new Business Continuity Plan is being developed. This plan essentially deals with loss of buildings, staff, equipment and suppliers. There is an ICT risk element to the Business Impact Analysis which asks staff to

consider what steps can be taken to mitigate from an ICT failure. This predominately uses manual processing and procedures.

The data collected through this process enables the organisation to direct business continuity and disaster recovery efforts.

Digital, CenSus ICT and Business Services (including surveyors, facilities management and emergency planning) are jointly undertaking a disaster recovery test in late summer / early autumn 2017. This test is designed to simulate a significant service impacting incident, resulting in the loss of all on-site IT infrastructure services. A separate progress report is being produced for the June Joint Governance Committee.

8.0 Legal

8.1 The Council must comply with the Data Protection Act 1998 and the principles within, including:

Principle 7 - Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data

8.2 The General Data Protection Regulations comes into force May 2018 and supersedes the Data Protection Act 1998. The Council must comply with the Principles within, including:

Article 5, Principle 1(f) Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing against accidental loss, destruction or damage, using appropriate technical or organisational measures.

Article 5, Principle 2 The Controller (Adur & Worthing Councils) shall be responsible for, and be able to demonstrate compliance with principle 1(a) - (f).

9.0 Financial implications

9.1 Cybersecurity is covered within existing budgets

10.0 Recommendation

10.1 Joint Strategic Committee is recommended:

i) Note the contents of this report

Local Government Act 1972

Background Papers:

2nd Dec 2014, Joint Strategic Committee, [Investing in new technology : The springboard to excellent customer experience and business efficiency](#)

12th Dec 2014, CenSus (Central Sussex Partnership) Joint Committee : [Adur & Worthing Digital Strategy Update](#)

13th July 2016, Joint Strategic Committee, [Moving to the cloud](#)

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Schedule of Other Matters

1.0 Council Priority

- 1.1 Services and solutions are increasingly being made available by digital means, placing requirements on us as an organisation to enable business change flexibly but securely. Developing our technology platforms and increasing access from anywhere is essential for our ongoing transformation, but must be tackled in a way that ensures the security of our citizen's information.

2.0 Specific Action Plans

- 2.1 The work is developed and managed as part of our Digital Programme

3.0 Sustainability Issues

- 3.1 Our key provider of cloud services, Amazon Web Services has a long term commitment to achieve 100% energy usage from renewables, with a target of 50% for 2017.

4.0 Equality Issues

- 4.1 Matter considered and no issues identified

5.0 Community Safety Issues (Section 17)

- 5.1 Matter considered and no issues identified

6.0 Human Rights Issues

- 6.1 Privacy and security issues are the most important issues for citizens in relation to government use of ICT, particularly data, and it will be essential to strike the balance of risk and reward here, and communicate exceptionally well with residents and members.

7.0 Reputation

- 7.1 ICT failure has a considerable impact on the Councils' ability to deliver services and thus on our reputation. One of the core objectives of this project is to reduce the likelihood and impact of ICT failure.
- 7.2 The Councils have achieved a good national reputation for innovation in ICT and digital. Good and continual cyber security will help to continue that.

8.0 Consultations

- 8.1 Matter considered and no issues identified

9.0 Risk Assessment

9.1 The Councils currently have risks identified around the lack of reliable ICT infrastructure and disaster recovery and intend to keep these high on the agenda. These are managed through the service risk and corporate risk management processes.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Matter considered and no issues identified

12.0 Partnership Working

12.1 The Councils are engaged with our partners in CenSus ICT.

Appendix A - Governance arrangements

Digital Programme Board

The Digital Programme Board is part of overall strategic governance for the councils, reporting to the Change Board. It aims to drive the development of truly user-centred digital services across the organisation, and continuously improve core ICT delivery.

- Minuted monthly, chaired by the Director of Digital & Resources.
- Develop “design & change practice” to ensure all work is user-centred
- Develop and manage a prioritised programme to 1) create efficient, user-centred digital services people choose to use and 2) deliver business critical ICT change, improvement & service delivery
- Migrate services on to the Salesforce/MATS platform as a default choice, with open standards compliant applications a possible alternative
- Control digital/ICT spend, including improved contract and supplier management
- Ensure effective and proportionate information governance & security
- Develop the digital/ICT operating model, including modernising the CenSus partnership
- Horizon scan, developing technology strategy to stay ahead
- Deliver engaging and informative internal and external communications

Digital Operations Group

- Minuted weekly ICT and Digital Operational Management group meeting chaired by the Head of Digital
- Monitor progress of ongoing service provision within the sphere of business as usual (day to day).
- Reviews submissions from the business to improve services through the use of technology
- Reviews service support operation of internal and external suppliers - seeking remediation for service performance issues wherever they arise.
- Identifies and reviews opportunities for continual service improvement through trend review and problem identification and management

Security Operations Group

- Minuted monthly service management and technical operations review focussed entirely around security provision chaired by the Head of Digital.
- Review Remediation Action Plan (RAP) from ITHC reports, internal audits and incidents/problems.
- Review existing security measures pertaining Council services wherever they are hosted.
- Review security related incidents arising in the period since the last meeting.
- Review of monthly security patching reports and backup recovery reports.
- Discuss security related change requirements (enhancements or implementing changes in response to changing security advice from HMG or other governing bodies).
- Monitoring and review of Digital platform and Google security assurance.



Scrutiny Major Projects Working Group Report

Report by the Joint Overview and Scrutiny Committee Chairmen

1.0 Summary

- 1.1 This report sets out the findings and recommendations from the Major Projects Working Group set up by the Joint Overview and Scrutiny Committee (JOSC).

2.0 Background

- 2.1 At the JOSC meeting on 14 July 2016 it was agreed to set up a Working Group to review how the Councils work on major projects in partnership with West Sussex County Council and to assess if improvements are required. The decision to set up the Working Group was one of the outcomes from the JOSC meeting which discussed the lack of progress in implementing the Ferry Road enhancement scheme in Shoreham-by-Sea. Full details of the Working Group including recommendations, membership and terms of reference are set out in the report from the Working Group attached as Appendix 1 to this report. The Working Group was chaired by Councillor Kevin Boram.

3.0 Proposals

- 3.1 The findings and recommendations from the Major Projects Working Group were considered and approved by JOSC at its meeting on 16 March 2017 subject to including reference to Ward Members in recommendation 9.
- 3.2 The Joint Strategic Committee is asked to consider the report and recommendations from the Major Projects Working Group, set out in Appendix 1 to this report, which have been identified to help the Councils work effectively together and to help ensure that projects are delivered on time, cost effectively and with stakeholder support. West Sussex County Council will also be considering the report in due course through appropriate Executive and County Local Committee streams.

4.0 Legal

- 4.1 Under Section 111 of the Local Government Act 1972, the Councils have the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 4.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).
- 4.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

5.0 Financial implications

- 5.1 There are no known financial implications arising from this report but the recommendations from the Working Group propose a commitment of resources for major projects delivery including appropriate funding for Projects support.

6.0 Recommendation

- 6.1 That the Committee consider the report and recommendations from JOSC and the Major Projects Working Group report.**

Local Government Act 1972

Background Papers:

Minutes and reports of the Joint Overview and Scrutiny Committee on 16 March 2017.

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Schedule of Other Matters

1.0 Council Priority

- 1.1 Platforms for our Places - Platform 1: Our Financial Economies (Commitment for Investment in and delivery of Major Projects and key infrastructure).

2.0 Specific Action Plans

- 2.1 Platform 1 from Platforms for our Places: Our Financial Economies (Commitment for Investment in and delivery of Major Projects and key infrastructure) - Activity and projects - Aim to deliver a programme of major projects with private and public sector partners.

3.0 Sustainability Issues

- 3.1 Matter considered. No direct sustainability issues identified as part of this report.

4.0 Equality Issues

- 4.1 Matter considered. No direct equality issues identified as part of this report.

5.0 Community Safety Issues (Section 17)

- 5.1 Matter considered. No direct community safety issues identified as part of this report.

6.0 Human Rights Issues

- 6.1 Matter considered. No direct Human Rights issues identified as part of this report.

7.0 Reputation

- 7.1 Matter considered. No direct reputational issues identified but there is considerable potential for reputational damage given the high priority attached to the delivery of major projects. Improved Project working will enhance the reputation of the Councils.

8.0 Consultations

- 8.1 Matter considered and no direct issues identified.

9.0 Risk Assessment

- 9.1 That major projects remain undelivered and some strategically important sites remain vacant.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

11.1 Matter considered and no issues identified.

12.0 Partnership Working

12.1 Matter considered. The proposals in the report relate to partnership working between Adur District Council, Worthing Borough Council and West Sussex County Council.

Report of the Joint Overview and Scrutiny Committee

Joint Projects Working Group

INTRODUCTION

The Joint Overview and Scrutiny Committee reviewed the delivery of the Ferry Road enhancement scheme in July 2016 and agreed to form a Working Group, the Joint Project Working Group (JPWG), with the following terms of reference.

- To review the policies and procedures in place relating to major projects and how Adur and Worthing Councils and West Sussex County Council work together to ensure that major projects in Adur and Worthing are delivered quickly and effectively; and
- To report the findings and any recommendations back to all Councils via the respective Scrutiny and Executive mechanisms or other appropriate routes.

The JPWG consisted of the following members and officers.

Adur District Council

Councillors Kevin Boram (Chairman) and Joss Loader

Worthing Borough Council

Councillors Nigel Morgan and Bob Smytherman

Adur and Worthing Councils

James Appleton- Head of Planning and Development

Mark Lowe – Policy Officer

West Sussex County Council

Councillors Paul High and Janet Mockridge

Chris Meeus – Growth Lead (Adur and Worthing)

The JPWG met on 15 November 2016 and 16 January 2017.

Councillor Kevin Boram would like to thank all members of the JPWG for their contribution and open discussion of existing project policies, procedures and issues encountered to date.

BACKGROUND

All members of the JPWG recognise that the successful delivery of major projects is likely to be an increasingly important theme in the future for the delivery of new and improved functions in all aspects of the Councils' activities. Projects need to be delivered successfully, on time and in budget in order to ensure the councils continue to provide value for money and effective service to the region. Projects are required because of:

1. increasing pressure on costs and the requirement for increased efficiency which can only be delivered through a step change in the way services are provided;
2. the impact of new technologies; and
3. the requirement to provide new and innovative services to ensure that the region continues to be an attractive place to live and work.

It is recognised that the Councils' members and officers work closely in many areas of activity and include for example, the development of Local Plans. A new area of work has involved the preparation of a Growth Deal which supports the delivery of sustainable growth through unlocking opportunities to deliver new homes, commercial properties, supporting communities (including new and larger schools), regenerating places and creating jobs. The Growth Deal will guide coordination and alignment of the Councils' strategic aims and will assist in the effective prioritisation and resourcing of projects.

Steps have been taken by all Councils to recognise the increasingly important role of the delivery of projects through the appointment of senior officers with project management experience. JPWG recognised that when Councils do work effectively together, new projects such as the Bohunt Academy, are delivered cost effectively, on time and with appropriate stakeholder support. However, JPWG recognised that Councils did not have widespread project management skills in all relevant areas. This was evidenced by the officers with project management experience having to clearly prioritise their deliverables, often in relation to competing demands.

RECOMMENDATIONS

The JPWG identified the following recommendations to be considered by all Councils:

1. JPWG recognised the importance of the Councils aligning Place Plans and the resulting Growth Deal in order to coordinate each Councils' deliverables. Once the Growth Deal has been approved and LEP funding confirmed, members and officers should agree the Major Projects required to deliver the Growth Deal. This should include commitment of resources and the timing of delivery prior to the commencement of the project.
2. Councils should nominate an officer and where relevant an appropriate Executive Member and/or Ward Member(s) as points of contact for all projects. This information should be available to all stakeholders and where applicable included on each Council's web site. The Council with the largest stake in the project should appoint the lead project manager who will be responsible for the overall delivery of the project, principal point of contact and coordinating the other Councils.
3. All projects should implement a stakeholder engagement and communication plan at the earliest opportunity. This will enable the effective communication and understanding of projects to all relevant parties and assist in timely decision making, both in the Councils' statutory and other functions. This is particularly important for projects where a third party, public or private, have a critical role.
4. All Councils should ensure consistency between project management working practices to enable clear and effective communication and reduce interface risk between organisations (for example PRINCE2 methodology is widely adopted by both public and private organisations). The types of project management techniques used should be fit for purpose and proportionate to the scale and complexity of the project to be delivered.
5. Project Planners with appropriate experience and qualification are of fundamental importance. This could include staff with relevant qualifications. Councils are recommended to ensure secured financing for these roles to ensure continuity of project support. In addition officers responsible for

supporting projects, such as IT, Finance and Legal, should also have appropriate project management skills.

6. County Local Committees can play a key role in helping the delivery of joint projects with District and Borough Councils. Members and officers of County and Districts should discuss the progress of joint projects in those Committees to monitor progress, identify and resolve interface issues and ensure risks are minimised.
7. In order to support the County Local Committees, relevant County Council Members and Officers should be invited to Adur and Worthing's Major Project Boards to monitor project progress and agree project strategy.
8. All projects should have prepared the following documentation to support the approval process – considerations should include for example:
 - a. An investment model demonstrating the financial impact of the project with appropriate scenarios and support to strategic objectives;
 - b. An Assumptions Register and Critical Success Factors;
 - c. A Risk Register; and
 - d. A "Ready for Success" document confirming that all Councils and key third party organisations are committed and ready to deliver on time and in budget.
9. Once a project has been delivered a Lessons Learned report (good and bad) should be completed and distributed to the Leaders, Ward Members, Chief Executives and Project Management community and the report considered by the Major Projects Board and County Local Committees.

CONCLUSION

JPWG recognise that the future success of the Councils will become more reliant on the delivery of major complex projects involving the participation of a number of strategic partners (both public and private organisations). In order to ensure success each Council needs to develop its project management, stakeholder, community engagement and delivery skills not only within its project management community but also within supporting functions. Project Management resources will require secured finance to ensure these critical skills continue to be available and major projects delivered on time and in budget.



The Environmental Management of Brooklands Lake

Report by the Director for Communities

1.0 Summary

- 1.1 The purpose of this report is to update the Joint Strategic Committee (JSC) on the progress made to date to determine the future environmental management of Brooklands Lake, to seek decisions regarding next steps and to release the budget to enable the project to proceed.
- 1.2 The key recommendation is that JSC release budget to support the final procurement decision by the Director for Communities in consultation with the Executive Members for the Environment as outlined in paragraphs 11.1 and 11.2. This will allow for the swift execution of the final stages of this process in order to facilitate work beginning on site at the earliest possible time.

2.0 Background

- 2.1 Brooklands Lake sits on the eastern boundary of the Borough and is a highly regarded community amenity. This was clearly evident in the wealth of public support for a programme of work to improve the current state of the lake and reduce the negative impact on the wildlife and biodiversity in and around the lake. In our recently published plan, '**Platforms for our Places**', the Councils make commitments to working with our communities to 'Steward our Natural Resources' in the long term. The proposals associated with the management of Brooklands Lake therefore not only include immediate action to dredge and support the reduction of silt into the lake, but to work with our communities to ensure the long term benefits of this asset.
- 2.2 The report presented to JSC on 6 December 2016 outlined the functions and recent history of the lake, as well as options for environmental improvements and the management of Brooklands Lake. The committee were presented with four options for consideration, all of which included the dredging of the lake, with different options for disposal, removal or retention of the silt.
- 2.3 The committee approved that officers pursue option four; *the removal of Wet Sludge and use in margin and island creation, enhancement of valley gardens to reduce impact of pollution load from the Teville Stream. The construction of reed beds and*

sludge barrier at the northern end of the lake at an estimated cost of £750,000 to £850,000 and requested that a brief and specification was drawn up to enable the project to be tendered. At this stage no final decision was made as to next steps.

3.0 Tender Process

- 3.1 The specification and brief for tender was prepared by Technical Services - Engineering team, with input and comments provided externally from the Environment Agency (EA) and internally by Legal Services, Procurement, Estates, Communications and Environment teams.
- 3.2 In line with the JSC resolution, officers continued discussions with the Environment Agency over the potential use of their Water and Environment Management (WEM) Framework to procure the Brooklands Lake environmental improvement works. It was subsequently agreed that we would use the the EA's WEM South East Minor Works Framework and South East Landscaping Framework. Seven companies are listed on the two frameworks.
- 3.4 The benefit of using these frameworks to procure these services is the reassurance that the framework supplier's proposed methods, and minimum technical, health and safety and sustainability requirements are acceptable to the EA. This significantly reduces the risk of identifying a provider who might then fall foul of EA regulations.
- 3.5 Six contractors confirmed a wish to tender and the tender opportunity was advertised on the Council's In-tend system on the 9 March 2017, with a closing date set for 19 April 2017. Four tenders were finally received via the Council's In-tend system on 19 April 2017.

4.0 Evaluation Process

- 4.1 The four tenders received (details of which are included in exempt Appendix 1) have been evaluated by Technical Services using the Most Economically Advantageous Tender (MEAT) analysis. The result being that all four companies meet the technical elements contained in the tender documentation.
- 4.2 The Environment Agency have also provided the Council with their overview on the tenders submitted. They have made no comments or observations that have led to any of the four tenders being discounted.
- 4.3 All four schemes provided viable options for :
- Long term sustainable management of the lake
 - Remodelling the profile of the Teville Stream approach to Brooklands Lake through Valley Gardens
 - Capturing the main sources of silt and pollutant inputs into the lake (silt traps).
 - Dredging the lake, recycling the dredged materials on site to form banks, islands and silt beds. This provides the most cost effective solution for dealing with the silt volumes presently contained within the lake.

- Creates and enhances habitats, providing opportunities for wildlife.
- Improves visitor experience and visual amenity for both the local community and visitors to the park.

4.4 All tenders have provided a certain level of detail regarding ongoing maintenance and costs, which will need to be checked and reviewed as below.

4.5 Subject to award of contract; all tenders have indicated the earliest commencement on site of the main works ranges between September 2017 and April 2018. This allows for site investigations, final design and Environment Agency liaison, licensing and permits.

Returned tenders indicate an on-site works programme of between 13 and 18 weeks based on their tender stage designs.

4.6 The contract administration and day to day on site supervision will be undertaken by Technical Services.

5.0 Due Diligence

5.1 The next step of the procurement process is to complete due diligence on those companies where there is a serious potential for contract award. Given that all meet the technical specifications of the tender process, the next stage will focus on those companies that present the best value for the Council in terms of overall project delivery and cost.

5.2 Due diligence will include:

- confirming the financial status of the company,
- taking up the references provided in the tender submission and
- completing further in-depth analysis of the schemes submitted.

5.3 Once the due diligence is completed and a preferred bidder is identified, a final step will need to be completed to finalise the design with the EA, which may require the supplier to make alterations to their design and increase costs. It is not anticipated that this will be significant, however it is recommended that a contingency sum is available to take into account any changes that are required, post the identification of the preferred bidder.

5.4 There will also be a requirement to finalise with the preferred bidder the future maintenance requirements for the lake and its surrounding area, once the design is formalised with the EA. This will enable an annual revenue budget to be costed for this work.

5.5 The maintenance plan will provide a structured action plan for the management of the trapped silt, using it to further remodel lake topography e.g. islands and banks. It will also detail habitat management actions i.e. reed beds and marginal vegetation in order to sustainably manage the lake into the future and maximise biodiversity.

6.0 Consultation with other Local Authorities and Agencies

- 6.1 Officers and Cllrs have held and continue to have meetings with other Local Authorities and Agencies who have a stakeholder interest in the lake to pursue financial contributions towards the total cost of the scheme.

7.0 Community Consultation

- 7.1 This project has highlighted the high value and importance of the lake to the local community, who clearly care passionately over this much loved community facility in East Worthing.
- 7.2 A key factor in ensuring that the lake and indeed the park is managed successfully and sustainably will be the continued involvement of the local community, in partnership with the Council, to positively shape the future management and maintenance of the park overall.
- 7.3 It is proposed to continue engaging with members of the local community with the ultimate aim of forming a Friends of Brooklands Park to provide a platform to achieve this aim.

8.0 Brooklands Park Management Plan

- 8.1 Once a final scheme is determined for the environmental improvements to the lake, officers will then be able to draft a management plan for the park to set out the Council's future aims and objectives for the park.
- 8.2 It is proposed to involve the local community in helping to shape the management plan to ensure that it is also in line with their own needs and aspirations for the park.
- 8.3 The management plan will also provide a platform detailing how the proposed investment into the environmental management of the lake will be measured in terms of the long term sustainable management of the park.

9.0 Legal

- 9.1 Section 1 Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers powers on the local authority to enter into a contract with another person for the provision or making available assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority. The Council therefore has the power to contract with the successful tenderer for the work described above.
- 9.2 Under the Councils' Contract Standing Orders, paragraph 8.2, the Director for Communities, or their nominee, has the authority to enter into contracts under the Scheme of Officer Delegations, provided that:

- (a) There is sufficient approved revenue or capital budget to fund the proposed contract throughout its duration; and
- (b) The Procurement team has confirmed that best value has been obtained for those contracts where the value exceeds £25,000.
- (c) The procurement portal is used to carry out the procurement exercise obtain quotations or to carry out a tendering exercise unless it impractical to do so.
- (d) The Council's legal representative is consulted about:
 - The most suitable form of contract for all finance and operating leases;
 - The most suitable form of contract for any potentially complex arrangement;
 - The most suitable form of contract for all other contracts where the value exceeds £25,000; and
- (e) The key requirements detailed in standing orders are fulfilled.
- (f) The necessary notice(s) have been given in the Forward Plan of Key Decisions/28 Days' Notice and the requirements of the Member and Officer Decision making rules are complied with

10.0 Financial implications

- 10.1 There is a budget of £850,000 contained within the capital programme for this project.
- 10.2 Under the financial regulations (B16), no expenditure shall be incurred on capital projects of £150,000 or over included in the Capital Investment Programme without the acceptance by the Joint Strategic Committee of a detailed report setting out capital costs and revenue consequences, how successful investment will be measured and the anticipated completion date as outlined in paragraph 8.3.

11.0 Recommendations

That the Joint Strategic Committee:

- 11.1 Notes that the Director for Communities, in consultation with the Executive Member for the Environment, has the delegated authority to approve the final procurement and award the contract up to the value of £850,000 allocated within the 2017/18 Capital programme, subject to satisfactory due diligence checks and agreement of design with the Environment Agency.
- 11.2 Authorises the release of budget upto a value of £850,000 for the reasons as outlined in paragraph 10.2 and as required by our financial regulations (B16).
- 11.3 Approves that officers continue to pursue a reduction in the Council's costs through seeking external financial contributions towards the total costs of the scheme.
- 11.4 Approves that officers liaise with the preferred bidder to finalise the future maintenance requirements for the lake and its surrounding area to enable an annual revenue budget to be costed and agreed for the lake's on-going maintenance needs.

- 11.5 Approves that once a scheme has been authorised, for officers to continue to engage with the local community over the future environmental management and maintenance of the Lake.
- 11.6 Approves that officers take active steps to support the setting up of a Friends of Brooklands Park group.
- 11.7 Approves that once a scheme has been authorised, that officers draft a site management plan for consultation and subsequent adoption.
- 11.8 Requests a further report be brought on progress made to December's Joint Strategic Committee meeting.

Local Government Act 1972

Background Papers:

Joint Strategic Committee Report - 6 December 2016 - Environmental improvement and Future Management Options for Brooklands Lake.

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Schedule of Other Matters

1.0 Council Priority

1.1 Adopt more sustainable ways of delivering services.

2.0 Specific Action Plans

2.1 Matter considered and no issues identified.

3.0 Sustainability Issues

3.1 The proposed works will ensure that the Lake is managed in a sustainable manner, improving the quality of the Lake's wetland habitats will enhance biodiversity of the lake and surrounding Park.

4.0 Equality Issues

4.1 Matter considered and no issues identified.

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

6.1 Matter considered and no issues identified.

7.0 Reputation

7.1 The environmental improvements proposed for the Lake, if approved will provide long term sustainable benefits for the Lake that also meets the aspirations and needs of the local community.

8.0 Consultations

8.1 (A) Officers have consulted with representatives from the Environment Agency.

(B) Their approval for the Council to access the contractors listed on their South East WEM Framework has helped greatly in enabling the Council to engage with companies whose proposed methods would meet the EA's minimum Technical, Health and Safety and sustainability set standards.

(C) The EA has also kindly provided the Council with their overview on the submitted tenders.

9.0 Risk Assessment

9.1 Matter considered and no issues identified.

10.0 Health & Safety Issues

- 10.1 Presently in the Summer months on occasions when the blue green algal blooms, advisory notices are placed around the Lake, advising people to avoid contact with the water and to wash hands thoroughly if they do.

11.0 Procurement Strategy

- 11.1 Following consultation between the Council's and the EA's Procurement Officer's, approval was given by the EA for the Council to engage with the Contractors listed on the EA's South East Framework.
- 11.2 This enabled the Council to lawfully access the contractors through the Framework Agreement using the Council's own In-Tend procurement system to manage the tender process.
- 11.3 The EA have also provided an overview to the Council on the 4 schemes submitted.

12.0 Partnership Working

- 12.1 The Council has actively engaged in partnership working with the EA and Southern Water and also the local community to derive a sustainable way of managing Brooklands Lake in the future.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
6 June 2017
Agenda Item 9

Ward: Castle
Key Decision: No

Worthing Leisure Centre – Refurbishment of Athletics Track

Report by the Director for Communities

1.0 Summary

- 1.1 This report seeks the approval from the Committee to utilise the underspends carried forward from the 2015/16 Capital Investment Programme as a contingency for when high priority capital expenditure is identified which cannot wait for the approval of the Capital Investment Programme for the following year, or for overspends which cannot be accommodated within the overall Capital Investment Programme.
- 1.2 Approval is requested to utilise £150,000 of these underspends to fund the refurbishment of the Athletics track at the Worthing Leisure Centre.

2.0 Background

- 2.1 In August 2016 an inspection of the Athletics running track located at Worthing Leisure Centre was carried out by the Engineers of the Technical Services Section following a report from South Downs Leisure (SDL) that there was some damage to the running surface and its condition was deteriorating.
- 2.2 The inspection revealed that in some parts, the condition of the running track has deteriorated significantly with rips and loss of material in the running surface. If left unrepaired this could cause health and safety issues to users.
- 2.3 The track and other outside areas were refurbished in 2004. This involved some minor repairs and respraying the track with a specialist textured coating. In 2010 the track was thoroughly cleaned and track lane marking relined.

2.4 As part of the Service Level agreement with South Downs Leisure Trust, Worthing Borough Council is responsible for maintaining these facilities.

3.0 Proposal

3.1 It is proposed that a thorough cleansing of the track takes place and localised repairs to the track surface, rubber base mat, drainage channel and edge restraints are carried out prior to a texture spray of the whole track and relining of the markings. If maintained correctly, these works will give the running track a life expectancy of approximately 12 years.

3.2 It is also proposed at the same time to replace the rubber basemat to the Long / Triple Jump run ups for the same reasons.

3.3 If funding approved, the timing of any works will need agreement with South Down Leisure Trust and their users. The Engineering team have advised that the track must be dry and moisture free when works are carried out.

4.0 Legal

4.1 S 1 Local Government (Contracts) Act 1997

This provides that every statutory provision conferring or imposing a function on a local authority confers powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.

5.0 Financial implications

5.1 The scheme is estimated at £150,000.00 including professional fees.

5.2 Funding of £250,000 was carried forward from underspends in the 2015/16 Capital Investment Programme as a contingency for when high priority capital expenditure is identified which cannot wait for the approval of the Capital Investment Programme for the following year, and for overspends which cannot be accommodated within the overall Capital Investment Programme. These resources can be used to fund this scheme.

6.0 Recommendation

6.1 The Joint Strategic Committee is asked to:

- i) Approve the refurbishment of the Worthing Leisure Centre Athletics Track at an estimated cost of £150,000, funded from a contingency for high priority capital schemes.**
- ii) Amend the 2017/18 Capital Investment Programme to include this scheme.**

Local Government Act 1972

Background Papers:

None.

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Schedule of Other Matters

1.0 Council Priority

- 1.1 This proposal supports the Council's commitment to the health and wellbeing of its residents and the ongoing development of our Sports Strategy as outlined in Platforms for our Places

2.0 Specific Action Plans

- 2.1 Matters considered and no issues identified.

3.0 Sustainability Issues

- 3.1 Matters considered and no issues identified

4.0 Equality Issues

- 4.1 The proposal supports the wide range of activities to meet the needs of our local community. South Downs Leisure Trust as a key partner for the Council provides excellent access to groups and individuals from diverse backgrounds with a range of physical and other needs. The repair of the track will enable this aspect of their provision to be maintained.

5.0 Community Safety Issues (Section 17)

- 5.1 Matters considered and no issues identified

6.0 Human Rights Issues

- 6.1 Matters considered and no issues identified

7.0 Reputation

- 7.1 If works are not carried out, this will lead to the closure of the track due to continuing deterioration of its condition. This could cause some reputational issues with key user groups.

8.0 Consultations

- 8.1 Initial discussions have taken place with South Downs Leisure Trust. Further detailed discussions will take place if funding approved.

9.0 Risk Assessment

9.1 As 7 above, closure of the athletics track may be necessary if works not carried out. Additional safety inspections will be carried out by South Downs Leisure and the Technical Services team.

10.0 Health & Safety Issues

10.1 As 9 above

11.0 Procurement Strategy

11.1 Matters considered and no issues identified

12.0 Partnership Working

12.1 This report supports the working relationship between South Downs Leisure Trust and Worthing Borough Council.